

**INDO-MYANMAR BORDER TRADE AND DEVELOPMENT OF BORDER  
VILLAGES IN MIZORAM**

**A THESIS SUBMITTED IN PARTIAL FULFILMENT OF THE  
REQUIREMENTS FOR THE DEGREE OF DOCTOR OF PHILOSOPHY**

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MZU/Ph.D./1062 of 31.10.2017



**DEPARTMENT OF SOCIAL WORK  
SCHOOL OF SOCIAL SCIENCES  
NOVEMBER, 2020**

**INDO-MYANMAR BORDER TRADE AND DEVELOPMENT OF BORDER  
VILLAGES IN MIZORAM**

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**CERTIFICATE**

This is to certify that the thesis *Indo-Myanmar Border Trade and Development of Border Villages in Mizoram* submitted by Miss Lily Sangpui for the award of Degree of Doctor of Philosophy in Social work is carried out under my guidance and incorporates the student's bonafide research and this has not been submitted for award of any degree in this or any other university or institute of learning.

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I, Lily Sangpui, hereby declare that the subject matter of this thesis is the record of work done by me, that the contents of this thesis did not form basis of the award of any previous degree to me or to the best of my knowledge to anybody else, and that the thesis has not been submitted by me for any research degree in any other University/ Institution.

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## **ACKNOWLEDGEMENTS**

First and foremost, I would like to thank the Almighty God for giving me the strength and endurance to be able to complete this project. Much was learnt and re-learnt in the process, and it would not have been possible without the involvement and support of many individuals.

I pay my profound gratitude and reverence to my research supervisor, Dr. Kanagaraj Easwaran, Professor, Department of Social Work, Mizoram University. His insights and expertise in the field of livelihood enriched me immensely. It was indeed an enriching experience. Moreover, the support and encouragement, and above all the confidence he exudes in me has helped me to fight my own battles relentlessly time and again. In between all the excuses of wanting to avoid supervisor, on-off contemplation of giving up which I believe is a typical disposition nature of a scholar, I too treaded these phases. Had it not been the constant support of my supervisor, my dream of attaching a prefix to my name would just end mid-air. Thank you, sir.

I would also like to acknowledge my sincere gratitude to prof. C. Devendiran, Professor, Department of Social Work for his critical inputs and encouragement. Besides, my profound gratitude to Dr H Elizabeth, Asso. Professor, Dr Henry Zodingiana, Asso. Professor and to Dr Grace L Sailo, Asst. Professor for their timely support and valuable comments.

I am indebted to my family for their constant prayers, love and unfailing support, especially to my brother Robert Sanglora Khawbung. To my friends who supported me through and through in different means and ways, thank you. Ngurrivung, Lalremsiami, Zawringum Pulamte, Fakte and Zoramsang F Tusing, I truly appreciate your timely help. Janet Gongmai and Mercy, thank you for investing your time in my research work. I would also like to take this opportunity to thank my bosom friends Dr. Jenny Leivang, and Dr. Esther Lalremkim for their constant words of encouragement and above all for being a friend through thick and thin.

I am deeply thankful to all my respondents, community leaders, and individuals whom I came into contact during the entire journey of my research work. Thank you for your valuable time and enriching stories. I would like to extend my gratitude personally to Mr. Sumzathang Khawbung( Champhai), Parte (Zokhawthar) and Hlmpui of Melbuk village for their logistic support.

Last, but not the least, my sincere gratitude to Ms Lalmuankimi, LDC, and Pa Hmangaia for their cooperation and assistance during my time at the department.

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## **ABBREVIATIONS**

AAY	Antyodaya Anna Yojana
AEP	Act East Policy
APL	Above Poverty Line
BADP	Border Area Development Programme
BPL	Below Poverty Line
BT	Border Trade
BTA	Border Trade Agreement
CTU	Champhai Transport Union
CITU	Central Indian Trade Union
CITUM	Centre of Indian Trade Union Mizoram
CEITU	Champhai Export and Import Trade Union
DFID	Department for International Development
DGFT	Directorate General of Foreign Trade
EXIM	Export and Import of Mizoram
EFCI	Evangelical Free Church of India
FMR	Free Movement Regime
GoI	Government of India
GoM	Government of Mizoram
KII	Key Informant Interview
LCS	Land Custom Station
LDI	Livelihood Diversification Index
LEP	Look East Policy
LoC	Letter of Credit
MDCS	Melbuk Development Charitable Society

MGNREGS	Mahatma Gandhi national Rural Employment Guarantee Scheme
MHIP	Mizo Hmeichhia Insuikhawm Pawl
MUP	Mizoram Upa Pawl
NER	Northeastern Region
NLUP	New Land User Policy
ODI	Overseas Development Institution
RBI	Reserved Bank of India
SEA	Southeast Asia
SEZ	Special Economic Zone
SLF	Sustainable Livelihood Framework
SPSS	Statistical Package for the Social Science
UPC	United Pentecostal Church
UNCTAD	United Nations Conference on Trade and Development
YMA	Young Mizo Association
ZTA	Zokhawthar Transport Association
ZWA	Zokhawthar Welfare Association

## **CHAPTER I**

### **INTRODUCTION**

## **CHAPTER 1**

### **INTRODUCTION**

The study probes into the role of border trade in the development of bordering villages in Mizoram. The focus is on Zokhawthar and Melbuk villages which are located along the corridor of Zokhawthar – Rih border trade, the second Indo- Myanmar Border Trade. Zokhawthar- Rih trade point is marked by river Tiau which runs in between the borders of Mizoram and Chin State of Myanmar forming a natural boundary line.

The notion of border occupies a contentious space. Boundary in one sense represents ‘a place of meeting’ and on the other hand indicates ‘a line of separation’ (Hussain, 2010). It represents a caricature of territorial sovereignty and on the other hand a meeting place of people and cultures. A peculiar feature of border is that it exhibits a natural trading point. As borders lie in the periphery area which is normally away from mainland or production centres, traditional cross border trade flourish and has developed well over the years. The dependence on adjacent bordering villages is high for the exchange of goods and services. Border exhibits a distinct characteristic of its own. In an era of a seemingly borderless world, advanced by globalisation and liberalisation process, a close scrutiny on the securitisation of borders indicates otherwise the abject rigidity of borders. Salter (2008) views the border as a ‘permanent state of exception’(2008: 367), and that the exceptions are the rule. The predisposition towards maintaining secured borders stem from the recognition of sovereignty of a particular state; as such, entry and exit points are highly secured and militarised. While advocating for a shared concept of border, movement is clamped down by laws and policies. However, movement of goods and people continued to persist despite securitisation of borders which is well depicted through daily negotiation of borders by border communities. And in an era where relationships between countries are forged by economic aspirations through the opening of its border for trade, the rigidity of borders has lessened. This shows that border fixity and fluidity co-existed, exacerbating further to view border as neither too flexible or open nor too rigid or closed. This juxtaposition of advocating open

and close border reverberates the contentious notion of border, as experienced by diverse actors.

The fragility of India's land border reverberates the need to ensure stability along its border in terms of both security and development. Cross border terrorism, drug trafficking, conflicts and contestation along its borders are a common parlance along India's frontiers right from Jammu and Kashmir to the North Eastern Region (NER). With constant threat on its frontiers, the need to secure its border became a priority as stable borders secure sovereignty. Any policies directed along the troubled periphery of India's border resonate towards maintaining security. As implied by traditional location theory, border regions are weakly developed within a closed economy (Niebuhr & Stiller, 2002) to which India is not an exception. India's internal security hinges on and is deeply rooted to its weak borders. Constant threats from India's own insurgency outfits operating along its border and from neighbouring countries, clubbed with underdevelopment has contributed in marking it as a sensitive and weak border. To respond to the mutual underpinning of security and development, India has initiated the Border Area Development Programme (BADP) in the year 1986-87, primarily to strengthen India's security by ensuring balanced development and security provisions along its border. Initially it was implemented in the western border states of Rajasthan, Punjab, Gujarat and Jammu Kashmir. Later, the program was extended to NER which shares international borders with Myanmar, Bangladesh, Bhutan, Nepal, and China. Earlier, BADP was implemented with an emphasis on the development of the region to facilitate deployment of security forces (NITI Aayog, 2015). It was implemented on the backdrop of a traditional security approach characterised by a highly militarised and top-down approach. Later, it was revamped to encompass a development approach wherein the ambit of the programme was widened to include development of socio-economic aspects such as education, health, agriculture, infrastructure and other allied sectors (Manohar, Saravanan & Saini et al, 2020). With respect to Mizoram, BADP was implemented in the years 1993-1994 covering 4 rural development blocks initially along the Indo- Bangladesh border and later extended to the Indo-Myanmar border in 1997-1998 which has now covered 16 rural development blocks in total.

The landlocked nature of the NER, rugged terrain, specific problems like poverty, insurgency, illegal migration, law and order problems have always been a challenge in carrying out developmental activities. Moreover, the focus of India's policy towards the border region is entrenched within security discourse that any attempts to usher development through injection of funds, schemes, special status fall behind the ambit of security. For instance, earlier BADP was handled by the Planning Commission (NITI Aayog) and later transferred to the Ministry of Home Affairs post the Kargil war under the Department of Border Management and has been implemented by it since 2004. Development was facilitated by aligning around strengthening security and in creating a positive image towards security personnel. Despite the opening of borders for trade, borders continue to be seen as a zone of containment and control in a centralised manner.

The mid-eighties and the nineties were characterised by a phase of trade openness, globalisation and economic reforms. In the midst of these developments, regional groups were formed to reap the benefits from instituting trading partners and in bridging closer economic and political ties. Opening up of borders and advocating a concept of shared borders began to take a forefront role in the policies of the nations. Borders which were once seen as liabilities are now seen as geo-economic potentials (Das, 2005). As pointed out by Hanson (1999, 1998) and Krugman (1993), trade liberalisation strongly affects the economy of the border region. Thus, it was visualised that overland trade could help transform the geographical stagnation and requirement for growth in NER. With the opening of borders for bilateral trade, the connotation of borders underwent a change. Borders which were once seen as a liability have assumed a new narrative and began to be viewed as a gateway to link economic ties for growth and development. The connotation of the border as a transit hub for bilateral trade has transformed the development narratives of NER.

Trade and development are discussed together for years as they are interrelated. Growth was seen as a major criterion to assess success. The debate on trade and development centred around the efficiency of export led growth versus import led industrialisation (Raychaudari, 2005). The vent for Surplus Theory as popularised by Myint (1958) gives an initial basis for trade. The surplus resources-rich nation used to export as an outlet to sell their surplus products and pay for



valuable imports. This export-led growth theory became to dominate the understanding of trade as an engine of growth. The United Nations Conference on Trade and Development (UNCTAD) study provides an empirical finding relating to export-led growth and GNP growth (Raychaudari, 2005). Unlike international trade models which regard nations as dimensionless points and assume spatial distance to be irrelevant for the intensity of trade relations, an empirical study by Rauch (1951) shows spatial distance to be an important determinant of international bilateral trade volumes. This further highlights the importance of location. And that geographical position is decisive for access to the cost advantage to foreign markets (Niebuhr & Stiller, 2002). The physical traits of NER of India which shares just 2 percent of its border with mainland India through a narrow chicken neck corridor at Siliguri further adds importance to the role of its adjacent neighbouring countries. The NER border is more opened with its neighbouring countries where it shares an international border with China (1395 km), Bhutan (455 km), Myanmar (1643 km), Bangladesh (1596 km), and Nepal (97 km) (Gogoi & Goswami et al, 2009). With the adoption of Millennium Development Goals (MDGs) focusing on the forefront issues like poverty, income distribution, and unemployment there is an ardent need to explore the role of trade and its impact on these issues as these aspects are not directly taken care of by economic and trade reforms. And equally important is to explore the role of border trade at a micro level, in the lives of borderland people who are intrinsically placed at the heart of policy.

### **1.1 Act East Policy**

India's engagement with Myanmar over the years remains unequivocal and trotted along the line of idealist manoeuvre, banking on shared history, culture, religious ties and unflinching support for democracy. India's policy towards Myanmar however underwent a change with the realisation that commitment to democratic values seems unrealistic in the face where military rule has been deeply established. Since 1962, Myanmar was continually under different guised of military rule, first under General Ne Win and then under the State Law and Order Restoration Council (SLORC) which assumed power in 1988. The prolonged era of idealism and support for pro-democracy in Myanmar ill- placed India that pushed the military junta to ignore several concerns of India (Routray, 2011). The growing concern of

China's presence in Myanmar propels India to relook its policy towards Myanmar as well. On the domestic forefront, the reported rise of concentration camps of different insurgency groups of Northeast along the Indo- Myanmar border and the significant resurfacing of linkages and ties to China, for training and supplies of arms to insurgents, directed India to rechannelise its Myanmar's policy in a pragmatic manner through engagement with the military junta. The shift from idealism to pragmatic policy brought in a game changer for India with renewed interest in Myanmar. The binding needs to redirect its policy coincided with the rise of Asian Tigers. Following the onset of erstwhile Look East Policy (LEP), it strategically placed Myanmar at the heart of the Act and seen as a gateway for rapprochement with the economically successful Southeast Asian states (Egretau, 2003) via the NER which shares a long land border of over 1600 kms with Myanmar (MEA, 2016). This strategically positions the NER as a gateway to Southeast Asian (SEA) regions.

The emerging intensity of regional co-operations and frameworks, particularly of Myanmar joining the Association of Southeast Asian Nations (ASEAN), also propel India to redirect its foreign policy. The direction of change of forging new relationships began in the early 1990s, however, with no mention of the term Look East Policy. It was first mentioned only in a 1995-96 report of the Ministry of External Affairs. The Act was born and formulated along the line towards garnering geo-economic potentials by linking with Southeast Asia countries via Myanmar (Bhaumik, 2014; Sikri, 2009). Using the 3 C's- Culture, Commerce, and Connectivity, India's foreign policy towards Southeast Asian (SEA) regions began to take shape and developed. As India shared a long land border of 1643 kms with Myanmar running along the north eastern states of Arunachal Pradesh, Manipur, Mizoram, and Nagaland it strategically placed NER and Myanmar at the heart of the Act. Since its inception, the Act undergoes rebranding exercises, and each phase is marked by broadening and deepening of India interaction in diverse spheres under different progressive governments (Bajpae, 2017; Haokip, 2011). The broad objectives of the LEP during the 1990s were three-fold – to institutionalise linkages with ASEAN and its affiliates; to strengthen bilateral relationships with member states of ASEAN; and to carve a suitable place for itself to prevent Southeast Asia

falling under the influence of any one major power (Naidu, 2004). The first phase was characterised by growing trade and investment linkages with Southeast Asia (Bajpae, 2017). During this first phase, a bilateral trade agreement was signed between India and Myanmar in 1994, which resulted in subsequent opening of India's Northeastern border for trade. This has led to the opening of four designated trade zones in four northeastern states of Manipur, Mizoram, Nagaland, and Arunachal Pradesh. The first designated Indo- Myanmar border trade commenced from Moreh- Tamu (Manipur) in 1995, and the second trade point Zokhawthar – Rih was inaugurated in the year 2004 across the borders of Mizoram and Chin state of Myanmar. India's Look East Policy entered its second phase beginning with the start of ASEAN-India summit level partnership in 2002. According to Yashwant Sinha, former external affairs minister, the second phase is characterised by an expansion of definition of 'East' extending from Australia to China and East Asia. Phase two marked a shift from economic integration to encompass greater security and political integration. Finally, the recent shift and rebranding from Look East to Act East in 2014 heralded the third phase. The rhetoric calls for the need to 'Act' implied the need to further direct towards forging engagement on a more proactive and action-oriented approach. The context of the Act expands to include the Indo-Pacific region, thereby broadening the geographical scope of the Act.

An important dimension of the Act lies in its domestic consideration; to help transform the geographical handicapped of NER by taking advantage of its geo-strategic location. This aspect has garnered much attention and hype among both academicians and non-academicians. Borders were opened and several critical infrastructures developments were initiated for the commencement of trade. To facilitate trade, improvement of connectivity in the NER was carried out that has to a great extent lessened the geographical handicap of the region. India has made significant strides through its Act East policy in the areas of infrastructure development, and especially in its supervisory and regulatory (Sikri, 2009; Kalita, 2012). With 12 operational airports, the majority of the state capitals and towns are linked by air connectivity. Rail connection has improved over the last decades. Landlocked states like Mizoram (Bairabi), Manipur (Jirbham) and Meghalaya (Mendipathar) are now on India's railway map marking for a new vista to boost

international connectivity. To boost connectivity across land, water, and air, different projects have been initiated. Trilateral highway projects to connect India- Myanmar- Thailand and Tamu-Kalewa- Kalemmyo. Another 225 km Rhi-Tiddim- Falam road connectivity is under pipeline to connect Mizoram and Mandalay (Chaudhury & Basu, 2015). The upcoming waterway, the Kaladan Multimodal Transit Transport Project once completed will connect the Sittwe port that will ease trade and connectivity. However, problems persist in the geopolitical contours of NER and ASEAN countries coupled with slow infrastructure development (Bhaumik, 2014; Bhattacharjee, 2016). This has greatly derailed much of the intended benefits. Nevertheless, bilateral trade with Myanmar has changed the way borders are seen in the light of strategic partnership.

## **1.2 Concept of Border Trade**

Cross border trade was prevalent even before the commencement of formalised border trade, especially in the NER with its neighbouring countries. Border communities depend on cross border interactions and it has been a continuous lifeline for them, with dependence on far flung main markets remain exclusive on account of cost, limited transportation facilities and above all the region being underdeveloped in many areas. Most of the sites for border trade points were identified on the existing traditional old routes. Zokhawthar-Rih trade point is one example of it, through ages it was one of the main routes used frequently for cross border movement by people living especially near the borders. There was a free flow of people and goods from both sides of the borders especially between the Mizo district (Mizoram) and Chin State (Myanmar) (Sangkima 2004).

Commenting on the difference between cross border trade and border trade, cross border trade encompasses both aspects of formal and informal trading through air, land or sea. On the other hand, border trade as defined by the Department of Commerce, GOI, is limited to over land trade by way of exchange of commodities from a bi-laterally agreed list by the people living along both sides of the international border. It is a trade in local products of limited value by the people residing along the border areas (Das, 2014). It is different from other international trade carried through air, land or sea ports. In another instance, border trade is defined as the exchange of goods and services across international land borders

within the reach of up to 30 kms (Ge, He, & Jiang et al, 2014). Thus, in comparison with border trade the contour of cross border trade is larger both in terms of volumes of trade and patterns of transactions. It can be ascribed that border trade can be incorporated as part of a subset under the larger domain of cross border trade.

Considering the implications of Act East Policy (AEP), border trade strides to serve two major dual purposes viz., as a strategic tool and development tool. As a strategic tool border trade helps in forging relations across countries especially with neighbouring countries, within the objective for greater economic ties. Another aspect is that it helps to draw the line of control and the recognition of border line demarcation. At a local level, border trade is viewed as part of a larger border development plan, one that has the potential to usher in the much-needed development in border regions. As a part of the border area development plan, border trade provides alternative means of livelihood to border residents, generates employment opportunities, and with the injection of critical infrastructures it helps boost the local economy. From these perspectives, border trade acts not just as a strategic tool on its own, but also as a catalysing agent for regional development.

The capitalisation on economic imperatives with Myanmar proves to be a better strategic move rather than upholding on democratic ideology which was frowned upon previously. Border trade provides for both countries to cement new relations based on the complementary needs of its bordering communities, commonalities of remoteness, and the need for the management of its borders. The potential to revive the local economy and free the northeastern region from its isolation and under development have intricately positioned border trade as an engine for growth and development. Within the praxis of development, the role of border trade has garnered much attention. Thomas, Das & Singh (2005) argued the need for considering 'border trade' as a strategy for development of border areas (p 32). As such, rather than focussing on frontier politics and placing border trade within the sub component of policy, the study attempts to understand border trade from the point of development. The study focuses on the role of border trade within the discourse of rural development in an attempt to understand liberalisation forces at the ground by placing border communities at the centre of analysis.

### **1.3 Border Trade in Northeastern India**

With a view of integrating with the world economy India has opened up 40 Land Custom Stations (LCS) in and around the borders of NER primarily to facilitate economic linkages through border trade (MoDONER)<sup>1</sup>. Out of 40 LCS, 22 LCS are functioning (Guha & Mohapatra, 2016). The LCS are located across borders of neighbouring countries of Bangladesh, China, Bhutan and Myanmar of which majority of the LCS are situated along the Indo- Bangladesh border. In comparison with other LCS in NER, Bangladesh remains one of the leading trading partners for northeastern India (Islam, 2004).

Pertaining to bilateral trade with Myanmar, the Government of India (GoI) has signed the Border Trade Agreement (BTA) with the Government of Myanmar in 1994. Subsequently, it was agreed to open up four border trade zones along the Indo-Myanmar border viz., Moreh- Tamu, Zokhawthar- Rih, Longwa in Nagaland, and Pangsau Pass in Arunachal Pradesh. Out of these proposed LCS, only Moreh LCS and Zokhawthar LCS are functioning. The other two are yet to function, although border exchange took place across these designated points unofficially. As the implementation process was slow and took considerable time to keep in place the infrastructure requirements and services to facilitate trade, for a while only Moreh–Tamu trade began to function and was operationalised on 12th April 1995. It was only after the construction of Bailey bridge in 2002, over river Tiau which runs in between Mizoram and Myanmar, that gave impetus to begin for the functioning of Zokhawthar- Rih border trade. In 2004, the Zokhawthar- Rih border trade zone was officially inaugurated.

Border trade refers to the transaction of goods and services across the borders, between the inhabitants living near the international border (Das, 2016; Chutia, 2015). It is a part of the trade that flows through the export and import framework of nations. Border trade facilitates the exchange of commodities overland trade from a bi-laterally agreed list by people living along both sides of the border area (Chutia, 2015:10). Under the BTA, it was agreed upon three types of trade across the Indo- Myanmar border. Across Moreh and Zokhawthar, bilateral trade is conducted under three mechanisms. The three mechanisms are viz.,

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<sup>1</sup> <https://mdoner.gov.in/list>.

- a) Barter Trade of items not exceeding the US \$ 1000 or its equivalent,
- b) Barter Trade of items up to the value of US \$ 20,000 or its equivalent, and
- c) Normal Trade against payment for the supplies.

The first two types of trade envisaged the exchange of goods without monetary transaction by the people living along both sides of the Indo-Myanmar border as per the prevailing customary practices. Barter trade was to be carried out only by way of head load and in a non-motorised transport system.

Contemplating on the difficulties and problems associated with the barter trade system, the Reserve Bank of India (RBI) on November 5<sup>th</sup> 2015 abolished it and laid down for the functioning of normal trade (Das, 2016). Providing clarity on the conceptual level, Das (2016) differentiate barter system carried out as part of the subset under border trade with that of border trade under normal trade. Under the Indo-Myanmar Border Trade Agreement (BTA), it provides for barter trade on identified items under specific conditions, as well as, normal trade against payment. Under barter trade, it was difficult to match demand and supply. Moreover, it proves to be a loss for India as it continuously accrues trade deficit. Most of the items listed in the agreement are found unfavourable for India. Indian goods and products were in less demand and it became difficult on the part of Indian traders to exchange it with goods equivalent to the imported goods (Bhattacharya, 2005; Singh, 2005; Das, 2005; Das, 2016). On account of these problems, barter system was subsequently replaced by normal trade.

Despite problems that are associated with border trade, the need to facilitate border trade remains important especially when it has the potential to promote local development and build the livelihood of border community. Moreover, it has a wide scope for locally produced commodities to be traded as per the prevailing customary practices on both sides (Bhattacharya, 2005; Das, 2016). Drawing on the potentials of border trade to leverage the economic and well as the much needed developmental aspect of Northeast region of India, in 2008 the GoI broadened the conceptual contour of border trade (Das, 2016). In order to draw a link between domestic economic imperatives and the external economic environment, the number of exchangeable items was added and normal trade was permitted in Moreh and Zokhawthar (Das, 2016).

#### **1.4 Overview of Literature**

Trade and development are discussed together for years as they are interrelated. Growth has been seen as the major criterion to assess success. Earlier debate on trade and development centred around the efficiency of export led growth versus import led industrialisation (Raychaudari, 2005). United Nations Conference on Trade and Development (UNCTAD) study provides an empirical finding relating to export-led growth and GNP growth (Raychaudari, 2005). There are studies by Hanson (1999, 1998), Hanson Krugman (1993) which suggested that trade liberalisation might strongly affect the economy of the border region. Unlike International trade models, which regard nations as dimensionless points and assume the spatial distance to be irrelevant for the intensity of trade relations, empirical study by Rauch (1951) shows spatial relation to be an important determinant of international bilateral trade volumes. This revert back the importance of location in that geographic position is decisive for access to the cost advantage to foreign markets (Niebuhr & Stiller, 2002). Borders which were once seen as liabilities were now seen as geo-economic potentials (Das, 2005). The opening up of borders and advocating a concept of shared borders began to be taking a forefront role in the policies of the nations. Kravis (1970) holds that trade alone will not promote growth unless supported by other institutional changes (cited in Raychaudari, 2005). The rise in regional cooperation and frameworks and with Myanmar joining the ASEAN, India felt the need to redirect its foreign policy. The Act East Policy erstwhile Look East Policy was formulated towards garnering geo-economics potentials by linking with Southeast Asia countries via Myanmar (Bhaumik, 2014; Sikri, 2009). Another important dimension of the policy lies in its domestic consideration; to help transform the geographical handicapped of Northeast regions by taking advantage of its geo-strategic location. Using the 3Cs- Culture, Commerce and Connectivity, India's foreign policy towards SEA regions began to take shape and developed. India has made significant strides through its Act East Policy in areas of infrastructure development, and especially in its supervisory and regulatory (Sikri, 2009; Kalita, 2012). Also, in a study conducted by Srinivasan (2012) on regional cooperation and infrastructure development in South Asia, it indicated improvement in the level of household and on income, and depicted diversification of household's income. It also



depicted significant decline in poverty as rural roads result in substantially improved access to health and education services.

The opening of the border and its linkages to development lay in promoting livelihood en route border trade areas and in ushering development (Das, 2006; Kabra & Singha, 2006). Studies by Songate (2010), Romalsawma (2000), and Singh (2011) depicted that border trade facilitates employment opportunities along the border regions in sectors like transport, small business enterprise and creation of labour market. Significant improvement in the per capita household income was found in Singh's study. Despite the enormous geo-economic potentials, however, India has not been able to derive the much-intended benefits. According to Taneja (1999), Thomas (2000), and Singh (2011), the domination of informal trade on account of problems in formalising trade and the dominance of high tariffs diverted much of the intended benefits. In addition to it, the opening of border trade also brings in other non-security threats and usher in social, political and economic dynamics especially among people residing in the border areas (Songate, 2010; Gogoi, 2010).

Livelihood approach places people at the centre of development and provides a framework for the analysis of people's livelihood. Sustainable Livelihood Framework (SLF) enables a description of the local individual, household or community assets to be positioned and analysed against the existing vulnerabilities context, structures and processes that shape and govern their livelihood (Ellis, 2000; Carney, 1998; Scoones, 1998). As Cahn (n.d) observed, the framework placed the asset status of people as fundamental in determining the options open to them and the choice in pursuing strategies to attain livelihood. As livelihood research is directed in understanding the dynamics and interplays of poverty governed by structures and institutional processes Murray (2002) underpinned the need to analyse social relations. And it requires attention to the livelihoods of people who are not poor as well as to those people who are poor. He further distinguished three major approaches to livelihood studies, which he identified as the circumspective approach that looks at livelihood at the moment of time, while the retrospective approach looks back and assesses the change in livelihood over a period of time, and the prospective approach that looks towards policy formulation. To achieve a better understanding of

changing livelihoods over a period of time he argues for a combination of some approaches (Murray, 2002).

The overview of literature indicates that empirical studies on border trade in the Northeast sparingly focused on the linkages to border development. The focus of previous studies mainly draws upon implications on social, political and on the economic at a broader policy level. Moreover, previous studies have focused mostly on the status, trends, socio-economic impact as well on constraints to trade. Studies related to the context of border trade in Mizoram draw on the political economy's impact from the nuance of political lens and geographical analysis wherein the various dimensions of border trade are still understudied. In terms of methodology, previous studies relied mostly on secondary data while studies employing a mixed method of qualitative and quantitative primary data is yet to be attempted. Attempts to draw the impact of border trade at ground level, on the bordering communities who are intricately placed at the heart of policy are sporadically touched upon. In addition, no empirical study particularly on Zokhawthar –Rih border trade in the context of livelihood has been conducted. The present study tries to fill the above major gaps in the literature on border trade and development as well as in examining the role of border trade in the promotion of livelihood to bordering people.

### **1.5 Theoretical Framework: Sustainable Livelihood Framework**

The study incorporates a sustainable livelihood framework (SLF) promoted by the Department for International Development (DFID) to understand the nexus between border trade and livelihood, and the subsequent role in the development of bordering villages located adjacent to the trade zone.

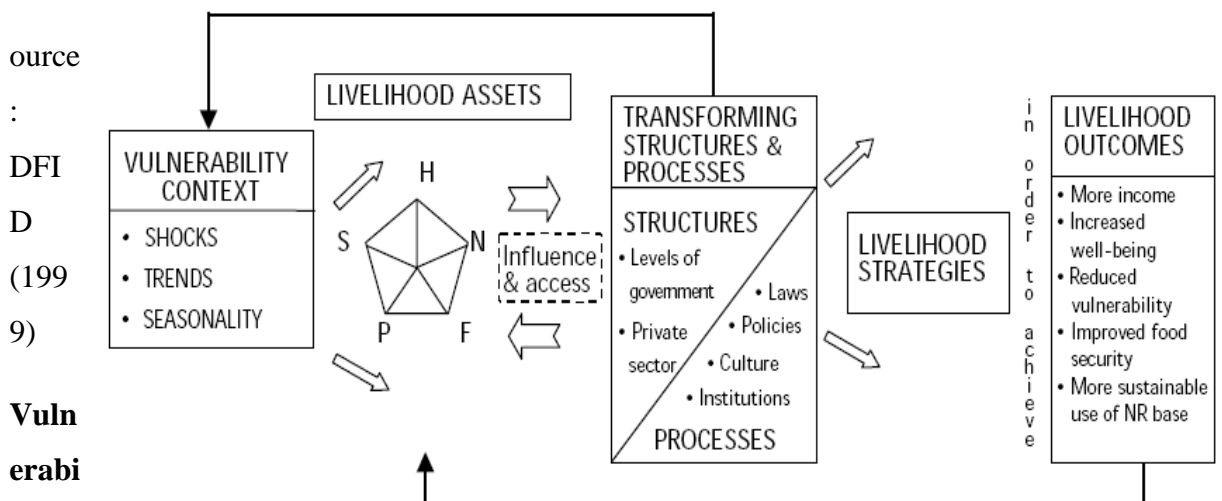
The concept of sustainable development was first introduced by the Brundtland Commission on Environment and Development. Since then, with the adoption by different agencies, the concept expanded and saw the inclusion of sustainable livelihood mainly in the study of poverty eradication. Developing along the line of development, the Sustainable Livelihood Framework (SLF) grew momentum during the 90's. This framework is used as an analytic device to understand livelihood and poverty (Farrington, Carney & Ashley et al, 1999). However, in the course of years, its application widened to include beyond just the

understanding of poverty. The framework finds its applicability in understanding livelihood within different context like migration, conflict, and in others areas like enterprise and vulnerability (Tanle, 2015; Siddiqui, 2003; Nigel, 2009; Cahn, 2006).

Livelihood approach places people at the centre of development and provides a framework for analysing people’s livelihood. Drawing from Chambers & Conway (1992), a livelihood comprises capabilities, assets, and activities necessary to earn a living. A livelihood is said to be sustainable when it is able to cope or recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base (DFID, 2008). Sustainable Livelihood Framework (SLF) enables a description of the local individual, household or community assets to be positioned and analysed against the existing vulnerability context, structures, and processes that shape and govern their livelihood (Ellis, 2000; Carney, 1998; Scoones, 1998). As Cahn (n.d) observed, the framework placed the asset status of people as fundamental in determining the options open to them and the choice in pursuing strategies to attain livelihood.

SLF consists of different key components. It looks into various components and its linkages in influencing livelihood. Major components of SLF include vulnerability context, livelihoods assets, transforming structures and processes, livelihood strategies, and livelihood outcomes.

**1.1 Fig: Sustainable Livelihood Framework**



## **lity Context**

Vulnerability is understood as the existence of insecurity and helplessness in the context of potential problems that could push a household to fall back into poverty. Understanding the vulnerability context under which people base their livelihood provides better analysis of people's livelihood in terms of imminent and persisted problems, and forge better recommendations that are close to people's experiences. Under SLF, three broad contexts of vulnerabilities are identified in the forms of viz.,

- 1) Trends: It includes economic, resource and technology trends
- 2) Shocks: Shock could be in the form of informal setting, conflict, health shock, economic shock and natural shock.
- 3) Seasonality: It encapsulates seasonal fluctuations in prices, production, health, and employment opportunities. It also includes the impact of climatic factors in terms of occurrence of hazards in the form of floods, landslides, and earthquakes that in any eventuality when hazards interact with vulnerability it could have adverse effects on an individual, household and the community at large.

## **Livelihood Assets**

Livelihood assets are the economic base on which people build their livelihood. And access to these livelihood assets determine livelihood outcomes. Livelihood assets are also referred to as livelihood capital. Under SLF, major components of livelihood assets include natural capital, physical capital, financial capital, human capital, and social capital.

Capitals are not fixed and people associate it with diverse capitals at different spans of time. The peculiarity of capital is that it is transferable. One capital can be used to maximise or promote the accumulation of various capitals. Likewise, it can bank on one another to further enhance access to others' capital which are deemed vital to further strengthen livelihood.

**Natural Capital:** Natural capital includes land, forest produce, livestock, and water. It is formed of environmental services which are found abundantly, yet, access to these resources is governed by policy and laws at national, state, and local level.

***Physical Capital:*** These capitals are considered as the building block of livelihood upon which people base their livelihood. It comprises infrastructure (transport, roads, vehicles, housing, buildings), technology, tools and equipment for production.

***Financial Capital:*** Financial capital comprises savings, credit (informal and formal), wages, insurance, and banking services.

***Human Capital:*** Human capital corresponds to tangible assets in the form of knowledge and skills, education, health and nutrition, capacity to work, and ability to adapt.

***Social Capital:*** Social capital comprises those intangible resources formed on the basis of social relations. people's institutions both formal and informal and the associated networks and connection, trust and solidarity fall under social capital. In addition to it, common rules and sanctions formed part of social capital.

### **Transforming Structures and Processes**

Transforming structures and processes represent the core component of SLF. The choice of livelihood is greatly influenced and governed by transforming structures and processes which include policy, laws, regulations, norms, and incentives. Institution process is embedded in a matrix of formal and informal institutions and organisations. These structures exhibit the dynamics of power relations where policy, institution structures along with its rules and regulations display power at different levels. Power plays a considerable role and a livelihood approach cannot be neutral towards 'power relations' as it determines access to vital resources which ultimately influence livelihood outcomes (Tanle, 2015:5). Existing policy, laws and other factors have an abiding influence in the structuring of people's choice in terms of livelihood, access to various capitals and in the adoption of various livelihood strategies.

Central to the understanding of livelihood is the analysis of these institutional structures and policies as it influences people's access to vital resources and to what extent they can access. It can either put a constraint or shape the adoption of various livelihood strategies and livelihood outcomes eventually (Scoones 1998; Krantz, 2001; Toner, 2003; Levine 2014).

## **Livelihood Strategies**

SLF recognised three major livelihood strategies that people adopt in general. It includes intensification, diversification, and migration. People pursue a single strategy intensively or at times combined various strategies depending upon the situation. Assets endowment of a household and existing policies are some factors that influence people's capacity to pursue a specific livelihood strategy or combine diverse strategies. Livelihood strategies aim to achieve livelihood outcomes (Serrat, 2017) where the decision to adopt strategies correspond to bivalent paths either as a mechanism for wealth accumulation or as a strategy for poverty alleviation/reduction.

The centrality of livelihood framework lies in the recognition of the vulnerable context under which people base their livelihood. Livelihood is deemed to be sustained if it can cope with and recover from stress, and shocks (Chambers & Conway, 1991). The ability to withstand risk associated with livelihood entails the adoption of various strategies. To lessen livelihood vulnerabilities people, adopt various strategies in different multi local settings and at times combine different strategies. The adoption is seen as a continuum covering a range from the need to struggle and survive, or for seeking security and growth (Thieme, 2008). As livelihood framework recognised diverse strategies, it helps in understanding the nuances of development perspective. For instance, the inclusion of migration as one of the livelihood strategies helps in understanding the phenomenon of migration from the context of livelihood perspective rather than from the larger prevailing negative notion of migration (Ellis, 2003; Skeldon, 2008). In most cases people adopted three major livelihood strategies viz., intensification or extensification, diversification, and migration (Scoones, 1998; McDowell & de Haan, 1997). These three strategies carry the range of options people could pursue. People either intensify or extensify by investing more output per unit area through capital investment or increase in labour input, or increase the area of land under cultivation. People also diversify to a range of farm and off-farm income activities or move to a new place temporarily or permanently. According to Scoones (1998) people pursue a combination of strategies or in sequence and identifying what livelihood capitals are required for different strategies is the key step in the process of livelihood analysis.

## **Livelihood Outcomes**

Livelihood outcomes can either be positive, negative or neutral which is conjecture to show a particular household response. As an indicative of perception level by a particular household, outlining outcomes with parameters projected by others rather than by the people fail to represent the nature of impact. The assumption of positive, negative and neutral remains within how a household defines and assigns value to it, which in turn is relative and varies from household to household.

Although the livelihood approach provides a comprehensive framework to understand people's lives, yet, it is not deprived of critiques. The framework fails to address issues like violence, conflict, gender dynamics, and above all the question of its applicability to use as research tools (Collinson, 2003; Lautze & Raven-Roberts, 2003). Riveting on the shortcomings, Levine (2014) offers a practical research guide and applicability of the framework. Understanding the vulnerability context should stem first from understanding the contextual reality of the people under study that are drawn from people's perspectives as these factors drive people's choice of livelihood and strategies to be adopted. To understand what people are doing and why they are doing depicts the intended livelihood outcomes they want to achieve which may not be solely depicted on economic terms. As such, Levine argues to give emphasis more on people's own objectives into the frame of reference and their perception of the world. And that a good livelihood research should be able to capture the diversity in people's choice.

### **1.6 Statement of Problem**

With the onset of trade liberalisation and the process of globalisation, borders which were once seen as a predicament and liabilities are now looked upon as a prospect for growth and development. The opening of borders for bilateral trade along with neighbouring countries is imperative to integrate India's economy with the external economy. The promotion of trade as an instrument of growth, in a landlocked non-industrialised region of the Northeast part of India, which has a natural advantage of trading, could invariably boost the region's much needed growth and development.

Myanmar is the only country in Southeast Asia with which India's Northeast shares a land border and is therefore highly relevant to India's Act East Policy (Bhaumik, 2014). With the existence of prior cross border trading mechanisms, building on the existing cross border trade seems to be relevant. With the formalisation of Indo-Myanmar border trade, and the subsequent injection of infrastructure and upgradation of trade point, it invigorates the potentials to usher in developmental narratives to the Northeast region. The Northeast region has always been marked as a region depicting slower growth rate and lack of development in various dimensions as compared to mainland India. Yet from a different angle, it is seen to have potential for development as the region is rich in resources, which is a conducive aspect for the development of trade. The strategic location further adds advantage to facilitate trade, which could transform the region as a hub of trade and manufacturing units.

According to Kravis (1970) trade alone will not promote growth unless supported by other institutional changes (cited in Raychaudari 2005). With the establishment of Special Economic Zones (SEZ) and increasing intensity of investment along Zokhawthar trade zone, it brought a prospect and opportunity to facilitate development along the region. The opening of border and its linkage to development lay in promoting livelihood for local residents living in the border trade areas (Das, 2006; Kabra & Singha, 2006). Besides, it opened up space for people at the border areas to intrinsically link their lives with the ongoing border trade activities, impacting their lives in numerous ways. This development has intricately positioned borderlands at the intersection of policy discourse which have far wider implications and run the risk of potentially marginalising narratives of those situated along the borders (Kurian, 2019). Centralising the marginality of border communities, it is pertinent to understand at this juncture how borderlands, which are often described as periphery regions or least developed regions, creates its own narratives of development.

### **1.7 Objectives of the Study**

1. To understand the vulnerability context of households in the Indo-Myanmar border villages.



2. To identify the pattern of border trade in terms of inflow and outflow of goods and services in Zokhawthar – Rih Border trade zone.
3. To understand how the community and households respond to the formalisation of border trade.
4. To probe into the pattern of livelihood in border villages.
5. To explore the role of border trade in the livelihood diversification of border villages.
6. To assess the impact of border trade in the living conditions of households residing along Zokhawthar– Rih border trade zone.

## **1.8 Chapter Scheme**

The thesis is structured into 9 (Nine) chapters.

**Chapter I: Introduction:** In this chapter, a broad introduction of the subject themes is described. It outlines the rationale for the study, direction and the structure of the thesis.

**Chapter II: Review of Literature:** Review of relevant literature in the areas of sustainable livelihoods, border trade and livelihood are explored first to describe the main features of the approach, its relevant to the study and method employed in livelihood studies. Secondly, it draws linkages from various studies on border trade and livelihood promotion. Broad context of policy related to border trade in India are examined and draw linkages within the context of promotion of border trade in the northeastern region of India. Studies on border trade within the context of Indo-Myanmar bilateral trade are reviewed to understand the aspects that have been covered and to further examine the existing gaps.

**Chapter III: Methodology:** This chapter provides a description of the study area. It discussed the sampling method adopted for the identification and selection of sample size. Methods employed for the study and the rationale behind adopting are listed apart from looking into the tools and techniques employed for the study.

Chapter IV: **Vulnerability Context, Livelihood Challenges and Resilience of Bordering Villages:** In this chapter it examines factors that induced vulnerability and its implication on the livelihoods of bordering villages. Additionally, it explores household's livelihood challenges and resilience in the face of exposure to vulnerable conditions, and focussing on their means of adaptation.

Chapter V: **Pattern of Border Trade Across Zokhawthar- Rih Trade Zone:** This chapter provides a brief description on mechanism of trade, trade volumes, items traded along with field data to substantiate for official data primarily to depict the pattern of border trade.

Chapter VI: **Community and Household Response to the Formalisation of Border Trade:** In the light of formalisation of border trade, this chapter traces narratives of development along bordering villages and explores how community and household response to this changing environment. It looks into the history of bordering villages and specifically records milestone developments that are centered with respect to border trade.

Chapter VII: **Socio- Economic Characteristics of Border Villages:** This chapter describes the socio-economic characteristics of bordering households. It dwells into their livelihood aspect examining their livelihood diversification, and assets endowment of households.

Chapter VIII: **Border Trade and Development: Impact on Bordering Villages:** In this chapter, access to various livelihood capitals is discussed. Impact of border trade on various attributes associated with household living conditions are analysed with statistical tools and discussed in this chapter.

Chapter IX: **Conclusion:** The last chapter highlights major findings and implications to social work education in the field of practice, research and international social work perspective. The thesis concludes with recommendations at different levels.

In the present chapter, the research problem has been presented and the theoretical and policy context. In the next chapter, a review of literature has been presented.

## **CHAPTER II**

### **REVIEW OF LITERATURE**

## **CHAPTER II**

### **REVIEW OF LITERATURE**

Review of literature provides us with an understanding of other works that have been carried out in a particular field of study. The outline of previous studies provides a sense of knowledge gaps that helps draw the relationship of the study with other works. In addition, it helps to adopt a sound research design and methodology that are feasible. In this chapter, literature is reviewed on different subjects' matter that are related to sustainable livelihood, trade and its connotation to development vis –a-vis livelihood promotion, issues in cross border interactions, on the Act East Policy (AEP), and lastly on Indo-Myanmar border trade. Conceptual understanding of border trade was also highlighted primarily to mark a distinction with other types of trade such as cross border trade, informal cross border trade and so on. Literature on Act East Policy erstwhile Look East Policy (LEP) was reviewed, because this policy is assumed to be the backbone of bilateral border trade for the North-eastern region (NER) of India. Previous studies on Indo- Myanmar border trade that focused on different aspects of trade within the broader connotation of its impact on the regional economy, people and their livelihood were reviewed. Lastly, this chapter ended with a section, highlighting the existing gaps in literature.

#### **2.1 Sustainable Livelihood**

The concept of sustainable development has evolved to encompass diverse themes in its applicability. Livelihood framework finds its applicability in the study of poverty to disaster, conflict and other issues that probe in particular the livelihood aspects of people and their experiences. In this study on border trade, livelihood approach is adopted to understand the direction of its impact on the livelihood of bordering villages. This section looks into some of the pivotal literatures that have crucially shaped the understanding of sustainable livelihood and its components over the years.

Robert Chambers and Gordon R Conway (1991) explored the practical concepts of sustainable livelihood in the context of rural areas. It outlines the need for new concepts and ways to analyse at a policy and practice level. According to them, sustainable livelihood comprises people and their capabilities, equity and

sustainability. Sustainability is accorded to aim at two levels of priority, one from an environmentally sustainable angle and the other from a socially sustainable angle. The former is concerned with those external impacts on livelihood, while the latter is concerned with internal capacity to cope with stress and shocks. The paper recognised some vital aspects of livelihood components which are indicated as assets or capitals. These assets formed the core of people's livelihood, which in turn are governed by institutional arrangement and processes. Chambers and Conway's article helps in understanding what constitutes a livelihood and the various components and structures embodied in a livelihood framework.

D. Carney (1998) provides a descriptive aspect into the livelihood framework, built upon five core assets or capitals which are arranged in a pentagon to depict their interdependence. Assets are categorised into human, financial, physical, social and natural capitals. Access to these five resources is what shapes people's livelihood. However, access is constrained by the existence of vulnerabilities in the form of trends, shocks and seasonality, and by institutional processes. Understanding the vulnerability context of people according to Carney is important, as it provides a deeper understanding into their livelihood and the base upon which they built their livelihood. Carney further mentioned that institutional structures and processes – laws, existing policy, and regulations decide unevenly the level of access to various resources across different sections of the society. This shows that livelihood is not power neutral and that external factors are not isolated in the analysis of livelihood.

In line with Carney, DFID (1999) elaborates on the sustainable livelihood framework which consists of vulnerability contexts of people's livelihood, capitals or assets, transforming structures and processes, livelihood strategies, and livelihood outcomes. The framework provides a composite structure and checklist of aspects that merit in the analysis of the dynamic nature of livelihood overriding previous frameworks which attempt to outline the same.

Ian Scoones (1998) outlines key components for the analysis of sustainable livelihoods in the areas of employment, poverty reduction, capability and well-being, vulnerability and resilience, and lastly access to natural resources. The first three elements are concerned with livelihood aspects, while the last two deal with the

dimension of sustainability. Sustainability depends on the capacity to withstand or cope and recover from stress and shocks, to which people may adopt temporary coping mechanisms or shift towards for a longer term by adopting livelihood strategies. The paper also deals with the practical, operational, and policy implications of adopting a sustainable livelihood framework. Scoones argues for the adoption of sustainability approach beyond sectoral milieu; to which, a combination of methods needs to be employed to be more practical as livelihood itself is a complex element.

Caroline Ashley and Diana Carney (1999) listed lessons learnt from diverse experiences in the fields of the application of sustainable livelihood framework. It was found that the framework has its applicability as a tool to study the various aspects of people's livelihood, and as a checklist to design, monitor, and evaluate systems. They argued that the framework, as an analytical tool, is not exhaustive to integrate a wide range of other methods, if required. This flexible nature invariably broadens the understanding of sustainable livelihood in that it is interpreted as a tool, as an operational objective, as an approach to development, and lastly as a set of principles that can be applied in almost any situation. Drawing from various findings, the article addresses the need for a holistic analysis but does not require holistic intervention at every point.

In providing a historical narrative of the origin of the Sustainable Framework, Scoones (2009) critically assessed the development of livelihood studies and provided key points for enhancing livelihood perspectives by broadening areas of enquiries. Earlier focus on livelihood was embedded on the foundation of economic understanding. Later, it evolved from being used as a checklist for analysis, to now being developed as an approach with its own framework. Pointing to the need for re-aligning and rethinking the domain of sustainable livelihood framework, Scoones suggested broadening the contour in the areas of knowledge, scale, power, and dynamics. It also pointed towards finding a bridge to link the micro and macro issues, as global and local have tended to shrink in a globalised dynamic world.

### **2.1.1 Livelihood Vulnerability**

Vulnerability is an elusive term connoting different meanings in its application. The epistemological origin of vulnerability studies stem from economics

in their understanding of external and internal vulnerability (Moret, 2014). However, the application and understanding of vulnerability have expanded. Perspective from diverse fields of school such as disaster, health, psychology, environmental science, and sociology adds to the existing diversity of vulnerability assessment. As such, the application of vulnerability concept has expanded, ranging from health to livelihood, poverty, migration, and developmental studies.

Levine (2014) explained the concept of vulnerability broadly and connote different meanings depending upon the context it is contextualised. This aspect makes it difficult to generalise for the whole population. In studying livelihood, Levine argues for linking vulnerability to the study area. Understanding how people assign their vulnerability, rather than pre assigning it, provides clarity on the interface between vulnerability and livelihood. What may be deemed to be part of vulnerability context may not necessarily be assigned importance by the people, as such understanding of the vulnerability context should be drawn within the limit of the study area.

Based on participatory research methods, Robert Chambers' (1995, 1989) work on poverty, vulnerability, and livelihood throw light into the multi-dimensional aspects of poverty from social to economic, to powerlessness. It introduced the concept of vulnerability which relates to risk of various kinds at different levels of household, community, and at national level.

According to Chaudhuri (2002) vulnerability is defined as an ex-ante risk today that a household will if eventually poor remain poor, or if currently non-poor will fall below the poverty line next period (cited in Osawe, 2013). Chambers (1989) highlights the two sides of vulnerability: an external side of risks, shocks, and stress to which an individual is subjected, and an internal side which is defenceless, meaning lack of means to cope with damage or loss. Scoones (1998) on the other hand, differentiate risk from vulnerability. According to him, a risk is the likelihood to face shocks while vulnerability is the degree of exposure to risk. And that risk and vulnerability may exist on the same side of the coin.

Vulnerability context on the other hand, as explained by the DFID (1999) resonates to the external environment that influences livelihoods, over which people

have limited control. The existence of vulnerability has a direct bearing on the asset status of the people and the kind of livelihood options that are open to the people. Barrett, Reardon and Webb (2001) also highlighted that the decision to engage in livelihood diversification is influenced by the vulnerability context.

Vulnerability as such may be understood as the exposure or proneness to either both internal and external factors that can put people at risk of being on the edge. As Hahn, Riederer, and Foster (2009) mentioned, it encompassed the interaction between humans and their physical and social surroundings. From the underpinning, it is seen that vulnerability is embedded in the social and environmental arenas, making it a more complex issue. Moreover, this understanding advance knowledge on the social attributes attached to vulnerability and how people level to it as per their experience.

Birkmann (2006) in accounting for the complexity of it, opined that it is difficult to measure vulnerability and the means to assess vulnerability in advance, and lastly on how to account for vulnerability separately from coping strategies. At times it can be manifested in either ways or at times overlap.

### **2.1.2 Livelihood Diversification**

Livelihood encompasses the ways of living to sustain one's life and needs. Diversification of livelihood occurs when a household has multiple portfolios of activities either to survive or increase the standard of living (Ellis, 1998). It is an important strategy adopted by people to sustain or enhance their livelihood. According to Hussein and Nelson (1999) livelihood diversification is defined as an attempt by individuals to raise income and lessen threats.

Livelihood Framework mentioned three major livelihood strategies, one of which is livelihood diversification, and the other are intensification, and migration. Literature indicates that livelihood strategies work in conjunction. Macdowell and de Haan (1997) review on migration and sustainable livelihood pointed to this aspect where they argued for the need to consider in tandem with other livelihood strategies as it involved a complex process. Hussein and Nelson (1999) also pointed out the linkages between diverse strategies and found that it generally operates in conjunction with one another. Study by Young (2006) and Arjaan de Haan (2000) showed migrant's remittance formed a significant source of income for households.



Le De, Gaillard, and Friesen (2014) study on the role of remittance and its impact on Samoan households depicted remittance as an important livelihood diversification strategy, where one or more household members manage to migrate to deal with post-disaster scenarios.

People adopt income diversification in order to survive and lessen risk in case primary activities fail (Chambers and Conway 1992; Berry, 1989). Ellis's (1998) article on *Household Strategies and Rural Livelihood Diversification*, reviewed ideas, propositions and policy inferences surrounding livelihood diversification of rural families in developing countries. It views diversification to entangle in a conflicting proposition, where on one strand it acts as a household strategy and on the other as a response to crises. It follows a discernible pattern varying much on location specific, access to resources, and arrays of services and opportunities availability. In another study by Ellis (2000) it attributes two pertinent reasons for the adoption of diversification by the households, one out of necessity and the other by choice where it follows a continuum of causes, motivations, and constraints. Furthermore, it recognised seasonality, risk, credit markets, labour markets, asset strategies, and coping behaviour as the major determinants of diversification. Shen (2004) and Davis (2006) attributed the existence of pull and push factors that motivate households to diversify their livelihood. Pull factors include changing terms of trade, perception of improved opportunities and encompassing the desire to accumulate capital. On the other hand, push factors are driven by circumstances such as environmental risk, falling income, and poverty.

#### **2.1.2.1 Patterns and Contribution of Livelihood Diversification**

Livelihood diversification basically entails multiple income sources across the poles of farm, off-farm and non-farm activities (Ellis, 2000; Liyama, 2006). The motivation to undergo diversification rests with contemplating on returns either to engage in on-farm labour time or off- farm earning opportunity or in combination of both. The ability to combine or shift from farm to non-farm depends on multiple factors such as asset endowments, availability of opportunities, and availability of resources.

Non-farm activities have become increasingly important. In post diversification scenario, Israr, Khan, Jan, and Ahmad (2014) show that remittances

and small-scale business contributed the most for changes in income level. This highlights the importance of non-farm sector towards income enhancement and the need to augment productivity and capital for garnering sustainable development.

Diversification as a part of people's livelihood strategy has a significant impact on the income of a household which is depicted further as a viable strategy for income enhancement. Study on diversified income of households, across four councils of Pakistan, shows diversification contributed towards an increase in income. It was seen non-farm activities contributed mostly towards an increase in income. Although farm sector advances towards the income of a household, it is subjugated to the contribution of non-farm activities. This points to people's inclination towards non-farm activities. However, Israr, Khan, and Jan et al (2014) study was limited in understanding the context under which households engaged in diversification. Knowledge on the characteristics of the household could provide a deeper understanding of the household capacity to diversify and the extent to which it is capable of. Khatun and Roy (2012) did precisely this in their study on rural diversification in West Bengal. Focusing on the determinants and constraints of diversification among different groups, it was found that the diversification index is based on a set of factors like age, occupation, income, assets, education, and access to physical, human and social capitals. This understanding pointed out that socio economic status of a household influences the capabilities to diversify income or not. Weak asset base acts as a dominant barrier to engage in diversification coupled with lack of credit facilities, opportunities in a non-farm sector, and lack of access to necessary livelihood base in the form of infrastructure, skill and knowledge. Matondi (2011) study on livelihood diversification in Zimbabwe indicated lack of opportunities, weak infrastructure, and assets acts as major entry point barriers to engage in income diversification. In examining the importance of diversification among the population of Zimbabwe, Matondi pointed out that despite the negative and positive connotations of diversification, its importance lies in dealing with uncertainty, insufficiencies or in response to shock and stresses. Key implications drawn from Matondi (2011), Khatun and Roy(2012) studies highlight the need to develop markets, improve households' assets and access to infrastructure.

Furthermore, it illustrates the ubiquitous and uniformity of challenges in diversification across regions.

## **2. 2 Livelihood Studies and Methodology**

The seminal work of Robert Chambers (1995, 1983) on poverty and livelihood using participatory research methods to understand the linkages has significantly changed the way livelihood studies are conducted. As livelihood is centered more on people' experience and their worldview, participation provides space to understand the poor people's own perception of vulnerability, isolation, insecurity and powerlessness. This understanding has significantly demonstrated the importance of combining participatory methods and other methods in the studies of people's livelihood. Caroline Ashely and Diana Carney (1999) in assessing the application of the Sustainable Livelihood Framework (SLF) in diverse settings and fields, draw a lesson to the need to adopt a combination of methods in its methodological approach. They stated that SLF on its own is not effective to draw the linkage across micro- macro issues and in describing social relations, as such it requires a balance adoption of qualitative and quantitative information.

Murray (2001) and Scoones (2009) too addressed the methodological issues in livelihood studies and suggested combining methods. They advocate for inclusion of participatory methods and other methods in order to have a strong analysis of people's experiences and their environment that affects their livelihood.

As livelihoods research is directed to the understanding of dynamics interplays of poverty governed by structures and institutional processes, Murray (2002) underpinned the need to analyse social relations that required attention to the livelihoods of people who are not poor as well as those who are poor. Murray further distinguished three major approaches to livelihood studies, which he identified as the circumspective approach that looks at livelihood at the moment of time, while the retrospective approach looks back and assesses the change in livelihood over a period of time, and lastly the prospective approach that looks towards policy formulation. To achieve a better understanding of changing livelihoods over a period of time. The paper suggested a combination of some approaches.

On the same line, Levine (2014) also placed a similar argument that livelihood is centered around people's choice and decisions beyond the disposition of the economic angle. Those choices and decisions are made at times taking into consideration preferential attributes despite having little value in terms of economic measurements. The problem persists in quantifying success meaningfully as people subscribe to livelihood outcomes differently for which Levine advocates the use of mixed methods to capture the complexities in people's choice of livelihood and in studying outcomes of those choices.

Karen Westley and Vladimir Mikhalev (2002) analysed the application of livelihood framework in studying poverty in Kosovo. As livelihood is centred around people's lives, there is a need to adopt a framework that will capture the dynamic interaction of various components that influence outcomes. According to them, livelihood framework consists of a variety of components that look into the vulnerability context of a household from the point of external and internal factors. At the same time, it takes into consideration various livelihood assets and the interplay of political, social, and cultural aspects which invertibly influence livelihood outcomes of a household. The application of livelihood framework to study the intensity of poverty in Kosovo highlights a deeper understanding of vulnerability context of the people and the importance of networks (social capitals), and throws light into the larger role played by remittance as part of people's livelihood strategy to lessen their vulnerability.

In another stance, a study by Kanj Hamade, Giulio Malorgio and Peter Midmore (2011) on agriculture intensification to rural development approaches found contrasting results from combining qualitative and quantitative approaches. From their findings, quantitative data overall depicted positive effects of intensification, while qualitative findings captured the negative effects of intensification on rural households. This further highlights the overriding arch of micro and macro level where wider policies, rules and law can create opportunities and constraints at local level and where the trajectories of change for one class can be related to the other classes. It concludes with a suggestion that the interplay of policy between macro and micro is better explained when approaches are combined.

Colin Murray (2001) also shares the same view. Murray reviewed the conceptual and methodological issues in adopting livelihood research, drawing from diverse frameworks of studies. In an attempt to link the micro and macro level, it argues for drawing the need to understand the wider political economy at regional, state, and international level. Understanding household livelihood corresponds to the need for a strong analysis, pointing towards the need to combine methods of enquiry.

In an attempt to draw linkages on trade liberalisation, poverty, and livelihood Nazneen Kanji and Stephanie Barrientos (2002) analysed key approaches in the context of Sub-Saharan Africa. Among the approaches, an economic approach which links growth on the basis of income and consumption seeks to analyse at macro perspective, while livelihood approach is structured to understand at micro level. Though both approaches provide a means to analyse the linkages, it falls short in bridging the gap. In studying other approaches like value chain, gender perspective, and environment lens, it concluded that in combining those approaches it provides linkage between the macro, meso and micro. This pointed to the need to combine approaches as no single approach could provide all the information and insights.

Drawing from literature review it is evident that employing mixed methods provides better clarity in understanding the complexity of livelihoods, which are embedded in the interplays of social, political, environment, and economic factors. People's lived experiences are greatly influenced by numerous factors. As people's livelihoods are influenced by various factors it is crucial to adopt methods that can capture the best results. Moreover, it reveals that the adoption of participatory research methods in a study placed a precedence on people's experiences to the forefront. As no single approach provides insight into the complexities of people's lives, experiences, and perception, a combination of approach and methods is needed. Drawing from these implications, this study intends to adopt mixed methods with varying tools to straddle in understanding both the subjective and objective aspects of people's livelihood.

### **2.3 Trade, Development and Livelihood Promotion**

Trade theory tends to suggest that trade fosters growth. It was considered a driver for growth and development. Economists like W Arthur Lewis, Nurkse, Myrdal and many more have propagated trade as a strategy for growth (Riedel,1984).

In an attempt to explain the role of trade, two propositions, export led growth and import led growth dominated the understanding. Either way trade fosters gains. However, early studies banked on export-led growth and popularised trade as an engine of growth (Nurkse, 1961). Commenting on this postulate, Irving B Kravis (1970) in his seminal work on *Trade as Handmaiden of Growth: Similarities Between the Nineteenth and Twentieth Centuries* raise a concern as to whether trade acts as an autonomous engine for growth. In examining economic growth in the nineteenth and twentieth centuries, he stressed that growth occurs as a consequence of other internal factors and trade acts as an added stimulus. It cannot be assumed altogether that trade autonomously acted as an engine for growth, to which Kravis has a preference to term trade as a handmaiden rather than as an engine of growth. Krueger (1980) also argued that trade theory provides little guidance as to the role of trade strategy in growth. This suggests that trade alone cannot promote growth or development unless backed by other favourable conditions in terms of pro trade policy, institutional mechanisms, and other varied factors. This understanding is crucial in assessing the linkages of trade to various themes which could factorise in expanding the broader connotation of trade given that globalisation and liberalisation processes continue to influence in shaping our world. In this light, under this subsection, literatures that span across varied themes transacting broad linkages of trade to other themes such as livelihood, development and institutions, are reviewed below.

Niles Hansen (1983) critically examined transboundary interactions in Western Europe along with the US–Mexico border. Hansen opines that border regions are characterised by tensions that emulate from various interplay of economic imperatives as well as political sovereignty. Pointing towards European and North American experiences, groups motivated by economic values played an important role informally in creating greater transboundary cooperation. Hansen hypothesised, based on evidence, that *ad hoc* groups are bound to come to the forefront when official channels and procedures are incapable of achieving the social and economic benefits from enhanced border cooperation. And suggested that evidence needs to be obtained from persons in border regions who have knowledge about how border cooperation functioned formally and informally. In doing so,

Hansen noted questions that could address some of the characteristics of transboundary cooperation that will help broaden the understanding of how border dynamics are initiated and sustained.

Kate Bird (2004) presented a framework of analysis to examine the linkages between trade, poverty reduction, and sustainable development. It shows that trade regimes affect trade and poverty. And that traditional definition and measurement of poverty based on income and consumption remains inadequate in a liberalised and globalised world. As trade policy affects poverty and vice versa, it calls for understanding the political economy of the region which stands central in any policy analysis. In analysing trade liberalisation, its impact can either be negative and positive. The article provides a critical analysis of the impact of trade in the areas of social, human, physical, and financial capitals, and also on the livelihoods of the people. This understanding is crucial to depict the trajectory impact of trade not only in terms of economic growth and income related poverty, but also its impact on the intangible elements of individual, household, and the community. To gather benefits from trade, it calls for establishing basic requirements for trade to flourish. Strengthening road networks, injection of critical infrastructures, and ensuring complementary policies in the forms of investment in infrastructure, health and effective credit linkages are critical for trade to flourish.

Christopher Stevens, Stephen Devereux and Jane Kennan (2003) attempt to analyse trade in the context of food security within the domain of livelihoods. Employing livelihoods framework in the study of macro level issues seems to be scanty and lacks critical understanding in bridging macro and micro linkages. However, this study has somehow crucially broadened the applicability of the livelihood's framework at the macro level of analysing issues (Scoones, 2009). As trade policy is a national policy while food security corresponds to households or individuals, it calls for an analysis in a broader perspective of who will be affected by change in policy. It argues that with the shift in self-sufficiency to self-reliance towards achieving food security amid international trade liberalisation, there is a need to be grounded in understanding domestic livelihood systems. And that international trade liberalisation enters the analysis of livelihoods framework at the intersection of institutional policy context which is depicted as a rule changer.

The edited book by V.N. Balasubramanyam and D Greenaway (1996) on *Trade and Development* dwelled on diverse themes contributed by various authors. It is centered around major works of Jagdish Bhagwati, in honour of him. The book is divided into four main sections viz., international factor movements, trade policy, international institutions and country-specific studies. Section one looks into verifying previous works of Bhagwati by providing empirical explanations. Drawing upon the new growth theory it ratifies the hypothesis that pursuing an export promotion strategy has a greater impact on growth rate than by countries pursuing an import substitution strategy of development. A succinct analysis on food aid and on trade policy, focusing on developing countries, depicted a positive impact on growth. The accumulation of both physical and human capital is central to growth and the finding that food aid need not necessarily depress food production in the recipient countries. This provides further support for the advocacy of liberal trade policy. Essay on return migration looks into various conditions as to why people return back. It provides rich analysis in understanding the process for return migration, where risk calculation is factored before contemplating wage differences across regions. Section three looks into the role of institutions. A review on India's macroeconomic policy pointed towards the greater need for fiscal discipline in the post trade liberalisation regime.

Whiteside (2001) investigated development in cross border interaction between southern Malawi, a highly populated South African border, and northern Mozambique characterised by a lower population with abundant resources but lack infrastructure and access to market. Along with secondary data, it employed qualitative tools such as case study, focus discussion, and key informant interviews using a semi structured schedule. The study discussed the various implications of cross border interactions. Across the two regions, cross border interaction brought about benefits in the area of livelihood promotion. Moreover, it promotes trade, labour movement, availability of goods, and transfer of information. The interaction also leads to increase in risk, such as price volatility of goods, health issues, and degradation of natural resources on account of migration. The stakeholders' analysis indicates benefits drawn by both the regions and the poor at large, are impacted through this interaction. It elicits the importance of cross border interaction in



promoting livelihood to the regions which are located far from the main markets. The study also shed light on the vulnerability of the border region in the forms of reduction of soil fertility, price volatility, seasonality, illness, and lack of buyers. This understanding is crucial in pointing to the need to formulate policy to regulate price, usage of land for agriculture, and the need for improvement of cross border health service which will lessen risk associated with health. Drawing on the prevailing policies in terms of trade agreement, agriculture export policy and practice, border practices, policy towards traders, and investment and incentives, it listed out practices that encourage and discourage cross border trade. The analysis highlights the balance implications of policies and suggests measures for further course of actions.

Bongani. G. Gumbo (2012) highlighted the significance of cross border trade as a livelihood strategy for the people. The commencement of cross border trade at Kasane in Botswana acts as a means for people to re-establish their livelihood around trade, after being dislocated from agriculture. Trade also offers the opportunity to combine multiple livelihoods which can create further multiplier effects. Border trade has led to the rise of traders, entrepreneurs, and markets. This development further opened up avenues for employment opportunities for the people as well. However, the study was limited to micro level and its impact beyond the local economy was limited.

Henri L.F. de Groot, Gert-Jan Linders, Piet Rietveld and Uma Subramanian (2003) paper looked into the institutional aspect of bilateral trade patterns. Using a gravity model approach, it assessed the impact of institutions on trade flow. Findings correspond to the quality of institutions that influence bilateral trade. It was found that institutional homogeneity across trading partners has a significant impact on trade thereby leading to an increase in volumes of trade. The paper also highlighted that trader effectively used historical commonalities like language, ethnicity to stride across dissimilar governance structures and institutional systems. The availability of informal procedures further enables it. It suggested that quality of institutions is an additional factor but not necessarily altogether a compulsive factor in determining trade. Similar findings on China's border trade by Ge, He & Jiang et al (2014) pointed that institutional quality of importing countries show negative relation to

border trade, while market size and economic growth are depicted to have a positive significance on border trade.

Marius Brühlhart, Olivier Cadot, and Alexander Himbert (2019) demonstrated the effects of trade on border region economies by studying night light intensity along the international routes. It was observed that on an average, night light intensity decreases as one gets closer to the border. Land borders are darker and show less intensity than in comparison to inland regions or coastal regions. However, the attribute of border shadow tends to diminish in border regions where trade is facilitated across the border but disproportionately. It was found that trade liberalisation stimulated economic activities around the border region where expansion in trade boosted population growth and income of the border region. It also indicated that violent conflict across borders tends to diminish with an increase in trade. The limitation of their approach is that night light intensity cannot measure nor help in explaining the expansion of economic activities, characteristics of border population and other factors that could factorise the growth of border economies.

Winston Set Aung (2009) explored the role of informal cross – border trade in Myanmar and found that cross border trade brought about improvement in the living condition of people living in the border area. It helped raise household income, generate employment opportunities, improved road infrastructure and transportation facilities. It was seen that cross-border trade has a higher impact on the income of males than females and that the improvement in income level was seen to be higher among young population. This indicates that age and gender acts as a determining factor in terms of accruing the benefits of trade. Furthermore, the study also highlights the importance of informal groups and their trade activities which constituted for the continuation of informal trade and in supporting livelihood to bordering people who would otherwise be left unemployed.

Gurudas Das (2006) article on Border Trade in India's North East, attempts at a theoretical link between border trade and development. Drawing from international experiences, border trade promotes regional as well as national development in the long run. Demarcating on concepts such as border trade and border area trade, the latter provides fuller scope for development as it does not limit to tradable items within a specific radius across the borders. Border trade has an endearing potential to

synchronise local resources and help in decentralisation of economic benefits. As goods move across land, it has the capacity to impact upon people living enroute trade zones and across the vicinity. But in practice, border trade depicts different levels of result as it can become only as a transit point or as a growth generator. In his assessment of border trade with neighbouring countries of India it exhibited different characteristics, one that is growth accelerating or growth exporting or one that acts primarily as a transit point. The initiation of border area trade provides for the upgradation into normal trade and could open up opportunities for capitalising and establishing dyadic linkages between trade and local resources, which in turn will lead to better transportation facilities.

Pushpita Das (2014) elucidates the status of India's border trade and its strategic and economic significance. According to Das, the significance of border trade lies at various levels. At a national level as a strategic policy of building diplomatic relationships with neighbouring countries. At the local level, border trade brings economic prosperity to the people residing in border areas. As a part of the border area development plan, border trade provides alternative means of livelihood to border residents. In assessing various trade points, it described the impact of border trade both nationally and locally. At the national level, India has successfully employed the instrument of border trade to constructively engage with its neighbours and also as an instrument to better manage the borders. At the local level, it generates employment opportunities and revives the local economy by providing a basket of livelihood opportunities.

### **2.3.1 Informal Cross Border Trade**

Pauline Dianne Aluoch (2014) in exploring the vulnerabilities of informal traders and their coping strategies in Namanga, Kenya, found that major traders faced vulnerabilities because of the illegal aspect of informal trade. Unfair competition, lack of market space, confiscation of goods, and currency fluctuation are the predominant livelihood vulnerabilities faced by informal traders. To lessen their vulnerabilities, traders adopted coping strategies that ranged from employing strategies like development of client patronage, employing extra labour, and adopting livelihood diversification.

In assessing the gender dimension of informal cross border trade across

Lagos- Seme Border, Jawando, Adeyeni and Oguntola- Laguda (2012) found that women engaged in informal border trade faced multiple challenges from security reasons to coping with being a woman. In examining the coping strategies, women adopted various strategies to survive right from devising strategies to evade or bargain with customs officials, bribing both official and non-officials, and at times resorting to frequent change of vehicles. Despite the associated risk, informal trade persisted as it continued to accommodate people who would otherwise be left unemployed and unable to earn income in another sphere.

Sikder and Sarkar (2005) study analysed the nature and impact of informal border trade along the Indo-Bangladesh border. Findings show that informal trade sustains the livelihood of border people wherein the majority of border people are engaged in cross-border trade. Ease of entry into trade, lack of alternative employment, and the ability to absorb unemployed youth led to the dominance of informal cross border trade that attracted greater involvement from women. The socio-economic characteristics reveal that majority of those who are involved in informal trade are illiterate who fall within the age of 34 years. Income from informal trade is reinvested in other areas towards improving the living conditions. Despite conflict and seasonality that had a bearing on trade, lessening trade transactions, yet it does not lessen conduct of trade and business. Foods and other contraband substances are the major items traded across this border. The paper viewed informal trade on the economic benefits rather than on the subject nature of its legality. As informal trade contributes towards sustaining the livelihood of poor borderland, the paper argues that it is necessary for the continuation of informal border trade although it falls behind the formal aspect of trade.

In an attempt to integrate with the world economy, South Asia countries adopted unilateral trade policy reforms that saw the emergence of regional cooperation, the South Asian Association for Regional Cooperation (SAARC). According to Nisha Taneja (2004, 2019) informal trade dominates, where a large part of commodities traded consists of goods originating from third world countries. The problems persist in assessing the magnitude of informal trade to which Taneja argues for the adoption of a primary survey. The existence of trade barriers, in the forms of high tariffs, lack of supportive infrastructure, and the existence of parallel

institutional mechanisms, influence the channeling of informal trade. It further points out that the channels through which informal trade takes place are rooted in strong ethnic ties and in historical linkages, lessening risk and are found to be more efficient than formal trade. This aspect makes it difficult to eliminate informal trade. It argued that informal trade should be checked, as it curtails the smooth functioning of formal capital markets by opting for simple trade procedures, to improve the transaction environment.

#### **2.4 Border Region: Locating the Periphery**

Niles Hansen (1976) locates border regions as part of national areas whose economic life is directly and significantly affected by proximity to an international frontier. In critically examining the significance of border regions in locational theory and growth center literature, he argued that in most of the dominant trade theories, which reclined more towards economic aspects, border regions' development process and spatial implications are mostly ignored. It discussed how border regions are positioned along the interface of two regions depicting attributes of their own, which makes it pertinent to understand border regions from the point of view of political, social, and economic frontiers. In suggesting direction for further research on the opportunities of border regions as a consequence of economic integration, complementary and comparative approaches may be undertaken.

Junaenah Sulehan, Rahamah Noor, Abd Hair Awang, Mohd Yusof Abdullah and Puay Liu Onge Bakar (2014) examined the development of bordering communities residing along the Indonesia-Malaysia borders. People of the bordering villages effectively used the social space of sharing a common narrative of history to sustain their livelihood. As border areas are far from the centre, territorial delineation has never been perceived as a barrier and this aspect has contributed much to the development of markets around the border that sustains people's livelihood. This in turn exposed border communities to the facets of petty capitalism. It concludes that development of border markets may become the future catalyst for communities to re-examine their social identities which are embedded along with their economic aspirations.

In line with Greater Mekong Subregion economic integration, border area development as a strategy was revitalised with the adoption of special economic

zones along the border areas. Toshihiro Kudo (2009) in examining the locational advantage of border areas in promoting border industry highlighted the complementary advantages, utility of cross border endowments in terms of infrastructure and labour resources. The significance of which lies in the need to recognise the potential of border areas and in positioning a border area development strategy of promoting border industry in the national industrial development strategy.

Sukanya Sharma (2011) examined identity in the Indo-Myanmar border. Sharma argued that identities are based on similar experiences. In spite of political division, people inhabiting both sides of the border continue to maintain relations thereby creating common shared space. This shared landscape, divided politically, has often formed the base of identity among bordering communities, making it possible to build extra-terrestrial roads and legitimising the use of it besides existing territorial roads. The clash of political space and cultural space often criminalises cross border movement, to which Sharma proposed to develop a dialogue that will negotiate between political and cultural space to help convert common shared space into transnational space in this globalised world.

Samir Kumar Das (2014) analysed how border trade produced a community that identified itself within the domain of border economy. In the larger dichotomy between endorsing security discourse and on the other hand propagating for integration into the world economy. Border trade is used as an instrument to negotiate between the two worlds of extremes. In understanding the role of ethnicity, the Moreh-Tamu trade centre exemplifies the use of ethnic cards to its advantage by diverse ethnic groups residing in the border trade zone. Daily life experiences and practices centre around trade and the border, depicted by labouring life, act as an agent in altering the dominant discourse on security rendering border trade as a medium of integration.

Duncan McDuie-Ra (2016) explored belonging, exclusion and agency in Imphal, a borderland characterised by a strong presence of coercive State power and one that has transformed from being a frontier to an economic corridor with the opening of Indo- Myanmar border trade at Moreh. The book attempts to understand liberalisation from the ground up, covering comprehensive subjects structured into

various chapters. The significance of McDuire-Ra study is that it placed borderland at the heart of analysis rather than as a component part of larger policy or studies. In doing this, it projected how the existence of dual communications-inward and outward communications, one that links Southeast Asia and India, and the other shaped by Look East Policy, created its own space of contestation in the forefront of resources. This aspect helps forge identity in a pluralistic society such as in Imphal and at the border town of Moreh. It highlighted that spatial control is a common feature among various ethnic groups and agencies, where belonging is shaped by the adoption of exclusionary measures.

## **2.5 Act East Policy/Look East Policy**

Sikri (2009) narrated the focus on the Look-East policy that underwent changes accordingly. Earlier imperatives were given on economic integration and then came a phase of strategic partnership that intends to proliferate beyond economic relations by positioning on a radar to uphold security, enhance greater standing among its regional partners, and pursue development on the domestic front of the Northeastern region. It analysed the policy on the forefront of India's partnership with different regional groups. With globalisation having the potential to draw up Asian face, there is a need for Asian players to ward off internal rivals and evolve stronger cooperatives, to which India can play a leading global role.

Archana Pandya and David.M.Malone (2010) elucidate India's historical connections with Asia and outline the place of Asia in India's foreign policy through the Look East Policy. It gives a narrative account of the policy phase of India's engagement with ASEAN countries including economic and trade to later cover politics, geo-strategic and soft power engagement. However, it argues that India is yet to make the best of its assets in Asia in the field of its culture. It suggested that India can enhance its soft power by promoting religious tourism and banking on complementary of sharing a close socio-economic tie.

Bhaumik (2014) ascribed the importance of Northeast location which could provide an impetus to India's domestic and foreign policy in forging stronger economic, cultural, and strategic ties with Asian Tigers rather than looking towards the troubled west. However, challenges remain in carrying forward the Look East

Policy as Northeast region is handicapped in terms of connectivity, poorly developed areas clubbed with different physical terrain, and instability on the socio-political front. In line with China's policy of making the Yunnan Province as a manufacturing hub to trade with SEA, India's effort should also be on making the Northeast as a manufacturing hub that will boost trade and regional development.

The Ministry of Development of North Eastern Region (MoDONER) report (2011) on Look East Policy and the North Eastern States highlighted some of the implications of the policy. Over the years of its implementation, distinct aspects of the policy emerged which are specific to the northeast region. Issues like connectivity, trade and investment protocols, shortfalls in operationalisation of existing assets, and soft power are areas of potential that need to be primarily focused. On these aspects, it assessed trade policy to enhance trade and investment between the Northeast with countries like Bangladesh, Myanmar, China, and Thailand. It also stressed the need for capacity building of local entrepreneurs.

Narrating India's vision on the Act East Policy, Bhattacharjee (2016) pointed out the developmental initiatives, status and achievement with respect to regional integration with ASEAN nations. Despite numerous development initiatives and on-going activities, India especially the NER have not been able to fully tap the opportunities despite the geographical proximity. It placed the northeast as a gateway for ASEAN, yet, fell short in developing the region as a hub of convergence of trade, leaving the region to reap little benefits from the policy. This pointed out the need to develop connectivity as it is crucial in linking to the other pillars of regional integration viz., culture and commerce. Improvement in transport, inland and maritime connectivity, technology, and promoting cultural ties remains wanting. The promotion of cultural and religious tourism, in order to take advantage of cultural similarities with the Southeast region, need to be pursued at a higher level.

Thongkholal Haokip (2015) examined the Look East Policy and its applicability to tackle the problems of Northeast India. His book, *India's Look East Policy and the Northeast*, traces the origin of the policy and progress it made so far in the field of trade, investment and tourism. Domestic and systematic level changes were responsible for the initiation of LEP. At domestic level, the region's political instability, insurgency and lack of economic development, and the systematic fall of



the Soviet Union, growing presence of China, and the rise of regional co-operations induced India to embark upon framing its own policy towards addressing those issues. Since the initiation of LEP, there has been a stride in development, yet much of the development could not percolate in the northeast region. The existence of an internal colony where wealth tax, royalties were mostly in the hands of the people from outside the northeast. The failure to integrate at a cultural level, influx of migrants, rampant drug trafficking, and insurgency problems that act as a smokescreen for low performance, strangulate the development process in spite of incentives and special provisions injected into the region. He identified regional integration with Southeast Asian and East Asian countries as the key to solving several issues as most of the problems in the northeast are transboundary in nature. To address those issues at the core, the author articulates for rekindle of age old ties with northeast border communities which could quell the issues of insurgency and drug trafficking, legalised informal trade to harness the complementariness resources across the borders, and take advantage of the existing soft power resources for the promotion of tourism sector.

H. Srikanth (2016) examined the Look East Policy in the light of whether it fosters development along the landlocked northeastern region of India. It was assumed that once physical connectivity is in place, the northeast would be able to break the shackles of its landlocked status, and overcome its problems of underdevelopment and poverty. In light of various economic corridors being pursued and injecting physical connectivity projects, development is limited, as Srikanth observed. Reason for this is due to the direction of the policy which is conceived more as a national policy and focusing on larger objectives than on domestic consideration. The general assumption to synonymously link Look East Policy and the northeastern part of India is true only in the context of being a close neighbour which can act as a corridor to neighbouring countries. Various projects were planned, conceived and implemented to develop trade routes to link larger players primarily to boost trade and commerce. Physical connectivity was given due importance; however, Srikanth observed that better trade roads may not necessarily improve trade unless it is backed by demand, and interlinking villages and towns' roads to markets are also developed as well. For the Look (Act) East Policy to succeed, he suggested

that apart from physical connectivity, people-to-people connectivity backed by mutual trust and equality should be promoted along with it.

Rubul Patgiri and Objia Borah Hazarika (2016) narration of India's engagement with its neighbouring countries have undergone different phases of developments. Contrary to the commencement of the Look East Policy rephrased as Act East policy, India's engagement towards its neighbours is shaped by security concerns and devoid of developmental aspects for the northeast region. It argues that with the commencement of the policy, development concerns for the landlocked region of northeast through the initiation of border trade came to materialise. However, local conditions and general national interests act as barriers to receive the full benefits from trade and regional integration policy. It calls for the need to place development at the hand of the locals as development in itself is meant for the people and the region. It welcomes the constitution of Towns of Export Excellence, by identifying towns having potential export capacity, with the support of state machinery.

K.Vidya Sagar Reddy and C.Joshua Thomas (2019) book on *Border and Connectivity: North-East India and South East Asia* critically assess India's Act East Policy. The collection of articles provides comprehensive insights into the policy context reverberating the need for greater engagement of soft power and in exploring the potentials of the northeast region. The book weighs the policy agendas, aspiration and implementation of the Act at macro and micro level. A section on border trade deals extensively with implications on the social, political, and economic aspects of the region.

Analysing the interface of Act East policy and the border community of Zokhawthar. Rohluapuia (2019) contested the idea of how the bordering community, which lies enroute to the border trade sector, manoeuvred its identity. In line with the trade economy, border community reshapes its own understanding of belonging and meaning of border which at times contradict with the general notion of what constitutes a nation and a territorial border. This understanding served as a point of reference how a policy by placing a border community at the heart of the Act has an impact beyond economic imperative. The drive for economic integration through border trade has driven the border community to respond in multiple ways to

opportunities and laws of exception. Contestations of resources, conflicts, and the redrawing of social identity based on border economics constituted a mechanism to mediate forces of liberalisation.

Taz Barua (2020) noted that the Act East Policy has driven a new development model in northeast India. The development model, however, is centered around infrastructure development. Since the advent of the policy, it has strived to place physical infrastructures that are critical for the function of border trade over social development. This aspect creates an imposition among the locals to view the policy as a risk, making the northeast a mere regional trade and logistics transit hub.

## **2.6 Indo- Myanmar Border Trade**

Edited book by Das, Singh and Thomas (2005) deal mainly with the status, problems, and potentials of Indo-Myanmar Border Trade. Various authors contributed chapters to the edited volume, among which Das and Thomas analysed the economy of Myanmar and its implications for border trade with India's northeast. Border trade was left out of the policy radar initially and geo economic potentials of the border region were overlooked for geo political considerations. Though the northeast region enjoys favourable trade across its cross border, Myanmar's economy is more integrated with the economies of Southeast Asia. As such, India suffers from a negative balance of trade with Myanmar. In another chapter, Khajing narrated the historical components of Indo-Myanmar border trade and terms of agreement under it, and held out towards facilitating better infrastructure and trade routes. Linking border trade with India's Look East Policy, authors like Mero, De and Kumar hold that the geographical handicap of the northeast could be further affected by trade across its border as it share most of its border with international borders. The policy has opened up a corridor linking with the economies of the third world thereby generating growth impulse through exploring its rich resources for export in the line of horticulture base products, tourism, mineral based industries and agro-based products. Singh argued that though border trade could be the lifeline of both the regions across the borders, yet the proliferation of informal trade and other non-security threats minimise the economic imperatives created by such opening of borders. In another chapter, it discussed the linkage between trade and development, political economy of trade, mechanism of trade and the routes of trades.

K .C. Kabra and R.K.P.G. Singha (2006) discussed the emerging trends and future prospects of border trade in Mizoram. The landlocked region shared an advantage in terms of sharing its border with neighbouring countries of Myanmar, Bangladesh. The opening of border trade has facilitated formal trade on miniscule terms but could not overcome the inflows of informal trade activities. The absence of large-scale industries, with few exceptions of medium and small-scale industries, act as a wet blanket to export items needed on the other side of the border. As imported items are mostly of third world origins, the percolation of development does not filter as assumed and intended. As a consequence, only few local traders benefited from such trade. But in the light of the flow of goods and services, local people in particular are provided with the scope to engage in trade related activities which encompass a major part of their livelihood. Pointing to the strategic geo location, border trade offers opportunities to develop border areas which are normally located far from the mainland. Export and import of locally available items across the border, revamp of market to make it more customer friendly, development of infrastructure, facilitate credit linkages, and checking of the effects of illegal trade are some pertinent issues that need to be considered in order to boost the economy of a small state like Mizoram.

Dwelling on India's border trade with special reference to Myanmar, Thiyam Bharat Singh (2007) analysed the patterns of trading across Myanmar. The peculiarity of Indo-Myanmar border trade lies in the adoption of a barter system of trade which has limited exchange value where the gains from border trade are unlikely to be realised. This limitation along with inefficiencies and high cost of transactions under formal trade paved the way for informal trading. India has emerged as the largest export market for Myanmar with India accruing a trade deficit consistently. In examining the import and export pattern, trade between India and Myanmar is a two-way flow, where export items to Myanmar takes place in goods domestically produced in India, while import items from Myanmar is done in both domestic produced goods in Myanmar and goods originating from third countries such as China, Korea, Thailand and Japan.

V.S Soreimi (2014) study on Moreh- Tamu border trade, the first Indo-Myanmar trade point, examined the impact of border trade across border

communities. Drawing from primary and secondary data, it was found that border communities showed an improvement in socio-economic status and brought development to the region. There is a shift in occupation among people residing in bordering villages, the shift is marked from agriculture to the service sector. Despite occupational shifts, improvement in household income shows little improvement, and only few individuals reap the benefits out of border trade. The prevalence of informal trade across the trade zone is attributed on account of restricted tradable items. As the demand for non-listed items exists, people resorted to informally carrying out trade on those items. Close cultural affinity across the borders and the existence of porous borders provides an edge to smuggle items across the borders.

Nisha Taneja, Tin Htoo Naing, Sanjana Joshi et al (2019) study on Indo-Myanmar trade highlights the composition and trade trends. It was found to display a composition of both formal and informal patterns where the extent of informal trade dominates trade across the two countries. Trade across Indo- Myanmar shows erratic trade volumes where India accrued trade deficit. Despite accruing trade deficit, the importance of Myanmar towards India's Act East Policy and the instrumental role of border trade for Northeast India remains an inevitable policy. The paper highlights some important impediments to India-Myanmar trade and found both trade and non-trade barriers have limited the functioning of formal trade. Low quality infrastructure across border trade impedes the smooth functioning of normal trade and contributes to the channelling of informal licit and illicit trade. It suggests increasing documentation and procedures under normal trade, and the need to inject critical infrastructures.

Romalsawma(2000) study on Zokhawthar-Rih border trade relates to the impact on Mizoram. It highlights that on the socio-economic front, border trade seems to have impacted to a great extent that 4.11 percent of the total income of Mizoram state comes from this border trade, and provides livelihood to at least 6 percent of the total population of Mizoram.

Paul.S. Songate (2010) study described the implications of Indo-Myanmar border trade in the cultural and political scene with focus on Mizoram state. Drawing from primary and secondary sources, it highlighted the importance of border trade for Mizoram state, economically and politically. Border trade has contributed

towards increasing the State's revenue, as well as opened up economic avenues for the population in general. On the other hand, border trade accentuates the influx of Myanmarese migrants who on account of cultural similarity with the host community have integrated thereby impacting on the political and social scene in Mizoram. The dynamism is that politically they are regarded as foreigners yet they are assimilated and integrated into Mizo society to broaden the political aspirations of integrating ethnic tribes of Mizo across boundaries. However, the social consequence it brought is the making of internal othering, where migrants are perceived to be conduit for circulation of social vice. The state has recorded greater circulation of contraband substances since the opening of border trade. The study made a significant finding that in spite of greater mobility of goods and people, substantial visible increase in volumes of trade is not registered. This indicates that there exists no relationship between mobility and volume of trade, projecting further Zokhawthar- Rih as a transit point lacking a nearby substantial market to absorb goods. In addition, it points toward the existence of informal trade that fails to reflect in official records.

Similar study on Moreh-Tamu Trade sector, the first Indo-Myanmar Trade, by Ng Dev Karna Singh (2011) examined the impact of border trade on the economy of Manipur. It was found that trade has substantially increased the per capita income of households especially in Moreh town, and has subsequently helped in generating employment especially in sectors like transport, and labour. It augments small business enterprise and provides livelihood to numerous sections of the society. However, over the years it brought rippling effects; drug trafficking and smuggling has intensified along the economic corridor.

It is seen that border trade has significantly increased the per capita income of bordering households, generated employment opportunities (Singh 2011) and overall brought about socio-economic development in the context of Mizoram (Romalsawma, 2000). Significant decline in poverty as better road linkages resulted in substantial improvement in access to health and education services were depicted (Srinivasan 2012; Singh 2007; Romalsawma 2000). However, despite the enormous geo-economic potentials, India has not been able to derive the much-intended benefits. According to Taneja (1999), Thomas (2000), and Singh (2011), the domination of informal trade on account of problems in formalising trade and the

dominance of high tariffs diverted much of the intended benefits. In a study by Singh (2011) border trade does facilitate employment opportunities along the border regions in sectors like transport, small business enterprise, and labour but it does not filter much development as expected due to its transit nature. Besides, the opening of border trade also brings in other non-security threats and ushers in social, political and economic dynamics especially among people residing in the border areas (Songate, 2010; Gogoi, 2010).

There is copious literature on livelihood and its applicability in studying issues that range from conflict, health, migration, and trade. Despite compelling theoretical arguments that draw nexus between trade and livelihood, there is little empirical evidence regarding understanding its linkages at local level in the lives of bordering communities or villages. How globalisation and liberalisation forces operate at ground level remain at the risk of being side-lined.

Studies have mostly cited the importance of border trade and how it can revive regional economies, yet there are few studies about how border trade impacts on livelihoods and actually operates at local level. Reason for the existence of few studies is mainly because majority of the works have been examined from a national, regional level rather than at local level. This aspect also holds true for studies related to Act East Policy as well; there is little effort to analyse the policy at ground level.

In consideration of studies related to Indo-Myanmar trade, the focus was largely on issues related to social, political and other outcomes of interest that locate border trade at a larger broader policy context of the Act East Policy. And that many notable studies were based largely on secondary data drawn from large national surveys. To date, only a few empirical primary research adopting mixed methods exist. Though few studies touch upon the economic imperatives in terms of income and employment opportunities, analysis from a livelihood perspective is less and non-existent in the context of Zokhawthar –Rih border trade. Two empirical studies on Zokhawthar-Rih were based on political economy and geographical analysis.

Another limitation found in any study of border trade in the Northeast region is data. Official records provide scanty information that does not capture in general the essence and depth of border trade transactions. This study is in a way trying to bridge

this gap by collecting data from the field. However, field data is limited as estimating informal trade volumes is beyond the scope of researcher.

Thus, in order to bridge the gaps, this study focused on border trade and its impact on bordering livelihood by giving central importance to border experiences and in locating borderland at the heart of analysis.

In this chapter, an attempt has been made to present a review of relevant literature on various subjects in the study area and existing literature gaps have also been presented. In the next chapter, the methodological aspects are presented.



## **CHAPTER III**

### **METHODOLOGY**

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### **METHODOLOGY**

A systematic and scientific methodology is vital to accomplish the objectives of any study and to generate reliable knowledge. Further, it helps in formulating a comprehensive plan pertaining to the utilisation of available techniques and tools. Methods to employ are selected based on the philosophical underpinning of the study and subsequent objectives of the study.

The study aims to draw the implications of border trade on bordering villages with precedence on the livelihood aspects. The study is limited in that it encompassed only bordering villages along the Indian border. Two bordering villages of Melbuk and Zokhawthar, identified as border townships with the formalisation of border trade, were selected purposely as the study area. As discussed in the previous introductory chapter, border trade assumes dual purposes, one as a strategic policy tool to foster and strengthen relations across countries, and the other as an approach to new development strategy. Rather than viewing it within the policy context as a strategic tool under the Act East Policy(AEP), the present study focuses on the role of border trade as a development tool. In assessing how border trade works at the ground, focusing on the livelihood imperatives of bordering communities, it strategically placed people's experiences at the heart of the analysis. As literature reviews on livelihood studies have indicated that it places people at the center of its analysis, it suggests the adoption of mixed methods.

This chapter begins with a description of the study area, followed by a description of methodology employed in each stage. Besides, definitions of concepts used in the study were further conceptualised to fit in within the context of the study. The chapter concludes with ethical issues that were considered during the course of research work.

#### **3.1 The Setting: Profile of the Study Area**

Overview of the area of study is presented in this section where it briefly describes the profile of Mizoram state, and provides a general glimpse of Champhai district, where the study area is located. In order to have a broad glimpse of the study

area an attempt is made to highlight some pertinent features in the following sub headings.

### **3.1.1 The State of Mizoram**

Mizoram, erstwhile Lushai Hills is located in the southernmost tip of North East India. It occupies a strategic location, flanked by a total of 722 km international boundary with Bangladesh to the west, with Myanmar to the East and South. It also shares its boundary with three Indian states to the North by Assam and Manipur, and on the west by Tripura. Mizoram became the 23<sup>rd</sup> state of the Indian Union in 1987. For administrative purposes, Mizoram is divided into eight (8) districts viz., Aizawl, Mamit, Champhai, Kolasib, Saiha, Lunglei, Lawngtlai and Serchhip. The state consists of 23 towns, one notified Aizawl municipal town and 830 villages with a total population of 10.97 lakh (Census 2011). Later, in 2020, three new districts namely Hnathial, Saitual and Zawlnuam were formed.

Mizoram is mainly inhabited by the kindred tribes of Mizo like Lusei, Hmar, Ralte, Paite, Lai, Mara etc. It also hosts a large number of diverse ethnic groups of immigrants like Chakma, Myanmarese, Bru, and Gorkha. The Mizo social structure is based on the 'Family-Clan-Sub Tribe-Tribe' pattern (Vidyarthi & Rai, 1976:153). Christianity is the dominant religion of the State, although Buddhism, Hindu and Muslim religions are found to be followed by small percentage of its population. In terms of literacy rate, Mizoram has the highest literacy rate in India only next to Kerala state. The high literacy rate is accorded due to well implementation of education schemes and the importance assigned to education both by government agencies as well as by the people.

According to Mizoram Statistical Handbook 2018, about 60 % of the total workers are engaged in agriculture and allied activities. Out of the total geographical area of 21087 sq km, the net sown area is 18,6000 hectares and the total crop area is 18,8750 hectares. Jhum cultivation is the mainstay of the people where subsistence farming is a dominant feature. Landholding is small, which comes to around 1.25 hectares on an average (Mizoram Statistical Handbook 2018). The chief food crop of the State is paddy, followed by maize. Rice cultivation could meet only 34.18 % of the State's requirement and the rest has to be imported (Planning Department,

Mizoram 2018). Paddy is cultivated mainly in the hills slope and on the plain areas of Champhai district. In terms of industry, the state is devoid of major industries although small scale industries like handloom, agro-based industries are scantily present.

### **3.1.2. Social Life and Identity: Colonialism and its Effects**

A brief description is made about social life and identity to help understand the kind of society that existed in Mizoram. In addition to it, when discussing results, it will provide basic understanding of various aspects of social capitals and how shifting of identities is plausible and interminable.

Mizoram depicts a communitarian society. Apart from the State, the Church and other major voluntary organisations, which are based in each and every village, run a parallel government. The Church and three major voluntary organisations namely the Young Mizo Association (YMA), Mizoram Hmeichhe Insuikhawm Pawl (MHIP) and Mizoram Upa Pawl (MUP)<sup>2</sup> wield powers that at times it challenges and presides over the government. The YMA caters to the youth population, MHIP is in line with Mizo women's association, and MUP is a body for the elder. Their support is instrumental for any ruling government. Among the non-secular organisations, the YMA is by far the strongest, wielding the largest number of members with its presence across 805 branches.

The expedition of 1889 marked the beginning of the British's interest in Mizoram primarily to counter the continuous raids by the hill settlers. The Lushai Hills was annexed in 1890. Mizoram was under British control up until India got her Independence in 1947. On account of colonisation, traditional social ways of life, belief systems had undergone changes; replaced and refined, to the tunes of the coloniser. Christianity, a new religion brought by the British missionaries, is embraced by majority of the population that today Mizoram identifies itself as a

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<sup>2</sup> The outreach of these three philanthropic organisations is enormous with their presence found in each and every locality and village. Within its ambit it covered all sections of the society with the exception of children.

Christian state. Traditional *Zawlbuk*<sup>3</sup> system, a male bachelor's dormitory, was replaced by formal education and traditional belief in animism was subsequently replaced by a new adopted religion. As Mizo society underwent a change embracing a new outlook forged upon new adopted values, however, the ethos of *tlawmngaina* and *hnatlang* which were inherent to the *Zawlbuk* system continues to find its place in today's Mizo society. '*Tlawmngaihna*' which means the effacement of self in the service of others (Zama, 2009), and '*hnatlang*' refers to a common service for the common good of the community at large, where residents are to render (Mahapatra & Zote, 2000). The above ethos forms the essence of Mizo society, providing a distinct attribute that marks the characteristic of a communitarian society. In line with *Zawlbuk* functioning, the Young Lushai Association(YLA) was founded by missionaries which was later renamed as YMA.

The remnants of colonisation still loom large in the administration set up and in describing social identity. The Inner Line Permit (ILP), a colonial legacy, extended under the Bengal Eastern Frontier Regulation 1873 continues to be operationalised till date. Under this regulation, entry of outsiders in the tribal areas is prohibited. This special provision is also described as a paternalistic approach towards the tribesmen by the British. As per the implementation of ILP it tends to identify 'outsiders' as those who are non-tribal belonging to mainland people or those foreign visitors. Despite the existence of a protective regime, Mizoram still hosts a large number of migrants from its neighbouring countries. Another aspect is in the terminology used to describe Chin-Kuki-Mizo belonging to the Tibeto-Burman ethnic race. The earliest classification was done under the colonial masters. Depending on the location/ territory of study they are ascribed differently by different authors as kookis, later are classified as old kuki and new kuki. On the other hand, they were known differently as Chin in Chin Hills. Under the Chin-Kuki-Mizo nomenclature it includes numerous sub tribes like the Lusei, Hmar, Paite, Thadou, Tiddim Chin, Pawi, Lai etc. Similarly, in Myanmar, Chin is an umbrella term

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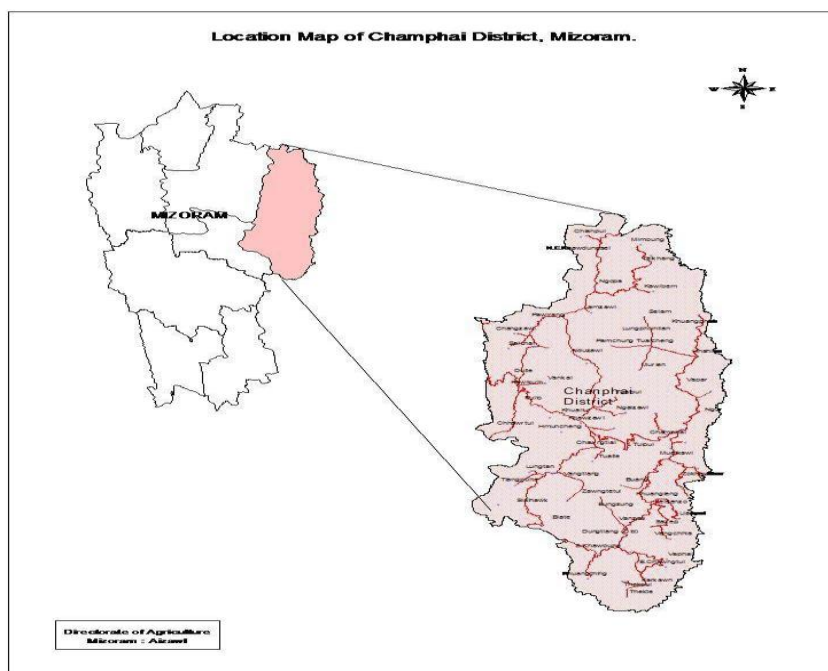
<sup>3</sup> A traditional male bachelor's dormitory in which every male member above the age of 15 years has to remain and stay until they reach marriageable age. Local elders in a community mentor and impart knowledge to the youths in tribal warfare, and village administration. It was a center where *tlawmngaina* was shown at its best and conserved.

denoting different tribes that inhabit the Chin State, including different sub-tribes like Thado, Paite, Hmar, Pawi, Lai, Lusei etc (Sakhong, 2003:19). Consolidation of various tribes under a nomenclature took place as society progressed, although it cannot be assigned exactly as to when and why the process began. It can only be assumed; the first assumption is to ease study as they are widely spread and consist of numerous tribes, and the second assumption is in order to survive amidst larger and dominant ethnic groups for fear of subdued, assimilation and control. In an attempt to put under one unified umbrella, numerous terminologies came into existence. Dominant umbrella terms like Zo, Zomi, Mizo, Kuki and Chin came into existence (Vumson, 1987; Shakong, 2003; Laldena, 2008). Contestation and confusion across states, and among authors persist in assigning a terminology. Depending on the context and place of study, identifying and distancing to a particular term persisted on a continual scale and became acute in contemporary politics (Arora & Haokip, 2017). Kamkhenthang and Jamkhenthang (1976) rightly observed, “Anyone attempting to write on these people will find at once the discouraging confusion of names and identities through literature and local usages” (p 108). Despite the existence of varieties of nomenclature, similarity is found in the narrative description of their historical origin. Two dominant myths surround their origin; one being originated from *Sinlung or Chhinglung*<sup>4</sup> that connotes their ancestors to have come out from a cave, and the other myth pertains to identifying themselves to be one of the lost tribes of Israel.

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<sup>4</sup> It is a mythological cave believed to be the origin from where the Zo tribes came from, which in the absence of written records is highly debatable. However, it holds a place in their connotation to their history as it finds its mention in every description related to the origin of Zo tribes.

**Figure 3.1 Location Map of Champhai District and Zokhawthar**



Source: Map of India

### **3.1.3 Champhai District**

Champhai District is located in the northeastern corner of Mizoram sharing boundaries with the Indian state of Manipur in the North, and an international border with Myanmar in the East and South. It came into existence on 12<sup>th</sup> December 1997<sup>5</sup>. As per the 2011 census, it has a population of 125745. For administrative purposes, the district is divided into four blocks viz., Champhai, Khawzawl, Ngopa and Khawbung.

The physical structure of the district comprises both hilly and plain areas. Wet Rice Cultivation (WRC) is done mainly in the plain areas and on account of this Champhai is also known as the rice bowl of Mizoram. However, it is seen that among the districts it has the lowest average size of landholding of 0.80 hectares

<sup>5</sup> <https://champhai.nic.in/about-district/> retrieved on 12/04/2020.

where the majority of the farmers fall under marginal farmers (Mizoram Statistical Handbook 2018).

Under Khawzawl Block, the study villages are located. Zokhawthar and Melbuk villages lie on the extreme periphery border along the Indo- Myanmar border. It is located at a distance of 28 kms away from Champhai town, the district headquarters. Zokhawthar is located in the most eastern corner, sharing a close boundary with Rihkhawdar, a village on the other side of Myanmar. A small river called Tiau separates the two villages which acts as a natural boundary between India and Myanmar. It is on this site that the second Indo- Myanmar Border Trade was established in 2004, also commonly referred to as the Zokhawthar- Rih border trade point.

According to the 2011 census report, the population of Zokhawthar is reported at 2632, consisting of 501 households. Literacy rate of Zokhawthar stood at 76 % with 24 % of its population illiterate. Melbuk village, the second border trade township, is located between Zokhawthar and Champhai town. It is 8 km away from Zokhawthar and 21 km away from Champhai town. As per the 2011 census, Melbuk consisted of 123 households with a population of 533. Literacy rate stood at 77 % while 23% of the population were illiterate.

River Tiau acts as a natural boundary demarcating the two countries, India and Myanmar. These two villages Zokhawthar and Melbuk, located on the Indian side, are the nearest two adjacent villages in consideration of the border trade zone. With the formalisation of border trade, it has positioned these two villages at the heart of the Act East Policy (AEP) which are subsequently identified as border trade towns. Located at the periphery, borderlands run the risk of being sidelined in the analysis of policy which is centrally structured in a manner of centralised top-down approach. And this study is an attempt to understand the impact of border trade from the ground realities by placing bordering communities at the centre of analysis rather than as a component part of AEP or frontier politics.

### **3.2 Research Design**

The study is cross-sectional in nature and descriptive in design. It employed mixed methods to capture both the emic and etic perspectives.



### **3.2.1 Mixed Method**

Livelihood studies aimed at people-centric development (Kaag, Berkel & Brons et al, 2004). It focuses on people and their activities at the central stage and seeks to understand it from the perspective of people. As livelihood entails the complexity of the socially embedded nature of people's lives, capturing the complexity of human dynamics through a single isolated method would highlight only one facet of reality. Studies by Kanj Hamade, Giulio Malorgio & Peter Midmore (2011), Karen Westley & Vladimir Mikhalev (2002) indicated that findings from a qualitative and a quantitative may not be consistent with each other, but suggested that in combining methods it helps in forging a linkage between those seemingly divergent results. Thus, in combining methods, it helps better capture into more details the complexity and dynamic interplay of various factors that impinge upon people's lived experiences.

The present study employed a mixed-method in sequential order of qualitative and quantitative methods. Primary data was collected with the help of qualitative, quantitative and participatory methods. Key informant interview (KII) was conducted across major stakeholders encompassing porter's union, trader's union, transport union and community leaders. Focus group discussion (FGD) was conducted among community leaders of each village. Participatory methods such as timeline, seasonal calendar were used to understand the timeline of village development and the vulnerability context of the community under which people base their livelihood. And a field survey with a pretested structured interview schedule was used to collect quantitative data. Secondary data was collected from both electronic and non-electronic sources. Journals, books, and government reports are the main sources of secondary data.

### **3.2.2 Sampling**

For the selection of the study area, purposive sampling was adopted. Since Zokhawthar- Rih trade point is the only functioning designated trade point so far under Indo-Myanmar trade in Mizoram, bordering villages of Zokhawthar and Melbuk located enroute border trade zone which comes under Khawzawl Block of

Champhai district of Mizoram were selected purposely. For the selection of sample size, a simple random sampling technique was used to identify the sample household. Determination of sample size was carried out by collecting information about household numbers from key persons in each village. Considering the time frame, the census report of 2011 was not in use as it would not provide accurate data concerning the population. Current population data was collected from the community health worker and Village Council. Melbuk consists of 160 households and Zokhawthar consists of 700 households( approx)<sup>6</sup>. The overall sample size selected was 300 households, covering 1 house in every 3<sup>rd</sup> house.

### **3.2.3 Tools of Data Collection, Processing and Analysis**

For collection of qualitative data, KIIs and FGDs were employed. Key informant interviews (KII) were conducted among 30 various key stakeholders. An interview guide was employed to help assist the process of the interview. In addition to it, free listing exercise was also conducted among the 30 primarily to understand the inflows and outflows of goods across the border trade as per the knowledge of the people. Focus Group Discussion (FGD) was conducted among prominent personalities of the community in both the villages. And lastly, participatory methods like timeline and seasonal diagrams, were drawn with the help of the locals.

Moreover, a structured household interview schedule was used to collect quantitative data. Kobo Tool Box, an online Open Data Kit platform was used to design the schedule and Kobo collect an android application was used to collect the quantitative data. It may be mentioned that the researcher seeks the assistance of local teachers to help in the collection of quantitative data, two each from one village. The assistants were trained before data collection.

Apart from primary source and secondary source of data were collected for the study. Government records, books and articles collected from different websites formed the main secondary data.

Qualitative data were analysed with the help of Nvivo software (2016), and Anthropic for free listing data. With Nvivo software, KII data was analysed and

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<sup>6</sup> As of October 2018.

categorised into themes and sub-themes. From the categorisation, a conceptual framework on the impact of formalisation of border trade was drawn which focuses on how people communities respond to the formalisation of border trade. To understand the inflow and outflow of goods, free listing exercises were further analysed with the help of Anthropac to see the dominance of goods traded and to understand the salience of goods that are traded.

The data collected through Kobo Tools was transferred first to an excel sheet and edited. Then it was analysed with the help of SPSS. For the analysis of quantitative data, descriptive and inferential statistics were used. Percentages and averages were computed. In addition to it, independent t-test, f- test, and Karl Pearson's coefficients of correlation were further calculated primarily to understand the relationship among various variables.

### **3.3 Concepts and Operational Definitions**

In this section an attempt is made to provide a conceptual definition of border trade, livelihood and livelihood diversification and its operational definitions.

#### **Border Trade**

Border trade refers to the flow of goods and services across international land borders between countries. It encompasses in general bilateral trade transacted at border trade points that comes under the ambit of legal formal trade, and does not indicate cross border trade carried out through sea ports, air, or informal trade that are carried across porous and unmanned traditional routes.

#### **Livelihood**

Livelihood aspect of bordering communities located nearby the border trade zone is the main focus of the study. The study of livelihood takes a central stage with the development of the Sustainable Livelihood Framework by DFID. Livelihood encompasses a combination of activities and choices to make or undertake a living. Chambers and Conway (1992) defined livelihoods to comprise capabilities and assets. Capabilities refer to an individual dimension; what they can do through the acquisition of knowledge, health, and networks. It covers material as well as non-material aspects of access to assets (Scoones, 1998). Assets imply capitals or

resources in the form of human capital, natural capital, social capital, financial capital, and physical capital. Access to these capitals undermines the outcomes of livelihood. As such, higher the assets or the capacity to diversify the assets, there is a higher chance to ward off risk (Tanle, 2015). Drawing from Chambers and Conway definition, livelihood is understood as those that comprises capabilities, assets, and activities which can maintain and sustain a living.

### **Livelihood Diversification**

Livelihood diversification is defined as a process by which household members construct a diverse portfolio of activities and social support capabilities in their struggle for survival and to improve their standards of living (Ellis, 1998). Accordingly, in this study livelihood diversification refers to an attempt by an individual or households to find new ways to raise incomes and reduce vulnerability to different livelihood shocks by either adopting a diverse portfolio of activities or intensifying their present livelihood activity.

In this study livelihood diversification entails the number of economic activities a particular household is engaged in.

### **3.4 Limitations of the Study**

The major limitation of the present study rests with the ability to draw conclusions that are generalisable beyond the Zokhawthar –Rih trade sector. As the study is confined only to two bordering villages along the Zokhawthar-Rih border trade zone, it is impossible to generalise the whole bordering villages that are located in different parts of the State. With the existence of various trade points both manned and unmanned, the findings are limited to formal trade point.

Another limitation relates to the study area, which takes into consideration border communities on the Indian side only. As such, the findings cannot be generalised for those located on the other side of the border that is Myanmar.

### **3.5 Ethical Considerations**

Ethical considerations that were applied during the study include: -

**I. Permission to conduct the interview.**

Informal consent was taken orally before proceeding for the interview. The purpose and objectives of the research were shared with every individual before the interview. An electronic device was used following the convenience of the interviewees.

**II. Confidentiality:** The researcher informed the respondents that the anonymity of respondents will be maintained and that all information shared will be used only for the study.

**III. Flexibility and right to withdraw.** During the process of the interview, the researcher gave the respondent the liberty to skip any information that he /she didn't wish to disclose. Also, it was put at the discretion of the respondents to withdraw at any stage of the interview.

In the present chapter, an attempt has been made to describe the context of the present study and various components of research design. In the following four chapters, an attempt is made to discuss the findings of the analysis of qualitative and quantitative data. In the next chapter, the vulnerability context of the border villages has been discussed.

## **CHAPTER IV**

**VULNERABILITY CONTEXT, LIVELIHOOD CHALLENGES AND**

**RESILIENCE OF BORDERING VILLAGES**

## **CHAPTER IV**

### **VULNERABILITY CONTEXT, LIVELIHOOD CHALLENGES AND RESILIENCE OF BORDERING VILLAGES**

Vulnerability connotes different meanings in its application depending upon the context of the study. The application of vulnerability concepts ranges from disaster to health, from developmental studies to the studies of poverty, migration and livelihood (Moret, 2014). Within these varied applications, Chambers (1989) provides a classification on the two sides of vulnerability: an external side of risks, shocks, and stress to which an individual is subjected, and an internal side which is defenseless, meaning lack of means to cope with damage or loss. Thus, vulnerability can be differentiated into the external side of vulnerability and internal side of vulnerability. According to sustainable livelihood framework (SLF), vulnerability context is characterised as the existence of insecurities in the form of: -

- 1) Shocks
- 2) Trends, and
- 3) Seasonality

Shocks include drought, floods, disease, illness, conflicts. Trends encompassed demographic, economic, technology trends, change in policy, and environment. On the other hand, seasonality depicts a change in seasons and its impact on price and employment (Serrat, 2017).

It is pertinent to assess livelihood vulnerability as livelihood outcomes are largely influenced by the vulnerability context. Livelihood is centred around people's experience and the risks they are associated with, any intervention drawn at a level beyond understanding their perception on vulnerabilities and challenges would prove to be unrealistic and irrelevant.

A livelihood is said to be vulnerable when it is exposed to internal and external risks, capable of pushing a household to the edge. Vulnerability context

largely influenced livelihood options and outcomes. Examining the context of vulnerability provides a bedrock understanding upon which people base their livelihood. Vulnerability is complex, despite exposure to the same risk or shock the experiences of each and every household may differ. Indicative to vulnerability context is the component of a household assets base, access to vital resources, availability of adaptive measures and short-term coping measures.

In this study, vulnerability context of bordering villages is determined in two stages by employing mixed methods. As vulnerability is embedded in social and environmental dimensions, there is a need to adopt various methods to understand the manner it interfaces with people's livelihood. In examining the varied forms of vulnerabilities as experienced by bordering communities, it draws a nexus between vulnerability and livelihood. This understanding would provide a substantive direction towards addressing the issues of sustainable livelihood.

Qualitative research techniques like participatory method and Focus Group Discussion (FGD) were employed. FGDs and seasonal mapping along with community leaders were conducted separately in Zokhawthar and Melbuk villages. Seasonality mapping highlights the broad elements that bordering communities face. It provides us with the generality to examine the interface of external sides of risks and its influence on the daily activities of borderland people. Besides, FGD was conducted to substantiate findings from seasonal mapping, and to generate understanding into issues that are encountered both at a community level and household level. To draw in depth understanding into the interlinkages of vulnerability and livelihood at households' level, 300 households sampled across the two bordering villages were collected through random sampling. Livelihood challenges in a way depict the innate form of risks that are associated at a microscopic level which could in a way deprive people of their means of livelihood in the event it couples with larger external risks or stress. As such, an understanding of their principal livelihood challenges is necessary.

Livelihood is said to be sustainable when it can cope and recover from stress and shocks (Chambers & Conway, 1992; DFID, 2008). The ability to cope or recover



depends on the disposability of people's capabilities and assets. Households take up strategies in order to reduce risk. In the face of experiencing livelihood challenges, how do households respond and cope with it? The choice of adopting various coping strategies depend on household asset endowments; for which, the options of choice varied from household to household. In examining the sources of resilience, it throws light into the kind of resources people are able to access.

#### **4.1 Vulnerability Context of Bordering Villages**

Seasonal mapping of both the bordering villages was summarised and clubbed together in table 4.1. When comparing between the two villages there existed hardly much difference. More or less, they experience the same phenomenon. The commonalities are exerted by high dependence on trade economy, similar composition of its population and being located nearby border trade. In assessing the vulnerability context of bordering villages, seasonal mapping indicated the existence of various factors that induced vulnerabilities, among which climatic factors act as a major inducer of external stressors followed by non-climatic factors.

##### **4.1.1 Climatic Induce Vulnerability**

The state of Mizoram is vulnerable to various natural hazards such as cyclone, earthquake, cloudburst, and landslide owing to its geographic, geological, and topography landscape. The variability in climatic conditions place Mizoram at the risk of facing disasters on numerous occasions.

###### **a) Monsoon**

Mizoram region falls under the direct influence of south- west monsoon, as a result it receives abundant rainfall. It is the longest season in Mizoram. Monsoon season begins from the month of May and lasts till September. Occasional showers are received in mid-October on account of retreating south-west monsoon. The State experiences an average 2323.73 mm of annual rainfall. Heavy rainfall occurs from the month of July till early September accounting nearly 70% of the total rainfall (Mizoram Statistical Handbook, 2018). Episodic occurrences of landslides, windstorms are common features during the monsoon period. This resulted in heavy

loss of property, periodic road blockage halting transport services and supplies of goods. It worsens road conditions affecting transport services. Movement of goods, and mobility are reduced. Trade registered lower volumes as well. The effects of which can be felt among the bordering population in terms of reducing their earning capacity as the majority of the population depend on trade for their larger part of income, directly or indirectly. Porters felt the burn more intensely who depend on the arrival of consignments for their daily wage. A porter from Zokhawthar describes his predicament on the arrival of monsoon,

*With the coming of monsoon season, it implies lesser workloads and lesser wages. Goods arriving during monsoon do not fetch us a high wage, at the most we earn between Rs 400 to 500 per day. However, during the winter season, on an average we could earn Rs 800, and if we are lucky, we earned Rs.1000 per day. Areca nuts and fertilizers fetched us with maximum wage as it is heavy and comes in large quantities but volumes of trade during monsoon period is low.*

For those villagers near the border trade zone, dry season provides them with better earning capacity. Movement of goods intensifies, volumes of trade registered higher during this season. There is greater mobility of people, tourists and cross border visitors alike.<sup>7</sup> However, during this season particularly in January, bordering villages faced water shortage but not as acute. For Zokhawthar villagers, the existence of perennial river Tiau acts as a source of water during scarcity of water.

During the months of incessant rainfall informal trade carried out through unmanned routes also gets affected. In addition to the worsening of road conditions, as the level of water increases it becomes difficult to cross over river Tiau. Mizoram depend heavily on Myanmar for their meat requirement in particular, and cattle are imported mainly through these unmanned routes

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<sup>7</sup> Interview with the hotel owner and caretaker of Tourist Lodge located at Zokhawthar.

## **b) Landslide**

Mizoram is located in a landslide prone area. It has witnessed large and small landslides and each year there are cases of landslides. During monsoon season, the occurrence of landslides is a common feature. However, the occurrence is attributed to both natural and anthropogenic activities. The geological set up of Mizoram in combination with natural hazards and human activities trigger landslides. Construction of roads, unplanned construction of buildings, improper drainage and deforestation for jhumlands aggravate the cause of landslides. For instance, the 2-lane widening of Champhai-Zokhawthar road has rendered slopes unstable at many places along the road and nearby settlement. Rockfall and debris landslides are common occurrences along the road destroying property, causing roadblock thereby halting supplies which factor in for price volatility of goods.

## **c) Other Natural Hazards: Cyclone, Cloudburst, and Earthquake.**

Another source of vulnerability is the accompaniment of monsoon season by cyclone, windstorm and thunderstorm. Mizoram has experienced a couple of cyclonic storms like Mora in 2017, Mahasen in 2013 and wind storms. Albeit it passes mildly, unlike causing high intensity of havoc, the damage is felt in terms of losing property, crops and daily wages. It shuns carrying out economic activities. Considering border villages where majority of the population depend on daily wage working as porters, it deprived people of their working days.

Mizoram is located in seismic zone V, which is referred to as a very high damage risk zone. The occurrence of earthquakes is experienced yearly with epi centers mostly in the Indo-Myanmar border region. Within the month of June 2020, the State has witnessed three earthquakes within 48 hours and another quake measuring 5.3 magnitude was recorded near Champhai on 24 June, 2020 (India Today,2020). In Zokhawthar two churches were damaged, in addition to reports of cracks in roads and buildings at other places.

### **4.1.1.1 Impact of Climatic Induce Vulnerability on Household livelihood**

There exists an intermittent linkage across availability of food, employment, and price volatility with the onset of monsoon. Roads are in bad conditions and on

account of heavy rain, most of the traders and drivers prefer not to take risks. Roads from Champhai to Zokhawthar and from Rih to other parts of Chin Hills are in bad condition. Despite the widening of Champhai- Zokhawthar road into 2 lanes, the topography and terrain of Mizoram which is made up of young, loose rocks continued to pose a constant challenge with the onset of monsoon season. On numerous occasions, the occurrence of a landslide along the road has stranded vehicles and halted supplies of goods. Traders fear their goods might get damaged, and drivers are always living with the fear of being stranded as chances are high either due to landslides or breakdown of the vehicle.

A market trader on consumable products shares his experience during monsoon season;

*During the monsoon portion of our goods got damaged. As we don't trade in large quantities to cover our loss, we have to increase the price of goods.*

In other words, as narrated by a porter from Melbuk mentioned;

*Workloads lessen as monsoon season progres. And our days of wage employment gets reduced. In the meanwhile, prices of commodities increase. At times we were left without work for a month and had to search for an alternative place to work.*

On account of monsoon, price volatility of goods is pronounced and is adopted particularly by market traders and small-scale traders as a means to cope with uncertainty. Traders had to pay additional transportation cost, extra fee for renting storage facilities and to recoup they had to increase the price of their goods. As one trader who supplies goods to Aizawl stated;

*At times our partners in Aizawl fail to understand the fluctuation of prices for the goods we supply. We have to explain thoroughly in a*

*convincing manner as we are also afraid to lose a business partner.*

*We*

*marginally increase the price of goods to cover us from any kinds of loss.*

*During this period, goods also arrived in lesser quantities, and there's*

*always a high chance of getting damaged.*

Across bordering communities some households are engaged in cultivation. Cultivation is done in jhumland, on the river banks and in a patch of land as settle cultivation. In addition, people adhere to growing in any vacant lot mostly in their compound as a kitchen garden. Jhum cultivation is carried out mostly in Melbuk village and few households practice in Zokhawthar as land for jhum cultivation is low. As Zokhawthar village is curved out from Melbuk village, it is deprived of community land and forest land. Across the study area, cultivation is carried out in a subsistence manner, mainly for household consumption. For their larger needs and supplies of food, bordering villages depend on the markets of Aizawl and Champhai and Myanmar. They also depend on Rih, an adjacent border village on the side of Myanmar, for local consumption. In Rih, a relatively small market has developed. As one observed during the field visit, there is not much difference in the price of imported commodities one finds in bordering villages and in Aizawl and Champhai Town. This further implies that Zokhawthar –Rih operates mostly as a transit point for bigger markets. And that markets in bordering villages are small and yet to expand and develop like Nampalong market located in Moreh- Tamu trade that attract visitors and traders.

#### **4.1.2 Non- Climatic Induce Vulnerability**

Among non- climatic factors, spread of disease, occurrence of disputes/conflict across various groups, and change in policy factors in for inducing livelihood vulnerability. Disease, change in policy and conflict are factors beyond household capacity to control and contain. However, a closer analysis into these

factors show how it is embedded in the social, political and economic dimensions making it a more complex issue.

**a) Disease**

The spread of Bovine disease and Blue Ear pig disease affects Mizoram. Consumption of meat is high for which the State's requirement for meat is supplemented by imports from Myanmar as well as from other states. Myanmar is the largest supplier of cattle meat to Mizoram. On account of these infectious diseases, it implicitly impacts businesses and rendered households who rear animals as secondary income to lose a substantive amount of their investment. Meat, especially pork meat, is consumed on a large scale. Local markets alone could not cater for this huge demand and pigs are imported on a large scale from Myanmar. Apart from pigs, piglets are imported for rearing. In rural settings, people rear livestock as part of income and food security. Income from livestock forms an important secondary source of income. Cattle rearing proved a profitable business as the demand is high and could be easily sold and encashed. In 2013, 2011, 2019, the Government of Mizoram has issued a ban on import of pig and piglets mainly due to the spread of Porcine Respiratory and Reproductive Symptoms (PRRSV). In the words of pig trader, who formed the Piggery Association in Zotlang village, provide an account of challenges in pig business of narrated in this manner,

*From the import of pigs and piglets, it has supported more than 100 households and provides them with a source of income. With the onset of summer and warm weather, the spread of disease among animals is more pronounced and affects business. For some households who rear one or two pigs, mainly for their household's income security, they have to sell it off below normal market price before the disease catches hold. Some had to forgo all their investment when their pigs/piglets died.*

**b) Dispute and Conflict**

Another aspect of the formalisation of border trade is that it gave rise to formation of various groups. These groups are formed mainly on account of trade,

some of which are registered societies, others federated to unions. Some groups are yet to formalise but have garnered strong members and have systematically functioned. Among the prominent groups formed are on the line of trader group, porter group, and transport service group. Community based societies existed in Melbuk and Zokhawthar as well. In total, 12 groups have been formed and are spread across Champhai town, Melbuk, and Zokhawthar ( for details see Table 6.1). Dominant groups especially traders' and transports' groups are found and located mostly in Champhai town, while porters' groups are located at Zokhawthar. It was only after border trade that Zokhawthar and Melbuk came into the scene, previously Champhai region controlled and dominated cross border trade. As each group wishes to have an upper hand in the way trade functions and carries out, disputes often arise among different groups. At times, some trader groups favours a particular porter group, and in another case conflict of interest arises among different groups.

During March 2019 a dispute arose between Champhai Border Trade Transport Union (CTU) and Zokhawthar Village Transport body. Earlier all freight services from Zokhawthar to Champhai on imported goods were under the control of CTU in which Zokhawthar transport body was also part of it. The contention was on the management of freight services, Zokhawthar complaint of mismanagement stating that CTU favours vehicle owners from Champhai. Backed by Zokhawthar Village Council, and some elite trader groups, Zokhawthar village insisted on controlling the management of freight service at least within the jurisdiction of Zokhawthar village. Under the direction of Zokhawthar Village Council, it started to collect additional fees for all vehicles passing through their village. In response to it, CTU called for a roadblock and halted all vehicles near the entry point of Champhai. Even perishable goods were not allowed to pass and this resulted in piling up of goods at zero point. This sends panic across traders. Lorry drivers, whose earnings depend on the number of consignments they ferry, are the worst sufferers as they had to forgo their earnings. During this dispute, trade volume registered low as informed by porters during the field visit. This affects the earning capacity of porters as per day wage is calculated based on workload and the kind of consignment that arrived. This is not the only instance where disputes have occurred between CTU and

Zokhawthar. Within porters' groups conflicts have also occurred on many occasions, mainly in matters related to fighting over goods, and membership. There are also instances where conflict of interest has occurred between law implementing agencies and the locals.

During field survey at Melbuk, the legitimacy of Zokhawthar's claim to control trade was questioned, to which the President of Melbuk Development Charitable Society (MDCS) showed support in their claim stating that they have every right to control. It echoed the same position made by Zokhawthar which asserted their right to control as border trade point is located within their village. Being located at the border, bordering communities resonate to one another and provide solidarity especially when contestation is against dominant and elite groups. It further implies that bordering communities identify themselves with the border in line with what Flynn (1997) described border communities to recognise themselves as 'we are the borders'. This attribute by bordering communities to identify themselves with borders, as Flynn put it, helped channel benefits and formed a community on its own based on territorial location. Mcduie-Ra (2016) rightly observed that border trade provides opportunities for bordering communities to advance their claims of space, belonging, and territory.

A closure analysis indicated that in opening borders for trade, trade economy is marked by contestation and conflict. However, not all conflicts or disputes are necessarily bad. But it is the collateral damage in the form of disruption of employment, business, trade and impact on poor households that generate greater concern. This calls the need for better management of disputes and adopting effective conflict resolution measures.

### **c. Policy**

Change in policy has the capacity to affect change in the lives of people either positively or negatively. In recent years, numerous changes in border trade policy has been effected in the areas of administrative and trade mechanism. Previously under the Border Trade Agreement (BTA), trade was conducted in three mechanisms viz., traditional exchange mechanism, barter system, and normal trade.



In 2014, the barter system was abolished and channelised for the implementation of normal trade along the Indo-Myanmar border trade. The sudden change in trade mechanism comes along with changes in import tax, and payment mechanism. This puts a constraint for traders, especially for areca nut traders. The rise in customs duty up to 40 % put traders in a disadvantaged position. This invariably lessens trade on areca nuts across this trade zone. Areca nut renders the most profitable of all goods that ply over this trade point especially to the general people as it fetches higher wage income to porter, driver and transport owner.

The Free Movement Regime (FMR) was in place along the Indo- Myanmar border to facilitate the movement of bordering population and trade. Although FMR is limited to 16 km, people's movement beyond the permissible area is not curtailed. FMR may in itself not cause a health risk but may contribute towards imposing vulnerability to the general population on account of exposure to floating migrants. With FMR in place, it assists for easy crossing over the border without hindrance and is unmonitored (Chaudhury, 2019). In the absence of systematic cross border health surveillance, border regions are exposed to a greater risk of public health hazards. And alongside the Indo- Myanmar border non-security threat in the form of health hazards like HIV/AIDS, HIV-TB co-infection, HIV Hepatitis C (HCV), and vector-borne Malaria are pertinent

(Chaudhury, 2019). With Myanmar remains the hub of illicit opium cultivation and drug trade centre, it makes it more alarming (Chaudhury, 2019). Except for one NGO Mercy's clinic and one sub-centre located at Zokhawthar, and an Army dispensary at Rihkhawdar (Myanmar), across the Indo- Myanmar border there are little efforts in building health care facilities. Moreover, change in the administration of border regions in terms of prohibiting plying of vehicles across the border takes a toll on the health of porters as they have to toil harder than before.

#### **d. Occupational Health Hazard**

Occupational health hazards are more pronounced among porters and drivers. The nature of workload and lack of social security escalate the situation. Work accidents leading to disability and even death have occurred. Individuals or their

families were given ex gratia by concerned groups to which they are affiliated. However, the amount is small. No substantive provision other than this exists that can suffice enough to meet the needs of the family both in short term and long term. The plight of porters became even more pronounced with stringent implementation of amended FMR. Earlier, vehicles carrying consignment were allowed to enter across the border which makes it easier for porters to load and unload the goods. Law was made relaxed based on mutual understanding between officials of two border posts. However, an eventful incident that took place between Melbuk villagers and Myanmar Army resulted in stringent implementation of FMR and in the administration of border area. Trucks belonging to Melbuk carrying loads were detained by Myanmar officials. Later, it was mentioned that due to miscommunication where no prior information was received on the movement of trucks by Myanmar officials, those trucks were detained. This irk Melbuk villagers, and a small group was formed who crossed over to Myanmar in the thick of night and drove back those trucks to Melbuk. The surprise upstage of Myanmar's officials didn't go well when the matter was brought up to the higher authorities. On account of this incident, stringent law was implemented where commercials as well as non-commercial vehicles were not permitted to ply across the border since the incident. As a result, porters had to carry on headload from zero point across the other side of the border which is around more than one meter away. This adds to their workload.

Toiling is their enemy as it takes a toll on their health especially among those who worked as porters. Minor health complaints are acute across both genders. However, minute gender differences existed in terms of exposure to occupational health hazards. Men mostly complain of backache, muscle pain and the tendency to consume alcohol after a tiring day. Women porters face additional problems than male. Women complain of irregular menstrual cycle, abdominal pain, apart from backache and muscle pain. The nature of the workload of loading and unloading goods and carrying across the border on headload compromises their health. A porter in Zokhawthar sum up explicitly how it compromises their health,

*We earn a decent income no doubt, but how long can we go on carrying heavy loads? We are ageing earlier than others. It's either health or money, but we needed both. Do we have a choice?*

Occupational health hazards and dwindling health conditions on account of the nature of workload continued to form the biggest challenges at the household level. The internal side of risk which is apparent in occupational health hazards that affect their health need proactive intervention in the form of securing social protection, and health care services. This calls forth the need to strengthen health care services, upgrade and improvise facilities.

Vulnerability context of bordering communities' interface with climatic and non-climatic factors. External forms of risks and internal forms of risks constitute their vulnerabilities. There is a commonality in the forms of household experience vulnerability which are in a way intrinsically woven around border trade. Household livelihood vulnerability is centred around climatic induced vulnerability impacting employment, availability of food, and price volatility. There is an ardent need to devise a strategy to lessen climate induced vulnerability to build greater resilience among the people. At community and household level, exposure to other forms of vulnerability ranges from structural to cultural in the form of change in policy, the spread of disease, and occupational health hazards. Despite the variations, however, their vulnerabilities are embedded in the social, political and cultural domain which make it more complex. Lessening livelihood vulnerability is important towards sustaining the livelihood of border communities.

#### **4.2 Border Trade and Livelihood Challenges of Bordering Villages**

At a household level, the most pronounced livelihood challenge faced relates to health problems where 60 % of the total respondents ascribed to have health issues. Health related issues are more pronounced at Zokhawthar with 70 % of the respondents ascribed to have health complications. On the other hand, only 48 % of the respondents from Melbuk subscribed to have faced health issues. Occupation determined the kinds of health complications one could possibly encounter. Trade economy has opened up opportunities for employment and the capacity to absorb

labour. The availability of labour in bordering villages is absorbed mostly in labour intensive works such as working mainly as porter and driver. Labour intensive works entail greater health hazards. As their work included loading and unloading of goods and carrying of goods on head load across the border, they complained mostly of joint pain, back pain, fatigue, and issues related to reproductive health by the women. Similarly, drivers are a vulnerable group and their exposure to health risks are high. The very nature of their workload coupled with working in an informal sector that lacks protective measures such as life and health insurance, ex gratia, makes them vulnerable to occupational health hazards.

Next to health, irregular (wage) employment poses a challenge where 36 % of the of the total respondents have mentioned it. Across the villages, Melbuk (42%) indicates a higher percentage than Zokhawthar (30%). In the face of irregularity in wage employment, provision for alternative livelihood is of utmost importance for securing livelihood security. This is where livelihood diversification plays a vital role. Besides, 28 % mentioned, erratic nature of trade to pose a challenge to their livelihood where it is seen to be more pronounced in Zokhawthar (35%) than in Melbuk (20%). Blockage of goods on account of conflicts, spread of disease has resulted in closing of trade. The manner in which each village deals with trade, attributes for the difference in the level of subscribing it as a challenge. Zokhawthar village is located in the border trade point and deals mainly in goods that passed through the official trade point, on the one hand, Melbuk village deals in transporting exported goods mainly through unmanned routes. Unmanned routes are devoid of problems other than bad conditions of roads. Other factors that contributed to their livelihood challenges are climatic conditions (12%), competition (business) (6%), and price volatility (5%).

A look at other livelihood challenges indicates the interconnection of issues which are interwoven in one way or the other. For instance, erratic employment, trade and climate are in one way interconnected. Climate has a bearing on their employment, trade and induced price volatility. The onset of monsoon season reduced the earning capacity of the people as majority of the population are engaged as porters, who depend on the smooth functioning of trade for the arrival of

consignments, for their daily wage. Bad road conditions clubbed with the occurrence of landslides halted trade and reduced volumes of trade. Prices of commodities tend to rise during the monsoon season. As bordering villages are located in periphery areas, people had to pay for an additional cost of transportation indirectly through increase in the price of commodities.

### **4.3 Resilience to Vulnerability: Household's Coping Strategies and Support System**

In the face of vulnerability and livelihood challenges, people adhere to various ways to cope with their changing environment. How a household responds to their livelihood challenges indicates on one hand the availability and ability to access some of the vital resources needed to mitigate their vulnerable position. According to Davies (1993) coping strategies entail momentary response to urgent necessity to reduce risk.

In this study, households adopt multiple strategies to cope with their livelihood challenges. Among the strategies adopted, searching for alternative employment is the most prominent across both the study areas which stands at 44% in total. Melbuk (46%) shows slightly higher percentage than Zokhawthar (42%) in terms of finding alternative livelihood. This implies that during deteriorating times and decreasing income, people respond by finding alternative employment options. It also further indicates that the level of insecurity existed in their primary source of income but also indicates otherwise the availability of alternative employment opportunities. Finding an alternative source of income can be a temporary or permanent response. But despite the insecurity, the ability to search for alternative income options shows otherwise the elasticity to access other vital resources.

Another strategy that a household employed is to seek extra labour from family members, and this is more pronounced among Zokhawthar (42%) than in Melbuk (32%).

It is a peculiar attribute in every household to mobilise additional labour during hardship. In rural areas, the attribution of a large family size as an asset still

dominates the thinking. To have reserved labour or a good number of people who are able to work in a family form a sense of security to households. The existence of adult members in a family act as an asset and a large family act as a security for the family. Labour can be recognised as an asset in tangible and intangible ways. Labour can become a tangible asset when it is able to get wages or income, while intangible labour is in the form of helping hands rendered to a family.

Other coping strategies adopted by households are availing credit or loan (31%), relying on prayer (29%), and being thrifty (16%). Lastly, households cope by cutting down expenditure on consumption (9%). People combined diverse means to cope with their challenges and it is seen that Zokhawthar employed multiple coping strategies than Melbuk.

With regards to the sources of support, family (93%) form the predominant source of support followed by friends (51%) and relatives (20%). Support is also received from neighbours (11%), community-level (9%), from groups affiliated to (6%) from the Church (3%). Primary ties among bordering communities remain strong as it forms the main source of aid for coping, survival, and in managing crises although secondary and tertiary sources play a considerable role as well.

Regarding the types of support received, support in the form of extra labour (71%) is the highest across both the villages. This is followed by financial assistance (45%), moral support (42%), support in kind (19%), and lastly through sharing of information or knowledge (9%) about employment opportunities and other related information. Labour is inextricably an important part in bordering villages. The underlying resilience of people highlighted the role institutions played in their management of livelihood challenges, which further pointed to the need to strengthen it.

Considering the vulnerability context upon which the people based their livelihood, it remains constrained both from external and internal associated risks. Climate-induced vulnerability remains one of the major contributors. Climatic induce vulnerability affects employment that undergoes structural changes on account of border trade. The occupational shift that occurs on account of border trade remains

insecure in the face of climatic induced vulnerability, conflict, and changes in policy. Although border trade brought about a positive impact on the lives of those residing in border towns and created its own space in the narratives of development, households remain vulnerable in the absence of favourable employment and social security. Occupational health hazards and dwindling health conditions on account of the nature of workload continued to form the biggest challenges towards securing sustainable livelihoods. A livelihood is said to be sustainable only when it can cope with shocks, risks, as such strengthening the support system of the people is vital to cope with vulnerabilities and uncertainties. In addition to it, reducing the vulnerabilities of community and households is pertinent towards building a sustainable livelihood.

**Table 4.1 Seasonal Map of Zokhawthar and Melbuk Villages**

<b>Challenges</b>							
<b>Month</b>	Availability of Food	Availability of Employment	Availability of Water	Monsoon Season	Cyclone/ Cloud burst	Land slide	Cultivation Season
January	*** ###	*** ###	** ##				Clearing Jhum land
February	*** ###	*** ###	** ##				Burning
March	*** ###	*** ###	** ##				Burning

April	*** ###	*** ###	*** ###	* #	* #		Sowing of Kharif crops
May	*** ###	*** ###	*** ###	* #	* #		Sowing of Kharif Crops
June	** ##	** ##	*** ###	** ##	** * ###	** ##	Cleaning
July	** ##	** ##	*** ###	** * ###	*** ###	** ##	Harvest
August	** ##	** ##	*** ###	** * ###	** ##	*** ###	Harvest
September	*** ###	** ##	*** ###	** ##	* #		Sowing of Rabi crops
October	** * ###	*** ###	*** ###	* #	* #		Harvest
November	** * ###	*** ###	*** ###	* #			Harvest
December	** * ###	*** ###	*** ###				Harvest

Source: Field Survey

Scale of 3: Moderate/Frequent /Adequate= 3, Less/Low= 2, Very Less/ Low=1

Zokhawthar = \*

Melbuk = #

Clearing forest/ Jhum land (December- January), Burning and Plantation (February - March), Sowing Seeds (April – May), Harvest (October – December).



**Table 4.2 Summary of Focus Group Discussion**

<b>Issues</b>		<b>Impact</b>
<b>Zokhawthar Village</b>	<b>Melbuk Village</b>	
<b>At Household Level</b>		
Occupational health hazards	Occupational health hazards	Disability, Death, Loss of employment
Heavy workload	Heavy workload	Health-related problems
Erratic employment	Erratic employment	Reduce earning capacity/income, search for alternative income
<b>At Community Level</b>		
Disputes across various groups on account of border trade	Dispute arising across various groups on account of trade	Closing down of trade, Loss of employment
Spread of Disease	Spread of disease	Closing down of trade, affect business
Negative perception about the community	Change in policy	Effects employment, Formation of Identity

Source: Field Survey

**Table 4.3 Border Trade and Livelihood Challenges**

Sl.No	Challenge	Type of Border Village				Total N = 300	
		Prime n = 161		Second n = 139		Frequency	Per cent
		Frequency	Per cent	Frequency	per cent		
1	Health	113	70	67	48	180	60
2	Irregular Employment	49	30	58	42	107	36
3	Erratic Trade Exchange	57	35	28	20	85	28
4	Climatic Condition	14	9	22	16	36	12
5	Competition	5	3	13	9	18	6
6	Price Volatility	11	7	5	4	16	5

Source: Computed

Prime = Zokhawthar

Second = Melbuk

**Table 4.4 Border Trade and Livelihood Strategies Adopted**

Sl.No	Strategy	Type of Border Village				Total N = 300	
		Prime n = 161		Second n = 139		Frequency	Per cent
		Frequency	Per cent	Frequency	Per cent		
1	Search for Alternative Employment	68	42	64	46	132	44
2	Extra Labour	67	42	51	37	118	39
3	Avail Credit/Loan	57	35	36	26	93	31
4	Prayer	40	25	47	34	87	29
5	Thrifty	38	24	10	7	48	16
6	Cut down on Consumption	19	12	9	6	28	9

Source: Computed

**Table 4. 5 Source of Social Support to Manage Livelihood Challenges**

Sl.No	Source	Type of Border Village				Total	
		Prime n = 161		Second n = 139		N = 300	
		Frequency	Per cent	Frequency	Per cent	Frequency	Per cent
1	Family	148	92	130	94	278	93
2	Friends	87	54	67	48	154	51
3	Relatives	29	18	32	23	61	20
4	Neighbour	20	12	14	10	34	11
5	Community	27	17	1	1	28	9
6	Group Affiliated to	17	11	1	1	18	6
7	Church	9	6	0	0	9	3

Source: Computed

**Table 4.6 Type of Social Support Received**

Sl.No	Type of Social Support	Type of Border Village				Total	
		Prime n = 161		Second n = 139		N = 300	
		Frequency	Per cent	Frequency	Per cent	Frequency	Per cent
1	Labour Support	106	66	107	77	213	71
2	Financial Support	90	56	46	33	136	45
3	Moral Support	88	55	38	27	126	42
4	Support in Kind	31	19	26	19	57	19
5	Information/Knowledge	18	11	10	7	28	9

Source: Computed

## **CHAPTER V**

### **PATTERN OF BORDER TRADE ACROSS ZOKHAWTHAR –RIH TRADE**

#### **ZONE**

## **CHAPTER V**

### **PATTERN OF BORDER TRADE ACROSS ZOKHAWTHAR – RIH TRADE ZONE**

Cross border movement and trade across Mizoram was in existence much before the formalisation of border trade. The opening of border trade at Zokhawthar along the old trade route testify to the existence of cross border interactions. Myanmar holds a place in the history and legacy among the kindred tribes of Chin-Kuki- Mizo as their abode of settlement, having had their settlement in Chin Hills, Shan and Kabaw valley before they were dispersed to different parts of the North East region of India (Pudiate, 1963; Phukan, 2013). Up until 1937, erstwhile Burma was part of British India from 1885. The legacy of colonialism of demarcating the border divided these people across two nations politically. The similar social and cultural space shared by bordering communities across international border is contested at times with the existence of political space, yet, bordering communities in their everyday border practices continue to mediate through this space. Even after the attainment of Independence by both the countries, free movement of people especially between Mizoram and Chin Hills of Myanmar still persists even today (Sangkima, 2004). Drawing on these connections, India too didn't enforce the passport rule to the hill tribes of Myanmar borderlands and were allowed to enter India provided they did not proceed beyond 25 miles (approximating to 40 km) (Pakem,1992). This was extended later on, and along the Indo –Myanmar border, Free Regime Movement (FMR) was implemented limiting movement to 16 km across either side of the border (MHA, 2018). This recognition of common shared space by bordering communities along with the existence of a political border influenced the pattern of border trade across Zokhawthar – Rih borders.

#### **5.1 Pattern of Border Trade Mechanism**

With the signing of Border Trade Agreement (BTA) between India and the Government of Myanmar in 1994, it was agreed to open up 4 border trade zones viz.,

Moreh- Tamu, Zokhawthar- Rih, Longwa in Nagaland, and Pangsau Pass in Arunachal Pradesh. The first Indo-Myanmar border trade was opened at Moreh in 1995. The second trade point was inaugurated in 2004 at Zokhawthar in Mizoram. Indo-Myanmar border trade takes place largely through Moreh, a small border town in Manipur, and Namphalong in Sagaing Division of Myanmar. Border trade across Indo – Myanmar can be examined into two phases. Phase 1 from 1994 till 2015 and Phase 2 from 2015 onwards.

### **Phase 1(from the commencement of border trade till 2015)**

Under the BTA, it was agreed upon three types of trade across the Indo-Myanmar border viz.,

- a) Traditional / Free Exchange of items not exceeding US \$ 1000 or its equivalent,
- b) Barter Trade of items up to the value of US \$ 20,000 or its equivalent, and
- c) Normal Trade against payment for the supplies

Taking into consideration the importance of exchange of goods on the local economy of borderlands, traditional exchange, and barter system was formulated. The first two provide the mechanism to conduct trade without documentation and in a non-monetised transaction, to ease and promote trade.

#### ***Traditional / Free Exchange Mechanism***

Under this mechanism, exchange of items is allowed between people residing along both sides of the Indo- Myanmar borders on locally produced commodities. Exchange of items is limited to local people living within 40 km of the border on both sides and where the value of items does not exceed US \$ 1000 or its equivalent. Import is to be balanced by export and vice versa within a specific duration of period. This mechanism is adopted to boost the local economy for which customs duty on goods is not chargeable.



### ***Barter Trade***

Under the Indo- Myanmar Border Trade Agreement (BTA), it provides for barter trade of identified items under specific conditions. Barter trade involves non-monetary exchange of goods where import is to be balanced with export and vice versa within six months. For such transactions of goods, it required Customs clearance and values to not exceed US \$ 20,000 or its equivalent. A concessional custom duty of 5 per cent is chargeable on goods traded.

Initially 22 items were permitted under the barter trade system. Later in 2009, an additional 18 items were added and another 22 items were added again in 2014, that adds up to a total of 62 tradable items. Under the barter trade system, it was found unfavourable for Indian traders as the demand for Indian products was less. In such a situation, it is difficult on the part of Indian traders to exchange goods that are equivalent to the imported goods (Bhattacharya, 2005; Das, Singh & Thomas 2005; Das, 2016).

### ***Normal Trade***

In normal trade, export and import is permissible under EXIM (Export and Import) policy. Under this policy exchange is done in freely convertible currencies or in currencies mutually agreed upon through a Letter of Credit (LoC) or through advance payment. Apart from it, changes in the customs aggregate duty went up from 4 percent to 46.848 percent for areca nut betel (Zokhawthar LCS Report, 2017). Unlike in the barter trade system, all goods and items are tradable provided the goods and items in question are not listed as restricted or prohibited as declared by the Directorate General of Foreign Trade (DGFT).

### **Phase 2 (2015 onwards with the commencement of Normal Trade)**

Contemplating the difficulties and problems associated with the barter trade system, the Reserve Bank of India (RBI) on November 5<sup>th</sup>, 2015 abolished it and laid down for the functioning of normal trade (Das, 2016). It is observed that the switch in policy has resulted in registering lower trade volumes from US \$ 25.96 million in 2014-2015 to US \$ 22. 52 million in 2015-2016 and further reduced to US \$ 0.31

million in the year 2017-18 (Taneja, Naing & Joshi *et al*, 2019). Reasons ascribed for decreases in volumes of trade is due to change in procedure of payment accompanied with lengthy documentation, and increase in custom duties on import (ibid).

## **5.2 Trade Volumes across Zokhawthar – Rih Trade Point**

Zokhawthar- Rih border trade zone was officially inaugurated on 31st January 2004 and trade began the following year. Despite the signing of the Indo – Myanmar Trade Agreement on January 31<sup>st</sup>, 1994, it took more than 8 years to keep in place the infrastructure requirements and services to facilitate trade. Trade was initially facilitated from makeshift offices before the completion of Zokhawthar Land Customs Station (LCS) in 2015. As per the official record, an overview of trade volumes across this trade zone is presented in this section.

Trade volumes at Zokhawthar-Rih present an erratic trend. Although it depicted yearly increments, yet, the total volumes of trade remain extremely low. In 2009-10, the total trade was valued at only Rupees 1.2 lakh, and then increased to Rs. 1.85 lakh in 2012-13 to 1.79 crore in 2013-14. The increase is ascribed to large import of areca nuts, while the decrease is on account of zero import during 2013-14. It again plunged to Rs. 8.15 crore in 2014-15 and reached the highest volume of trade in 2016-17 at Rs. 27.24 crore. Increased and decreased in the volumes of trade solely depended on import of areca nuts (see table 5.1 & 5.2). As far as import items are concerned, areca nuts constituted the largest import item, followed by reed broom, and black pepper in small quantities. Export is extremely limited to a single item. Soyabari is the main export item from India. During the years 2010-11, 2011-12, and from 2014- 2018, no items were exported and stood at zero. The official data on formal trade (see table 5.2) otherwise depicted lack of demands on Indian products, however, on further probing, the case is not what it seems to indicate. It is not the absence of demands, rather it is the inability of local traders to meet the demands on items required by their counterpart on account of technical grounds, policy constraints, lack of capital, and human capital inadequacies. There is huge demand for fertilizer, pharmaceuticals, bicycle, auto parts and other Agri allied items.

Mizoram being a non-industrial state and import-oriented economy, it poses hindrance for local traders to meet the demand. In most cases, they had to procure from other regions, which in the absence of good roads and other infrastructure become less profitable to trade<sup>8</sup>. Moreover, the limited knowledge in trading mechanisms and in carrying out trade across different regions and spectrum, along with little enterprising skills often hold back local traders to explore the potentials beyond the region. Local traders feel unequipped to conduct vast trade involving huge financial transactions let alone taking into consideration financial constraint and lack of market information.<sup>9</sup> On the other hand, importation of some items comes with curtailment, for instance like fertilizers and pharmaceutical products. In such instances, the demand for these items is met through informal channels, traded mainly through unmanned routes which do not reflect in the official record.

**Table 5.1 Import Particulars through LCS Zokhawthar**

<b>Year</b>	<b>Commodity</b>	<b>No. of Consignment</b>	<b>Qty. (in metric Ton)</b>	<b>Assessable Value (in INR)</b>	<b>Revenue (Duty &amp; Cess) (In INR)</b>
2009-10	Reed Broom	01	15.00	61,882	5790
2010-11	Areca Nut	04	11.68	4,33,548	40,564
2011-12	Areca Nut	07	60.00	22,27,740	2,08,446
2012-13	Nil	Nil	Nil	Nil	Nil
2013-14	Areca Nut	14	140.00	1,61,56,394	15,11,594

<sup>8</sup> Interview with Customs officials at Aizwal, Champhai, Zokhawthar on October 2017

<sup>9</sup> Points highlighted during Interactive Meet among Mizoram and Myanmar Traders on 10<sup>th</sup> November 2017 at Champhai.

2014-15	Areca Nut	66	584.00	8,15,04,710	75,25,606
2015-16	Areca Nut	134	1132.00	16,74,14,039	1,56,63,286
2016-17	Areca Nut	67	1500.00	27,24,66,127	1,08,99,415
2017-18	Areca Nut	06	63.60	1,59,83,152	75,04,444
	Black Pepper	02	10.00	9,70,295	11,98,749

Source: Zokhawthar Land Customs Station Report (2018).

The low intensity of formal trading at Zokhawthar-Rih resulted in low generation of revenue. In 2009-10 it collected just Rs. 5,790. It then rose to Rs. 40,564 in 2010-11 and to Rs. 2.08 lakh in 2011-12, however, revenue generation took a reverse direction and dropped to Rs. 8,500 in 2012-2013. The decrease is due to zero import and also on account of duty-free on exported items. From 2012-13 onwards, it showed a rise in revenue collection and 2015-16 indicated the highest revenue collected at Rs. 1.56 crores (see table 5.3).

A comparison between revenue generated and seizure indicates that the worth of seizure exceeds revenue collected (see table 5.3 & 5.4). This shed light on the prevalence and dominance of informal trade where it is estimated that more than 90 percent of trade is carried out through informal trade<sup>10</sup>. The existence of informal trade on account of problems in formalising trade has induced an enormous loss to the government. The desire to evade high tariff tax, the existence of porous borders, unmanned old routes and free movement regime (FMR) contributes to the parallel running of informal trade. Import of cattle for meat, export items such as fertilizers, pharmaceuticals are carried out mainly through unmanned routes.

<sup>10</sup> Interview with Customs Officials at Zokhawthar.

**Table 5.2 Export Particulars through LCS Zokhawthar**

Year	Commodity	No of Consignment	Qty ( in Metric Ton)	Assessable Value	APEDA+ AP
2009-10	Soyabari	01	02.069MT	60,000	Duty-Free
2012-13	Soyabari	01	6.4000	1,85,600	Duty-Free
2013-14	Soyabari	02	29.000	18,12,500	Duty-Free
2014 - 2018	NILL				

Source: Zokhawthar Land Customs Station Report (2018)

**Table 5.3 Revenue through LCS Zokhawthar**

Year	Personal Penalty	Auction Proceed	Sale	Customs Duty	Total
2009-10	Nil	Nil		5,790	5,790
2010-11	Nil	Nil		40,564	40,564
2011-12	2000	Nil		2,08,446	2,40,446
2012-13	8500	Nil		0	8,500
2013-14	Nil	Nil		15,11,594	15,11,594
2014-15	Nil	Nil		76,25,606	76,25,606
2015-16	Nil	Nil		1,56,63,286	1,56,63,286
2016-17	Nil	Nil		1,08,99,415	1,08,99,415
2017- 18	Nil	Nil		87,03,193	87,03,193

Source : Zokhawthar Land Customs Station Report (2018).

**Table 5.4 Seizure through LCS Zokhawthar**

<b>Year</b>	<b>No of Cases</b>	<b>Seizure Value</b>
2009-10	31	25,38,200
2010-11	29	51,63,520
2011-12	18	69,47,700
2012-13	28	64,12,895
2013-14	08	40,90,240
2014-15	02	37,25,000
2015-16	Nil	Nil
2016-17	01	4,62,400
2017-18	02	6,01,75,000

Source: Zokhawthar Land Customs Station Report 2018.

### **5.3 Import and Export of Items across Zokhawthar- Rih: Narratives from the Field**

Official records on border trade transactions between Mizoram and Myanmar do not capture much of the range of items that passed through this trade zone. Official records fail to capture ground realities, the unaccounted informal trade which dominates this trade zone. Anyone who has visited the site would agree to it and wonder at the intensity of informal trade. Various studies have indicated the limitation of data and discrepancy of official records (Taneja 2019; Songate 2010; Singh 2007; Romalsawma 2000). Problems persist in assessing the magnitude of informal trade and data has always been one of the limitations in the study of border trade. Field data was collected to bridge this limitation although assessment of the magnitude of informal trade in terms of volumes and values is beyond the scope of this study.

In the absence of records, it is difficult to make an assessment on the intensity and magnitude of informal trade transacted across this trade point. The only method to estimate and get a glimpse of the extent of informal trade is through primary survey (Taneja, 2004). To understand the pattern of border trade across this trade point, the researcher visited the trade point on two occasions during the peak of trade season (December 2019) and one during monsoon (August 2019). It was on these two visits, the magnitude of informal trade was seen and in order to comprehend it, primary data was collected apart from adopting field observation. It was observed that in a day most of the imported items from Myanmar that came through the trade point are not listed in the official record. Some of the exported items were ferried through an unmanned route located on the upper stream of river Tiau just 100 meters away from the trade point. However, this route is used mostly during the dry season when the water level is low as it could be easily crossed over by vehicles.

To get hold on the range of inflows and outflows of items, data was collected from the field with the help of qualitative free listing interviews, mainly to substantiate official records. Free listing is a brief technique in which participants are asked to list items they are familiar with within their experience or cultural domain.

It is a method of Cultural Domain Analysis (CDA), within cognitive anthropology that studies how people understand and organised material objects and experiences that make up their world (Schrauf & Sanchez, 2008). Free listing comes with a set of assumptions that people tend to mention items in order of their familiarity, people who know more tend to list more and the last assumption is that most people list items that are indicative of locally prominent items (Quinlan, 2005). A total of 30 key informants from trader's union, porter's union, transport's union, and local community leaders were interviewed and asked to list all the import and export items as per their knowledge. Free list captures the domain items and elicit emic understanding. Smith's Saliency index was calculated to depict the domain items listed down by the respondents. Items registering low frequency indicated that it is not mentioned by everyone and lower SmithsS index indicated lower prominence given by the informants as it is recalled.

### **5.3.1 Informal Trade: Pattern of Import and Export**

In comparison between official records and field narratives, there exists a wide gap between the data. Official records (see Table 5.1) show only 3 (three) import items, however, data from the field otherwise indicated a list of 28 import items (see table 5.5). Areca nut is one among the items that is frequently mentioned (53) and recalled first (0.47), the next item to be recalled is packed food products (0.44) although it is being mentioned frequently by the informants (63) than arecanut. Majority have mentioned seasonal vegetables (70) but in terms of recalled, it holds third in the list, which means that the prominence of seasonal vegetables among informants is lower than areca nuts and packed food products.

A look into the imported items mentioned by informants can be clubbed into consumption and non-consumption goods. Majority of the listed items fall under the category of essential household items. Although the order of prominence may not indicate the importance of consumption items, it shows Mizoram's dependency on Myanmar and on the Zokhawthar trade zone for its consumption requirement. It is indeed a life line for Mizoram as it supplies essential commodities like rice, garlic to



garments and electronic goods. This is verifiable as the import list far exceeded the export items.

**Table 5.5. Pattern of Import**

<b>Sl.No</b>	<b>Item</b>	<b>Frequency</b>	<b>Mean Rank</b>	<b>Mean Salience</b>	<b>Smith's S</b>
1	Areca Nut	53	1.88	0.88	0.47
2	Packed Food Products	63	2.79	0.69	0.44
3	Seasonal Vegetables	70	3.67	0.61	0.42
4	Garments	47	4.07	0.52	0.24
5	Blankets	33	3.80	0.57	0.19
6	Plastic ware	43	4.54	0.43	0.19
7	Snacks	27	2.88	0.66	0.18
8	Fruits	30	4.56	0.57	0.17
9	Electronic Goods	33	4.20	0.48	0.16
10	Cosmetics	20	2.67	0.68	0.14
11	Energy Drink	20	2.67	0.61	0.12
12	Onions	17	4.20	0.54	0.09
13	Garlic	17	4.80	0.44	0.07
14	Household Articles	13	5.00	0.41	0.06
15	Plywood	7	3.50	0.69	0.05
16	Second Hand Bale	7	2.00	0.65	0.04
17	Cigarettes	7	5.00	0.60	0.04
18	Toys	3	1.00	1.00	0.03
19	Cattle	13	8.00	0.21	0.03
20	Edible Oil	7	4.00	0.42	0.03

21	Tissue Paper	3	4.00	0.73	0.02
22	Shoes	3	4.00	0.70	0.02
23	Squatting Pan	3	5.00	0.60	0.02
25	Groundnuts	3	5.00	0.50	0.02
24	Rice	3	4.00	0.50	0.02
26	Chinese Goods	3	4.00	0.40	0.01
27	Contraband Substance	3	3.00	0.33	0.01
28	Myanmar Local Products	3	8.00	0.13	0.00

Source: Field survey

In terms of export items, informants listed 11 items of which fertilizer (47.4%) is the main export item followed by hair at 28.1%. Fertilizer is the most frequent item mentioned (0.79) next to hair (0.81) and holds the most prominent recalled item (0.71). The recalled of export of hair stands at 0.43. Other prominent items included pharmaceuticals and vehicles spare parts at 0.73 and 0.67 respectively, but the recalled position of these items stands at the latter stage at 0.7 each. It is estimated that 75 percent of the medicines sold in Myanmar are imported from India (Myanmar Times, 2020). Among other items mentioned include soyabari, cement, chips, tin tiles, electrical parts, steel, and contraband substances. Among the contraband items, orchid and Gecko were exported largely to Myanmar. At some point of time, there was a huge demand for Gecko as it was deemed to have medical properties in Myanmar. Smuggling of Gecko was high and it fetched a lucrative business for local smugglers.

**Table 5.6 Pattern of Export**

<b>Sl.No</b>	<b>Item</b>	<b>Percent</b>	<b>Mean Salience</b>	<b>Smith's S</b>
1	Fertilizer	47.4	0.79	0.71
2	Hair	28.1	0.81	0.43
3	Pharmaceuticals	5.3	0.73	0.07
4	Vehicles Spare Part	5.3	0.67	0.07
5	Soyabari	3.5	0.58	0.04
6	Cement	1.8	1.00	0.03
7	Chips	1.8	1.00	0.03
8	Tin Tiles	1.8	0.80	0.03
9	Electrical parts	1.8	0.40	0.01
10	Steel	1.8	0.33	0.01
11	Contraband Substance	1.8	0.33	0.01

Source: Field survey

From the analysis it can be observed that among the export items, fertilizers, hair, pharmaceuticals and vehicles spare parts are frequently exported as these items are frequently mentioned. Since other exported items do not form prominence mentioning among the informants it can be drawn that these items are less frequently exported or it is exported through other channels unknown to the people who reside along the border of Zokhawthar trade zone.

In comparison with official data and field narratives there is a wide gap in terms of items traded (as indicated in tables 5.1, 5.2 , 5.5 & 5.6). From field narratives, it can be observed that 28 imported items are listed as against three import items listed in the official record. Reed broom, black pepper and areca nut are a list

of official items recorded of which Betel Nut is the most common imported item. Similarly, export items show a different picture where soyabari is the only export item recorded while data from the field indicates 11 items are exported to Myanmar.

In Zokhawthar it can be argued that there exist two types of informal trade. One which is carried out through unmanned routes, without having to pass through the check gate to avoid capture by officials. This type of trade is carried out mainly for banned substances although it also includes non-banned substances as well. This kind of informal trade can be ascribed as informal cross border trade. The other type can be attributed to informal border trade where items imported/exported passes through the check gate, in other words, import/export are carried out or passes through the check gate where officials have a fair knowledge about it, but do not get recorded. The study is limited to the latter kind of informal border trade which is carried out on a wide scale across this trade point. A comparative analysis of official record and data from the field indicate otherwise the dominance of informal trade. This highlighted the prevalence and dominance of informal trade where it is estimated that more than 90 percent of trade is carried out through informal trade. Majority of the items listed by informants do not tally with the official record and only a few matches. Though the amount of volume is not highlighted yet the listed items from the field reveals the intensity of informal trade.

The larger question remains as to why informal trade continues to persist despite the formalisation of trade? According to Taneja (2004), Thomas (2000), and Singh (2011), the domination of informal trade is on account of problems in formalising trade. In describing informal trade across the SAARC region Taneja (2004) ascribed two crucial factors that promote informal trade. One factor is on account of trade barriers and the other is due to institutional factors and the existence of ethnic trading ties. And trade barriers if resorted or removed can bring about a shift towards formal trade, however, informal trade tends to persist when there exists a close ethnic trading culture. In analysing Zokhawthar- Rih trade point both trade barriers and non-trade barriers existed, which are responsible for the dominance of informal trade.

## 5.4 Barriers to Trade

An analysis of the Zokhawthar-Rih trade sector revealed the existence of both trade related barriers and non- trade related barriers, the details of which are discussed below.

### 5.4.1 Trade related barriers

One prominent trade barrier is the dominance of high tariffs. The shift from barter trade system to normal trade system is accompanied by change in custom duty. As per the BTA, items are normally traded with duty free as per the consignment or provided with concessional duty tax 5 % but under normal trade there is a sea change in the custom aggregate duties and procedure of trade. It is followed by lengthy documentation and high custom duties. For instance, import of betel nut rose to a whopping 40 per cent from 5 per cent since late September 2016 (Zokhawthar LCS Report, 2018), and to counter illegal import Indian government has also increased the minimum import price (MIP) from Rs 162 per kg to 251 per kg in January 2017 (Taneja, Niang & Joshi *et al*, 2019, Zokhawthar LCS Report, 2018). And this change has adversely affected traders, particularly betel nut importers. Among the imported items betel nut holds an importance as it is the most prevalent item imported. It holds an important place in terms of revenue and profit generation. It provides porters, drivers with the highest wages among other items imported and so also in the case of freight service. And every organisation so formed be it porter groups or transport groups are vying to work with betel traders. The existence of high tariff became a conduit for informal trade and for the establishment of informal patronage among various actors. According to one anonymous official;

*There isn't much profit left for betel nut traders if they had to bear the exact tax. Mutual understanding was drawn to tax some portion of the goods as per the law and the rest at a certain lower percentage. This kind of patronage was done to support local traders. In doing this, the benefits percolate also to the general population who depend on this trade for their livelihood working as porters, lorry drivers, transport owners and others. It accommodates people who would otherwise be*

*left without a decent livelihood. When trade on betel nuts slows, people are the worst sufferer as it provides maximum employment and income to them.*

Another pertinent trade barrier is lack of adequate quality infrastructures. The State Bank of India (SBI) which is supposed to handle Forex transactions is yet to be equipped. Despite the existence of SBI at Zero Point, Indian traders had to rely on HDFC Bank and IDBI Bank, situated at Champhai to handle most of the advance payment. Plant and animal confinement rooms are absent. Cold storage facilities, security and scanning equipment, separate exports and imports zones, courier and post offices are not available. The absence of a food testing laboratory in Mizoram also adds another problem to traders. Traders have to incur additional cost and time, as testing has to be done either at Imphal or Assam. Apart from these inadequacies, limited warehousing and lack of storage facilities resulted in a huge loss of goods, especially during the monsoon season. Channeling of trade through informal measure remains lucrative; it saves time, and is exempted from following lengthy procedures and documentation. As for traders the basic objective is profit orientation with minimum expenditure where time is the essence, informal trade provides much easier means to maximise their profit in a quick manner. One of the main challenges among Indian traders is the lengthy procedure and documentation requirement. In the words of a custom official at Zokhawthar;

*The documentation process is lengthy, and requires a person who has knowledge about trading mechanisms and is educated enough to understand the procedural process involved in it. From our end, in order to ease their problem, forms are translated into local dialect, but even then, they keep on asking me to explain to them every now and then. Letter of credit, Letter of origin are new words which were not known to them earlier. The need for advance payment also deterred them from fear of loss.*

Intrinsic to the activity of trade is payment, and formal transaction is not always adequate and is time consuming. As a parallel channel of payment which is

fast, hassle free and secure enough has existed since then, traders are more inclined to make payment in the old channel which they have been familiar with. Another impediment for formal trade is the existence of low levels of literacy, low capitals and these factors also deter especially small traders from using formal channels.

#### **5.4.2 Non-Trade Barriers**

The existence of non-trade barriers makes it easier to conduct trade and help in the continuation of informal trade as it. Some of the pertinent non trade barriers along Zokhathar -Rih are the existence of century-old connectivity, and ethnic based trading mechanisms.

##### ***Century old connection***

The connection between India and Myanmar erstwhile Burma began much before the British conquest. Close cultural and commercial ties were established from ancient times. Hinduism and Buddhism came to Myanmar from India (Aung & Myint, 2001). And prior to the formalisation of border trade, trade across the two porous borders was well developed. Numerous routes existed through which trade flows across the two regions. The peculiarity of colonialism is seeded in finding new routes and in maintaining old routes primarily to expand, conquest, and control. Initially, at a surface level it might seem to be disposed of as a non-economic initiative, but in the long run it reveals the pursuit for expanding it economically. Beneath the surface is embedded with the idea of extending trade activities. British policies of promoting co-dependent trade and labour movement across the colonies help in furthering connectivity across the two regions (Chaturvedi, 2015:8). Indian textiles were in demand and Myanmar held a pristine place in the British empire as a major exporter of rice. The wide cultivation of rice attracted labourers from India. With Myanmar being part of British India from 1886 to 1937, there was no question of territorial demarcation to inhibit mobility. Old routes like the Stilwell Road spanning 1736 kilometers were constructed connecting Assam and China through Pangsau village in Myanmar. The possibilities of a railway route were also explored to connect India and the then Burma (Gogoi, 2020). However, political and geographical factors did not allow it much to materialise the idea of building road

links and expanding trade during the British rule (Sharma, 2015). Yet, these ideas formulated during the 19th century seem to be revived in the present initiatives of the Government of India through its Look East Policy (ibid). And building on these traditional routes, much of the Indo – Myanmar border trade designated points are located.

Zokhawthar–Rih trade point is also built on the old route. Prior to the formalisation of border trade, this route was in use and it is the focal point for cross border movement and trade. To sum up in the words of early trader, “*kan chang lakna ber a lawm , buangraw lakna le Burma a zin chho natur*” ( it is our main route which we used for cross border trade and to travel to Burma). Despite changing of Burma into Myanmar people still adhere to use the old name. During my entire field work (2017-2019) what astonishing me was that I haven’t come across any person both local (Mizo) or migrants (from Myanmar) to assigned themselves as Myanmar migrants, rather they are more adapt in identifying themselves as Burma *mi* (meaning people, in local dialect of Chin- Mizo). Before the construction of a bridge over river Tiau, which acts as a natural boundary line between Mizoram and Myanmar, people crossed it over with the help of small boat or raft. Ropes are tied across both the river banks to pass on goods and also used it to handle river current while crossing over the river. The existence of well developed traditional route prior to the formalisation of border trade provide an edge for the continuation of informal trade.

### ***Ethnic Trading Mechanism.***

Being an old traditional trade route, people have the ease for mobility across two political borders. Border communities in general have exercised this free movement and have established considerable relations with people on the other side of the borders. Moreover, the existence of similar ethnic groups along the borders further strengthen the relationship. Not only ethnic ties but also fairly the extended kinship that span beyond borders that help in the formation as well as in strengthening ethnic trading channels. Trade in essential goods (food and non-food items) and mass scale consumer items were traded across this route prior to the



formalisation of border trade. This further implied that informal trade which persisted today had developed much before the advent of formal trade with its own systematic mechanisms already in place. Those involved in cross border trade continue to pass it on to their next kin. As stated by a trader from Champhai in consumer goods;

*My father used to travel to Myanmar to procure goods to sell in our shop. The opening of border trade has lessened our difficulties. As of now we don't need to travel all the way to Myanmar, we can just place an order and goods are delivered at our door steps. It has facilitated trading to a great extent and I kept on continuing my father's business mainly supplying goods to various markets in Mizoram.*

Another trader from Bazaar Association narrated how he began to involve in trading of Myanmar's goods in Mizoram;

*After I retired from Burmese Army, I decided to migrate to Mizoram (India) in Champhai District in particular as we have numerous relatives who settled in that locality. Initially, I began to lay hands in carpentry works, but it provides me with meager income. After a thoughtful consideration, I left aside my carpentry work and started to involve in Burma Sumdong<sup>11</sup>. I am well versed in both the terrain of the regions, languages and known people across both the regions. I have no problem finding trading partners. So I decided it's best to become a trader cum businessman in eichawp<sup>12</sup> goods to earn my living. In this way I could visit my relatives in Myanmar as well.*

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<sup>11</sup> Locally people who are involved in Indo- Myanmar Trade are usually referred to as Burma Sumdong meaning Businessmen in Myanmar's Products.

<sup>12</sup> Eichawp is a word used locally to mean packed eatables which comes in the form of dry fruits, bread, and other household food items that originate and come mainly from Myanmar.

Shared commonalities, culture and customs have played a crucial role in facilitating cross border trade. These relations constitute a shared universe creating its own cultural space, one that goes beyond physical borders. And these cultural spaces with economic ties make borders more flexible and easily accessible, especially by those who live near the border through their daily border practices. Located in the fringes, far from the main capital and markets, border villages depend on adjacent villages for their local economy. And some adjacent villages are located on the other side of the international boundary. Given the historical connection of Chins and Mizos sharing the same ethno linguistic, creation of an artificial line does not stop bordering communities from extending their relations beyond the border.

Commenting on the implication of ethnic ties across the border, Taneja (2004) highlights that despite the removal of trade barriers, the existence of ethnic trading networks makes it difficult to curtail informal trade. The danger of such ethnic trading networks if left unchecked provide a conduit for the continuation of informal trade on a large scale. This could invariably lead to an increase in smuggling of banned substances which could have far reaching consequences. And the consequences have been felt as this trade zone has become a hotspot for smuggling of guns, drugs, animals, and gold (The Economic Times 2019). A comparison between revenue generated and seizure indicates that the worth of seizure exceeds revenue collected (see table 5.3& 5.4). Official record is supported by field narratives as well where import and export of contraband substances finds its way across the border.

Therefore, it is for this reason that despite the formalisation of border trade, informal trade runs parallel and the dominance of which is huge. Even with the signing of the Indo–Myanmar Border Trade Agreement in 1994, informal trade continued to exist alongside formal trade. Though the data on informal trade is limited, is it estimated to surpass formal trade in terms of volumes and on the items that are traded. According to some officials at Zokhawthar LCS, around 90 per cent of trade is channeled informally.

Patterns of trade across this point pointed out that informal practices are not necessarily illegal and bad. Although there are instances of illegality and linkages to non-security threats, however looking on the other side of informal trade it provides a glaring picture of how it promotes people's livelihood. It provides people with employment and simultaneously contributes towards regional economic development. It accommodates people from various backgrounds and opens up employment opportunities even for people with low education and skills who would otherwise be left without employment. Looking at the volumes of formal trade alone implies that it is impossible to accommodate the magnitude of people it presently engaged wherein bordering communities depended on this trade sector for their sustenance. In considering the importance of this trade point especially for bordering villages providing them with livelihood, employment opportunities, and the opportunity to integrate their economies with a larger force of globalisation, it is pertinent to look into those existing trade barriers that ails trade across Zokhawthar – Rih.

In this chapter, the inflows and outflows of goods across Zokhawthar-Rih Border trade has been discussed and the reasons for the existence and dominance of informal trade as well. In the next chapter, how border communities respond to the formalisation of trade is discussed.

**CHAPTER VI**

**COMMUNITY AND HOUSEHOLDS RESPONSE TO THE  
FORMALISATION OF BORDER TRADE**

## **CHAPTER VI**

### **COMMUNITY AND HOUSEHOLDS RESPOND TO THE FORMALISATION OF BORDER TRADE**

Periphery areas by and large are often excluded from development policy. Located far away from main production centers and markets, border regions lack accessibility. The opening of borders for trade has preceded borderland regions with accessibility to engage in the dynamics of market-oriented economy. The commencement of border trade was viewed as an opportunity to bring development along the region. Zokhawthar and Melbuk, two bordering villages on the Indian side, on account of their location are disposed to forces of trade economy and globalisation that comes with its own implications. Despite the existence of different staunch arguments as to the level of development border trade brings to the region, yet one cannot negate the potential impact it could foray among people residing along the border. In what manner it brings about developmental change and the direction of its impact are some areas that need to be looked upon. And to understand, it is pertinent to comprehend how people respond to opportunities that exist. This chapter intends to give an outline corresponding to the manner in which households, communities take advantage of border trade. To provide a clearer picture on how people negotiate change, a comparative analysis of the regions before and after the formalisation of border trade is outlined in this chapter (see figure 6.1). It explores the development timeline of bordering villages of events that shape into the making of the village. Also, it assesses the growth of villages in terms of physical infrastructure development of the region. In examining the developmental milestone of villages, it depicts a strong intersectionality of border trade, migration and livelihood, and transition. The chapter ends with summarising the multiple ways households and border communities respond to the formalisation of border trade.

#### **6.1 Prior to Formalisation Border Trade**

In this section, conditions of border villages in terms of socio-economic condition, infrastructure and connectivity prior the formalisation of border is discussed.

### **1) Socio – economic condition and pattern of cross –border trade.**

Prior to the opening of border trade, the primary occupation of border residents revolved around Jhum cultivation which they combined with other petty non–agricultural occupations. Porters, small traders and those who run small shops and petty businesses were present, though in small portions. Cross border trade was carried out mostly by people within the vicinity of Champhai town, located 28 km from the border. Only a few locals from these two villages were engaged in cross border trade. In those days, migration was part of people’s strategy. They adhere to migrating to nearby Champhai town for employment and for seeking better education.<sup>13</sup>

The scope for involvement in trade was limited. Apart from involving great risks, huge investment of time, money and efforts, the non-existence of proper roads further discouraged people from venturing into trade. Local traders have to procure their goods by travelling through rugged terrain, unmanned roads with no security provisions for their goods, money, and their lives. Besides, those who wished to be involved in cross border trade need to be well versed with both the regions (Mizoram and Myanmar) in terms of its topography, and languages, if they wished to avoid capture by law implementing agencies. The ability to blend with the local surroundings was well founded as trade was carried out informally and through illegal channels. Normally those involved usually have prior knowledge about Myanmar. They are either migrants from Myanmar or have frequently visited the place having had well established contacts.

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<sup>13</sup> Interview with Rinduma, whose family was among the first to migrate down to Tiau Vaikai( Zokhawthar).

With the growth and development of Champhai town, greater number of the population began to involve in cross border trade. The town became the focal point for nearby villages for their supplies of essential and non-essential goods. Transport services expanded, connecting and linking villages and other towns. In 1987, Champhai District Border Trade Transport Union, also known as Champhai Transport Union (CTU), was established. This helps facilitate cross border trade and open up space for greater involvement by the people residing in Champhai. The availability of transport systems attracts new entrants into trade related activities. For decades, CTU monopolised all freight services of goods that arrived at Zokhawthar. As membership is exclusive, only vehicles with registration number 04 (within Champhai town) are allowed to become members of CTU, which helps in monopolising cross border trade. Relatively, during those times commercial vehicles were owned exclusively by Champhai. The unlevelled development and living standard give a favourable edge to CTU which relatively helps Champhai to control and dominate cross border trade. To illustrate the way trade was carried out prior to the formalisation of border trade, a local trader from Champhai narrated his experiences;

*My father was a market trader during the 1980s. We owned a retail shop selling imported items which my father used to procure from Myanmar. I have accompanied him during his trip once or twice. It was a difficult and exhausting journey. We have to wade through rugged unmanned roads. The entire journey is always risky- carrying a huge sum of money and returning back with goods. However, things have changed the way trade is carried out with the formalisation of border trade. As of now, we don't have to travel all the way to Myanmar to procure goods, it's just a matter of one call from our phone.*

With the expansion of trade and upgradation of roads into motorable roads, things have become much easier. The opportunities to involve in trade has become less exclusive to a particular region or section of the society.

In another account as narrated by a retired Burmese Army personnel who migrated to Mizoram and became a market trader in Champhai;

*As I am well conversed in both Mizo and Burmese languages and familiar with both the countries, after my retirement I decided to get involved in business. Huge demand for cheap foreign products in Mizoram pushes me to engage in trade. It was a profitable trade. However, at every turn we face risk, risk from losing our goods on account of accidents, from robbers or dacoits and there was a constant fear of being caught by law agencies.*

Trade was carried out mainly in Myanmar's packet food products, household goods and in cheap Chinese goods such as electronic goods, plastic ware, household articles and garments.

## **2) Infrastructure and Connectivity: Prior to Formalisation of Border Trade.**

Infrastructure and connectivity were poor prior to the formalisation of border trade. Inter and intra transport services were not as frequent as they are today. Despite the existence of cross border trade, the 28 km long road linking Champhai to Zokhawthar was in pathetic condition. Only small vehicles could ply. Road was constructed as Other District Road (ODR) standard during the early part of the eighties (GoM, 2013). From 1987 onwards only Champhai and Zokhawthar were linked by jeep-able roads. Later with the implementation of Border Trade Agreement (BTA) in 1994, after two years that is in 1996 heavy vehicles like trucks could ply. The widening of existing roads along with infusion of developmental work was carried out purely on account of formalisation of border trade <sup>14</sup>. The Chairman of Zokhawthar Village Council gave an account of how the condition of the road was prior to the development of Champhai – Zokhawthar road;

*Irregular transport services coupled with the bad condition of jeepable roads prompted many of the villagers to travel on foot to*

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<sup>14</sup> Interview with a local trader of Champhai.



*reach the nearest village or town. From Zokhawthar, it took almost two days to reach Champhai, the nearest town on foot. As of now, every hour there's vehicle service between Zokhawthar to Champhai. We could easily reach Champhai within an hour.*

## **6.2 Community and Household Respond to the Formalisation of Border Trade**

In this section, how border communities respond to formalisation of border trade at household and community level are discussed.

### **a) At Household Level**

Border trade has opened up diverse avenues for households. In some cases, it helps in intensifying household income with greater involvement in trade related activities. In another context, it brings about an occupational shift. Although the capacity for households to diversify or intensify depends on other factors, it is the creation of diverse opportunities within the trade sector that has invariably opened up space for diverse engagement, which counted more over other factors. This aspect further creates additional avenues down the line, boosting the rural household's economy. For instance, one local trader at least provides employment to 10 individuals;

*Earlier I was a retailer in Fast Moving Consumer Goods (FMCG). Seeing the avenue that border trade has opened up. I became a trader in arecanut, at the same time still continuing to run my business on the side as well. I engaged local youths to help me in my business.*

The spur in trade has definitely increased household income and provides ways for further investment in another arena. To illustrate in the words of a transport owner who was earlier a driver;

*Previously, I used to work as a driver for one trader. I took a loan and with my savings I purchased a commercial vehicle. I registered with*

*CTU and employed one driver to drive my vehicle, while I still continue to work as a driver. And when my vehicle didn't carry goods, I lent it out for hire. In this manner, it helps in providing us with a constant source of income.*

In some stances, the opening of border trade brings about an occupational shift from primary to tertiary sector, mostly working as porters. The shift is seen mainly from Cultivator and to work as unskilled and skilled workers where labour is consumed mostly as porters. The transition has helped to provide them with greater wage employment. As one observed, the avenue for wage employment as porter has attracted people to migrate down to Zokhawthar. Zokhawthar is made up of migrant populations coming from inter- intra states and from neighbouring country Myanmar. According to a health worker, each year Zokhawthar saw an increase in population where the chunk of increase is contributed mainly by migrants. The making of the village is attributed to the intersection of border trade and migration.

Another aspect border trade has contributed is in the formation of social capital. Trade mobilises people with similar interests to come together and help to negotiate development narratives in their community or among their own groups. It brings people together and builds up institutions thereby strengthening their social capital.

#### **b) At Community Level**

One pertinent response that comes with the formalisation of border trade is the formation of institutions (groups and associations). With the onset of border trade, formation of both formal and informal groups began to take place. Numerous groups spring up primarily to channel the benefits from trade and simultaneously protect their interest. Formalisation of groups is one way to systematically demarcate territorial control and area of function, a means to control and percolate benefits exclusively. Table 6.1 shows some of the most prominent groups that are formed solely on account of border trade along with their areas of operation.

**(i) Trader**

Local traders were functional as individual traders. There was hardly any form of unionisation, however, with the formalisation of border trade trader groups began to emerge and take shape in a more formalised manner. The tendency to affiliation with larger associations was pursued and has been initiated. Among the trader's groups, Export Import of Mizoram (EXIM) was the first to be constituted with members having import export licenses. Another group Centre for Export and Import Trade Union (CEITU) was constituted after some members moved out from EXIM. EXIM carries out trade in arecanut mostly, with CEITU in other goods. Other trader's groups like Champhai Bazaar Association (CBA) deal with import of households' goods and food products mainly. They are mainly market traders, supplying or selling goods mainly in and around Champhai markets.

Another group known as Piggery Association was also constituted dealing with the import of pigs and piglets. CBA and Piggery Association are less formal in comparison to the other two groups as they lack formal registration and licensing required for transacting formal trade under the norms of Border Trade Agreement. The Piggery association came into existence considering the high demand of pork meat in Mizoram. As local production hardly meets the high demand, pigs and piglets are imported from Myanmar.

Each group is allocated with different goods to deal with. Among the trader's group, EXIM holds substantive influence on border trade as most of the members are educated and are drawn from persons who have standing in the community. Any negotiation that hovers around trade, EXIM is part of it.

**(ii) Transport**

Champhai District Border Trade Transport Union also known as Champhat Transport Union (CTU) is the oldest group formed prior to the formalisation of border trade in 1987. It is affiliated to the Mazdoori Union of India. CTU monopolised freight services of all the goods that reach the Indian shore of river Tiau and membership was exclusively only for vehicle owners with registration number

MZ 04 (Champhai District). The existence of transport services explicitly helps local traders from Champhai to thrive and invariably assist them to dominate and control border trade across Zokhawthar- Rih Trade zone. This in turn helps for the growth and development of Champhai. With their upper hand in experience, till today they dominate the scene of a border trade across Zokhawthar- Rih trade zone. Their presence can be observed as most formal and informal groups formed on account of border trade, with the exception of porter's union, are based in Champhai.

Zokhawthar Transport Union (ZTU) was formed way back in 2006. As trade flourished, the number of vehicle owners increased in Zokhawthar. Earlier, those vehicle owners from Zokhawthar registered as members with CTU. They work together in tandem. However, with the passage of time and as the number of vehicle owners increases, disagreement intensifies and the monopoly that CTU once held is under constant challenge. ZTU demanded to be allocated with more power and to be able to have more say in the management and control of freight services, which CTU vehemently opposed. This resulted in bitter fights between the two groups resulting in blockage of vehicle movement a couple of times.

Another group known as Towntrip recently came into existence and operated mostly within a small area. Their area of operation is small and they deal mainly in carrying goods that are less in volume and in numbers, belonging mostly to small local traders. Melbuk village, which mainly deals with export items, formed a transport association. It was only in 2009 that later changed the name into Melbuk Development Charitable Society (MDCS) with proper registration in 2009. It plays a significant role in facilitating logistic support to export traders.

**(iii) Porter**

For the bordering villages, trade escalates non-farm income generation and provides employment to a large number of populations as porters earning between Rs. 500 to 1000 per day depending on the consignment arrived at Zokhawthar.<sup>15</sup> They provide the highest number in terms of wage employment to people. Porter's

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<sup>15</sup> Interview with the President of CITUM.

unions are located at Zokhawthar. Porters were in existence prior to the formalisation of border trade, but limited to few households. Their number grew with the development of formal trade. Previously, those households who settled on the bank of the river acted as porters for traders along with conducting small side businesses of setting up tea stalls and hotels. Those porters later mobilised among themselves and formed a porter society in 1997. With formal trade taking place in 2004, the need for porters arose, taking the advantage of it, a section of Zokhawthar people mobilised to form the Multipurpose Society in 2006. Initially, membership to this group was limited. To become a member, one has to pay 1 lakh as a membership fee. It was a huge number and majority of Zokhawthar's population could not become a member. Later, EXIM traders which deal with arecanut supported some sections of Zokhawthar to form another porter society that will work mainly in the loading and unloading of their goods. With the backing of EXIM, a new group CITUM (Centre of Indian Trade Union Mizoram) was constituted in 2017. It was more inclusive as they charged minimum membership fees, the new group currently has the largest number of members among the three porter's groups. Melbuk village too has a section of their population working as porters. But unlike the one formed in Zokhawthar, instead of forming as a group, it came under the management of the Village Council. Melbuk's Village Council dictates the workload and manages the porters.

Drawing on the transformational nature of trade and potentials of locational advantage, the community constituted Zokhawthar Welfare Association (ZWA) to channelize resources and funds from trade for the progress and welfare of the community. A major contribution came from the local trader's association of Mizoram and also from individual members alike. Under this aegis, it assisted in running one high school by providing both material and financial requirements of the school. It also contributed financial assistance in the form of paying the salary of additional teachers recruited. Apart from this, it caters towards the welfare of the poor and needy through financial help and takes up numerous developmental initiatives for the locality.

#### ***(iv) Community Level Organisations***

Drawing on the transformational nature of trade and potentials of locational advantage, Zokhawthar community constituted the Zokhawthar Welfare Association (ZWA) to channelise resources and to advance the welfare of the community. Apart from individual contributions, funds were collected from transport and trader's associations. Under the aegis of ZWA, it aided a high school and higher secondary by providing financial assistance. Apart from this, it caters towards the welfare of the poor and needy through financial help and takes up numerous developmental initiatives for the locality.

Melbuk village deals mainly with export items, earlier constituted a transport association but later renamed it into Melbuk Development Charitable Society(MDCS) in 2009, to help broaden its areas of operation. It plays a significant role in facilitating logistic support to export traders and in promoting welfare services to the community.

### **6.3 Border Trade and Regional Development**

To have a comprehensive understanding of the impact of border trade on bringing about regional development, it is essential to accentuate three major thematic areas viz., development of bordering Villages, infrastructure development and connectivity, and livelihood promotion.

#### **6.3.1 Development of Border Villages**

To understand the development of border villages, timeline of Zokhawthar and Melbuk villages was mapped, highlighting important milestones over a period of time.

##### ***(i) Zokhawthar Village***

Zokhawthar village is located at the extreme east of Champhai District, at a distance of 30 km from the District Headquarters. The making of Zokhawthar village is embedded in the intersectionality of border trade and migration. It came into existence partly on account of the formalisation of border trade. Earlier it was under

the jurisdiction of Melbuk village forming a part of the village. The area that Zokhawthar occupied was earlier known as Tiau vaikai meaning, bank of Tiau river. Zokhawthar became a full-fledged village with a separate village council in 2002. It is a very small village with a population of around 3000 (Zokhawthar LCS Report, 2018). The state capital Aizawl is situated at a distance of 228 km from zero point.

Prior to the opening of border trade, trade across the two countries prevailed and free movement of goods and people existed. According to Rinduma, who was among the first to migrate to Tiau (now called as Zokhawthar)

*I shifted down from Melbuk to settle temporarily near the plain areas on the bank of river Tiau on the Indian side to start a hotel for boarding and loading as travelers often wish to cross over to Mizoram before dusk. There was an urgent need for porters to help traders carry their loads. Initially, I never assumed I would settle down permanently but as trade expanded and business grew, there is no looking back. As trade flourished and with the formalisation of trade, more people came down and settled down at Zokhawthar. Looking back, I never imagined it would grow as it is now. As of now, our population has reached around 3000.*

Zokhawthar has depicted a spur in population growth mostly added by migrants from nearby villages, from other districts of Mizoram and from Myanmar, especially from Chin Hills State of Myanmar. Despite being far from the capital and located in the periphery area, it attracts people. The existence of employment opportunities pulls people to this place, and visitors alike to explore the place. The population makeup of Zokhawthar is diverse. Cultural diversity can act as potential adversity and as a community asset. In the context of Zokhawthar, it can be viewed as an asset, although it is beyond the scope of the study to assess the contribution of cultural diversity. It can be generalised that different groups bring different perspectives, knowledge, and connections. The accommodating nature of the community is indicative in the manner it attracts migrants and provides space for the

accommodation of migrants from diverse backgrounds. This aspect is also reflected in the case of Melbuk village but with less intensity to attract migrants than Zokhawthar.

The establishment of a trade zone has in many ways contributed to its development. Offices of importance have come up, widening of the road into two lanes has begun, and road side business began to flourish. Given the opportunities, local people are taking advantage of the expansion of trade economy and infrastructure development. Community schools were established and are sponsored by village welfare organisations. Apart from government schools, 6 private schools came up which are run by the Church, and by the Community. At a micro level, it can be seen that trade facilitates development of villages and promotes livelihoods for people residing enroute trade zones.

**Table 6.1 Timeline of Zokhawthar Village**

<b>History of the Village</b>	<b>Year of Establishment</b>
Year of inhabitation	1987
Year when the village first constituted village committee	1992
Year when the village name was renamed as Zokhawthar	1994
Year when the village was conferred with a separate Village Council and first election of Village council held	2002
Government Primary School	1991
Zokhawthar Middle School	1995



M P High School (Name changed into Zokhawthar High School in 2010)	2005
Zokhawthar Primary School	2010
Zokhawthar English Middle school	2011
Zokhawthar Higher secondary school and St Joseph School	2013
Baptist English School	2014
Presbyterian English School (till 8 <sup>th</sup> standard)	2017
Zomi Baptist Church	1991
Presbyterian Church	1994
Baptist Church of India	2003
Evangelical Free Church of India	2008
Catholic	2013
United Pentecostal Church	2015
Police out post and Sub Centre	2000
Composite Land Customs building	2007
Tourist Lodge	2008
Mercy Clinic	2014

State Bank of India	2016
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Source: Field survey

**(ii) Melbuk Village**

Melbuk village is located 8 km away from Zokhawthar and about 21 km away from the District Headquarters, Champhai town. The village consists of around 160 households with an approximate population of 600<sup>16</sup>. Despite being relatively older than Zokhawthar village, development in Melbuk village is slower in comparison. However, the effects of border trade percolate, promote institutional and infrastructure development, and provide livelihood options to the people in different avenues related to trade activities. In the same line as Zokhawthar village, it saw additional establishments of institutions. Establishment of educational institutions has increased but not at the rate of development in Zokhawthar.

**Table 6.2 Timeline of Melbuk Village**

<b>History of the village</b>	<b>Year of Establishment</b>
Year of village establishment	1976
Government Melbuk primary school	1980
Government Melbuk primary school	1980
Government Middle School	1990
Melbuk High School (ADHOC)	1997

<sup>16</sup> Interview with Secretary, Village Council of Melbuk.

Lalrampana Memorial English School	2013
Presbyterian English School: 2019	2019
Presbyterian Church: 1985	1985
Salvation	1989
United Pentecostal Church: 1995	1995
Completion of construction of border township (quarters and helipad)	2001

Source: Field Survey

Melbuk village is engaged with transporting export goods mainly through unmanned routes. As one reached Melbuk village, one could notice small and large godowns used for storage of export goods, and the lineup of 407, and Saktiman trucks along the side lane of the road. This indicates that poverty is not so acute in this village and that people lead an average standard of living. Parents on an average could send their children to other towns for higher education<sup>17</sup>.

In comparing the timeline of Zokhawthar and Melbuk villages, Zokhawthar despite being a relatively young village has a higher concentration of institutional assets be it in the number of educational institutions, offices of importance and religious institutions. The ability to mobilise greater assets depends on locational advantage, and population strength, and also where community cohesion and leadership do factorise in as well. The opening of border has strategically positioned Zokhawthar at the heart of border trade and under the precedence of the government as border trade is a matter of national strategic policy. This invariable filter in critical

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<sup>17</sup> ibid

infrastructures and development works. With Zokhawthar located at the extreme border, it takes advantage of bridging two economies and political systems by positioning themselves with traders and the state for their economic advantage. For nonlocal traders, they provide their resources and mediate passage for their goods. At the same time maintain reciprocity relationships with law implementing agencies as both require mutual services in managing border. Border residents manipulate their marginal situation by identifying themselves with the border and constructing their political claim to control mobility through their territory. Along the parallel line border communities mobilise resources, deconstruct identity based on ethnicity, territorial location that goes beyond nationality identity. Zokhawthar has effectively demonstrated their border identity by asserting the right to control the border and in challenging elite groups.

### **6.3.2 Infrastructure Development and Connectivity**

The inauguration of the 2nd Indo-Myanmar border trade point at Zokhawthar- Rih in 2004 has facilitated the injection of critical infrastructure.

***Infrastructure Development:*** - Weighbridge was constructed across river Tiau to facilitate trade with a load capacity intake of fewer than 15 tons (Chakraborty & Ray 2015). Initially, the Land Customs Station (LCS) started functioning from a temporary Assam type building. Later the Composite Land Customs building was constructed on 18.5 bighas of land with the capacity to accommodate various departments, agencies and important offices. Warehouse is available but it is limited in size and numbers. To manage the lack of storage facilities temporary tents are constructed by the locals. These temporary makeshift tents are given out for rent mainly to traders. At times, some locals rent out their vacant room to traders to store their goods.

***Physical Connectivity:*** - As a part of a larger policy under India's Act East Policy, borders were opened for trade through land. Road connectivity takes precedence and multiple projects begin to be formulated. The existing Champhai- Zokhawthar road was upgraded to the status of State highway (SH) in 2005 and with the declaration as international trade route substantial improvement of this route was further prioritised

(GoM, 2013). 2-lane widening of 27.5 km Champhai-Zokhawthar road terminating at river Tiau was initiated, passing through six villages of Khankawn, Zotlang, Ruatlang, Mualkawi, Melbuk and Zokhawthar. However, the upgrade work hasn't reached the two bordering towns of Melbuk and Zokhawthar, till the time of study. A 225 km Rhi-Tiddim- Falam road connectivity is under the pipeline to connect Mizoram and Mandalay to boost trade and commerce (Chaudhury & Basu 2015). Different projects have been taken up like the trilateral highway project to connect India- Myanmar – Thailand and Tamu- Kalewa- Kalemmyo project. To boost connectivity projects across land, water, and air projects like the Kaladan Multimodal Transit Transport, direct air connectivity from Northeastern Region to South Eastern Asia, and bus services were initiated. Physical connectivity has improved and has ushered in development. It reduces cost and time, and eases mobility. As roads are highways for development, it has ostensibly boosted the border region. Better road linkages have contributed towards substantial decline in poverty with improvement in access to health and education services and in other services.

***Banking Arrangement:*** - A lone State Bank of India (SBI) branch is available at composite land customs building providing basic banking services.

***Telephone Connectivity:*** - Despite the installation of BSNL tower, it is yet to function. As such, landline connection is unavailable. Internet connectivity and phone connectivity are accessed through mobile phones through service operators like BSNL, Vodafone and Airtel etc.

***Market and Business Development:*** - Trade has facilitated the development of markets. Markets have sprung up in and around the villages of Zokhawthar and Rih. Apart from small businesses like hotels and restaurants, shops have been established with greater transport services. On account of trade, markets have expanded as one could see the markets of Champhai, Aizawl are adorned with products or goods that have their origin from Myanmar and from other third world countries. This has to some extent lessened Mizoram's dependence on Silchar and cut down prices of goods. Through this trade zone, right from agriculture products to meat, household articles and electronic goods are imported from this trade zone.

### **6.3.4 Livelihood Promotion**

Borderland communities are characterised by the predominance of primary occupation. Prior to the opening of border trade, the main occupation of the people revolved around (jhumming) cultivation and people migrated to the nearby town Champhai for employment and education.<sup>18</sup> However, with the coming of border trade, there is a shift in occupation. Earlier, apart from small businesses like, shop, hotel and rest inn, cultivation was the mainstay of the people, where every household had at least a small tract of jhum land. It has become a secondary occupation as the majority of the people are now engaged in trade-related activities either in one way or the other as porters, traders, business owners and lorry drivers. People's main source of income comes from non-farm activities through rendering labour service, as porters, lorry drivers, and running small businesses. The ability to shift occupation stems from the existence of diverse livelihood options that trade economies usher in, however, it is not devoid of risk as people had to depend on the risky nature of the trade economy.

### **6.4 Emerging Issues on Account of Border Trade**

In this section, some of the emerging issues that emerge on account of border trade are discussed. Some of the pertinent issues such as migration, conflict and informal trade are discussed in details.

#### **i) Border Trade and Migration**

Migration is a common feature that characterises the two bordering villages. Despite being an age-old phenomenon, the treatment of the subject normally centers around the prevailing negative notion of it. The emergence of the livelihood approach during the 1990s gave the necessary stance to examine the role of migration in the context of people's livelihood and to further explore the possibilities to enhance the positive effects of migration (de Haan,1999). In this study migration is seen from the stance of livelihood perspective. It attempts to draw linkage with development and as a strategy adopted by people to advance their living conditions.

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<sup>18</sup> Interview with an elder resident of Zokhawthar on 11 October 2017.

The existence of an opportunity attracts people to a place. With the formalisation of border trade, it attracts wider people to migrate to bordering villages. Migration has contributed to the expansion and making of Zokhawthar and Melbuk villages. Migrants made up for the majority of the population and it can be ascribed to as a migrant's villages. Although villages received a host of migrants, it is only after the onset of border trade that it received greater in pouring of migrants. It attracted migrants from different regions, the common patterns of migration found are viz., intra migration, inter migration and international migration. Intra migration is a common form whereby people from nearby villages such as Mualkawi, Ruantlang which comes under Champhai District, migrate to these villages. People from other districts of Mizoram too migrated but not as acute as intra village migration. The places also attracted international migration, mainly the Chins who hail from nearby Chin State and from the Sagaing region. Being a close neighbour with a shared history of colonial dominance, there was a free movement of people and goods even prior to Independence by both countries. The porous nature of borders, and the existence of similar ethnic people on both sides paved for greater cross border movement. And with the onset of border trade, the cross-border movement of people gained momentum. Border trade which opens up corridors for opportunities attract migrants primarily to seek better living conditions. Avenues for employment opportunities and prospects to engage in other trade prompted people to undergo migration. According to one community health worker, the place continued to receive migrants in large numbers that the increase in population is contributed mainly by the migration process rather than through live birth.

The interface of diverse people has contributed much to the richness of the two villages, socially and culturally. Cultural diversity is a community asset as different groups bring wealth in terms of different experiences and perspectives, knowledge, and connections. This accumulation of intangible wealth implicitly strengthened and contributed to the development of the community and helped in shaping a distinct social identity beyond the marker of ethnicity. Being a part of border residence and length of residence factor in more for the formation of border identity. During the field survey it was observed that in both the villages their food habits and culture

indicate a synthesis of different cultures that of Mizo and Myanmar. A stop at a local food hotel at Zokhawthar testified to it. In Melbuk and Zokhawthar, the notion of 'othering' differs. Outsider connotes not migrants but rather those non-residential of the village. Their identity is shaped first and foremost in terms of their residential status rather than belonging to a particular sub tribe/ clan. This finding resonates with what Flynn described about Bénin-Nigeria Border where border residents construct their identity along 'being the border' and eligibility to be part of it is determined by length of residence and not by kinship or ethnicity or by pending record of becoming a citizen (1997: 321).

The contribution of migrant's diaspora in these villages is the formation of ethnic networks that have linkages right from Myanmar to Mizoram and beyond these two regions. Social networks sustain migration and create a base for further migration. The need to understand migration from a livelihood perspective becomes relevant given that migration is here to stay. With livelihood approach providing the necessary stance and the possibilities to explore further the positive effects of migration and how it could contribute towards development, it calls for greater research work into this area.

## **ii) Conflicts and its Impact on Livelihood**

The population of bordering villages depend on this trade sector for their livelihood, which in any eventuality, renders most of the people unemployed. Porters who depend on trade for their daily sustenance are worst affected. They had to rely on another source of income when trade was closed down or halted by movement of goods. Disputes across various groups hampered the smooth functioning of trade and also on the people who depend on it. Disputes affect employment, reduce earning capacity and help prevail a sense of shaky atmosphere which induces fear among traders.

The growing economic interdependence across the region has helped in resolving existing disputes across various groups. In 2007 a dispute erupted between Zokhawthar Welfare Association (ZWA) and Champhai Transport Union (CTU). Zokhawthar village protested against the monopoly of CTU on freight service from



Zokhawthar to Champhai following which Zokhawthar took advantage of its location and prevented entry of Myanmar's goods beyond Zokhawthar. As border trade progressed, with Zokhawthar residents being able to own a considerable number of commercial vehicles they wished to move out from the control of CTU and partake independently in transporting goods. Vehicles transport goods based on seniority (rotation) and Zokhawthar vehicle owner feel that CTU mismanaged the allocation and showed partiality to Champhai vehicles. Champhai District Collector, representatives from Young Mizo Association (YMA) and some eminent persons intervened as arbitrators and the dispute was resolved after six rounds of talks between ZWA and CTU. Demands for inclusion in the management on equal footing were met along with monthly donations of rupees of 10000/- towards construction of a school at Zokhawthar which was negotiated (OneIndia, 2007). However, a dispute erupted again in march 2019. This time CTU calls for indefinite blockage of all vehicles that transport imported goods at the entry point of Champhai town. The bone of contention was in the management of vehicles. Zokhawthar vehicle association, which manages vehicles at zero point, sets additional fees without engaging in negotiation with CTU ( Khonumthung News, 2019). Beneath it all, the move was intended to control transportation of goods by Zokhawthar as it falls within their jurisdiction. This has always been the bone of contention. This resulted in goods piling up in zero point and has rendered a huge loss to traders in perishable items. The fight to dominate and control border trade often creates friction between different groups that were formed on account of trade. Territory has its own reservation and when it has to do with economic disposition, the line seems to become more acute and intense. Disputes also arise among various porter's organisations. Whenever there is a dispute, it is the people who depend on trade for their livelihood that are worst affected. They had to forgo their earning, employment and fine recourse to sustain themselves during the period of conflict.

### **iii) Informal Trade**

Previous chapter has narrated the dominance of informal trade and factors that promote and sustain it. The dominance of high tariffs diverted much of the intended benefits. This promotes informal trade resulting in huge loss of revenues to

the government. The development of informal channels of exchanges also pose a threat, making it more vulnerable for the smuggling of arms and drugs. This trade zone has become a hotspot for smuggling of guns, drugs, animals, and gold (The Economic Times 2019). A comparison between revenue generated and seizure indicates that the worth of seizure exceeds revenue collected (see tables 5.3& 5.4). Official record is supported by field narratives, where import and export of contraband substances finds its way across the border. The opening of border trade also brings in both security and non-security threats and usher in social, political and economic dynamics especially among people residing in the border areas (Songate, 2010; Gogoi, 2010). It has also led to becoming a hotspot for smuggling guns, drugs and gold (The Economic Times 2019). The predicament lies in the parallel channeling of informal trade which accounted for nearly half of the total trade (Thomas, 2000). The flourish of informal trade could be ascribed to the fact that normal official trade is obstructed (Taneja, 2004). The obstruction is due to various reasons differing in nature from region to region. The existence of informal trade on account of problems in formalising trade has induced an enormous loss to the government. The desire to evade high tariff tax, the existence of porous borders, unmanned old routes on account of existing traditional trade, ethnic trading culture on account of shared cultural space contributed much to the parallel running of informal trade. Import of cattle for meat, export items such as fertilizers, pharmaceuticals are carried out mainly through unmanned routes. Even in Zokhawthar - Rih sector informal trade runs parallel along with formal trade and accounting more than formal trade in terms of volumes and value of goods.

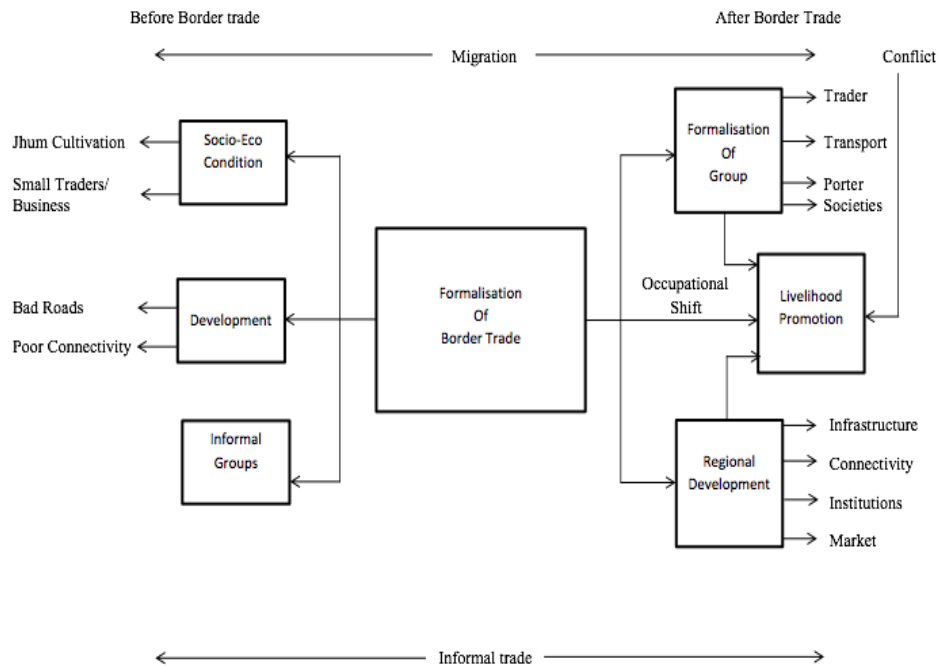
Despite the predicament it places in terms of non-security threats, informal trade heavily substantiates towards promoting the livelihood of people living across the trade zone. And that all informal trade is not necessarily bad.

Bordering communities respond to opportunities in multiple ways by adopting various strategies. Given the opportunities, people adopted multiple strategies to respond to change and create a multiplier effect. Among which they effectively adopted at community level are formation of groups, asserting border identity, conflict- which are used as a means to challenge elite groups, and involvement

towards community building. At household level, they respond by reorienting their occupation to trade economy, and by diversifying their source of income. The boost in physical infrastructure is responded by expanding in other arenas providing a multiplier effect. Occupational dynamism occurs on account of it wherein the majority of the population are absorbed as transporters, small traders and daily wage labour indicating a shift from agro based oriented economy to trade economy. It can be seen that border communities engaged in community building through formation and development of capitals. Diverse groups and educational institutions have sprung up catering to the need for social and human development. Both formal and informal groups played an important role in decentralising benefits.

In centralising their marginality of locating at the periphery region, bordering communities take advantage by reshaping their identity to being 'a border'. In addition to it, border communities respond to it through engaging in contests and conflicts. Contest of resources and disputes are effectively used as a means to divert benefits and in challenging elitist dominance of trade. Contestation of resources and conflicts has become a common feature in border regions where the economy is driven by trade (Hansen 1981; Flynn 1997; Mcduie-Ra, 2016) and that Zokhawthar is not an exceptional case. The inflow of people to the region has intensified questions over contestation of resources, membership and belonging and is expected to compound in the future. Border practices of boundary negotiations, forming client patronage both with officials and non-official agencies remain a way for border communities to negotiate over territorial boundaries to facilitate and for the engagement in informal trade, which form one way to respond to opportunities. The multiplicity of responses exposed the complex nature of community building and the dynamics border trade brings into the region. In conclusion, the way border and border trade are viewed signifies the symbolic significance of bordering communities bestowed on boundary and border trade where its meaning is constantly negotiated by everyday social experience of the border.

**Figure 6.1 Conceptual Map of Impact of Border Trade on Bordering Villages**



Source: Field Survey

**Table 6.3 List of Traders' Association**

<b>Trader Association</b>	<b>Formal/ Informal</b>	<b>Location</b>	<b>Year of Estb</b>	<b>Members hip</b>	<b>Area of operation</b>
Export and Import of Mizoram( EXIM)	Formal	Champhai	2006	20(appx)	Deals only in import of Areca nut
Champhai Export and Import Trade Union (CEITU)	Formal	Champhai	2006	30(appx)	Deals in all goods other than Arecanut ( from Cheap Chinese goods to Myanmar products to export items)
Champhai Bazaar Association	Informal	Champhai	2008	24	Market traders which deals mainly in import of packed food products, garments and in household articles( Myanmar products)
Pig Trader Association	Informal	Zotlang	2008	236	Import of pig and piglets and

					supplies to various districts in Mizoram.
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Source: Field Survey

**Table 6.4. List of Organisations**

<b>Organisation formed at Village level</b>	<b>Formal / Informal</b>	<b>Location</b>	<b>Year of Estb</b>	<b>Membershi p</b>	<b>Area of operation</b>
Melbuk Development Charitable Society	Formal	Melbuk	2009	80 Plus ( inclusive)	Freight service of fertilizer ( export) and other charitable works
Zokhawthar Welfare Association	Informal	Zokhawthar	2007		Welfare of the community and other charitable works.

Source: Field Survey

**Table 6.5 List of Transport Association**

<b>Transport Association</b>	<b>Formal/ Informal</b>	<b>Location</b>	<b>Year of Estb</b>	<b>Membershi p</b>	<b>Area of operation</b>
Champhai Transport Union(	Formal (Registered with Mazdoori	Champhai	1987	270	Earlier freight service of all goods but now deals only with areca nut from

CTU)	Union of India)				Zokhawthar to Champhai and from Champhai to Silchar
Zokhawthar Transport Union (ZTU)	Work in collaboration with CTU and fighting to work independent from CTU	Zokhawthar	2006	200	Freight service from Zokhawthar to Champhai to Aizawl.
Towntrip	informal	Zokhawthar			Freight service from Zero point(LCS) to Zokhawthar.

Source: Field Survey

**Table 6.6 List of Porters' Association**

<b>Porters' Association</b>	<b>Formal/ Informal</b>	<b>Location</b>	<b>Year of Estb</b>	<b>Membersh ip</b>	<b>Area of operation</b>
Porter Society	Formal	Zokhawthar	1995 and registered as Society in 2003	700	Loading and unloading of only export items
Multipurpose	Formal (National	Zokhawthar	2006	130	Loading and unloading of import items

	Trade Union of Mizoram				other than arecanut
Centre of Indian Trade Union of Mizoram (CITUM)	Formal (Back by EXIM)	Zokhawth ar	2017	390	Loading and unloading of Arecanut

Source: Field Survey



## **CHAPTER VII**

### **SOCIO-ECONOMIC CHARACTERISTICS OF BORDERING VILLAGES**

## **CHAPTER VII**

### **SOCIO- ECONOMIC CHARACTERISTICS OF BORDERING VILLAGES**

This chapter describes the socio- economic characteristics of bordering villages. It includes demographic composition of respondent households, form and types of family structure, and socio- economic characteristics of respondent households. Besides, it provides a brief description about households' account of migration, nature of household's involvement in trade related activities, and assets endowment of respondent households. Occupation structure of respondent households is presented, and discussed in detail the structural change of households' occupation.

In the study, Zokhawthar village is depicted as a prime village, and Melbuk village as a secondary village. In the course of the discussion, sometimes it is used interchangeably where it seems appropriate to use at a particular occasion.

#### **7.1 Demographic Composition of Respondent Households**

Age is an asset both for a household and the community. It throws light on the maturity level of a household and the community. It depicts the capacity of a household; the ability to earn, and involvement in hard work. At a larger community level, age projects the characteristics of the population.

It is seen that in both the villages, youth made up the majority of the population. Adolescents, who are below 18 years, formed the highest percentage at 35%, followed by 33% who are above 34 years. 32% of the sample respondents are composed of those who fall between 19 to 33 years. Overall, the population in both the villages is relatively young with a mean age of 27 years. Zokhawthar has a slightly older population with an average age of 29 years while Melbuk is composed of a much younger population with an average age of 25 years. The advantage of having a young population is depicted where the percentage of earners (53%) is

higher than dependent (47%). Lower dependence ratio shows the population is productive which simultaneously implies the availability of employment opportunities. It further indicates otherwise household capacity to withstand poverty, either through additional input of labour from family members or the ability to engage additional members into a productive workforce through gainful employment. It forms an important part of household security in the event of circumstances thereby lessening a household's vulnerability.

In terms of gender, the proportion of females is higher at 51% in comparison to males which is at 49%. In Zokhawthar, the percentage of females (52%) is higher than that of males (48%), while in Melbuk males (51%) constituted a higher percentage than females (49%). However, the gender gap across the villages is low. This finding is supported by census report 2011 where it also indicated that in Zokhawthar the population of female (1333) preceded that of male (1299) by 34, and contrast to it in Melbuk the population of male (268) is slightly higher than female (265) by 2 (Champhai District Census Report, 2011). Pertaining to gender distribution among heads of the family, male headed households (84%) are found to be higher than female headed households (16%). Despite being a patriarchal society, the existence of female headed households may either be because of divorced/separation or widowhood, or where children are yet to reach the age to take responsibility for the family as head of the family (see table 7.2).

Regarding the educational attainment, the mean years of education across both the villages is similar which stands at 7 standards (middle level). Educational status is low across the villages and enrollment is recorded at the highest till primary standard (31%), followed by middle standard (23%), and secondary standard stands at 18 %. Enrollment in higher education, above 12 standards, across the villages is low at a single digit of 7% only. Illiteracy rate in total stands at 8%. Both the villages show a similar trend where enrollment is highest in primary standard and followed by a downward trend in terms of pursuing higher education.

In Melbuk, illiteracy is at 11 %, whereas in Zokhawthar it is only at 4%. Despite Zokhawthar village being relatively younger in comparison to Melbuk

village, Zokhawthar indicates otherwise slightly higher educational attainment than Melbuk even though it registered lower educational attainment till higher secondary which stood at 12% while Melbuk at 16%. As per census report 2011, literacy rate is higher in Melbuk (77%) than in Zokhawthar (76%), however, the difference with the finding can be attributed to the fact that within the census report and period of study, Zokhawthar has shown an improvement. Since 2011, 5 educational institutions have been established in and in order to increase higher secondary enrollment one higher secondary school has been established with the support from the community. Zokhawthar has given due importance to education and this could be the reason why it could surpass Melbuk village in literacy rate as indicated in the finding of the study. In the words of Chairman of Zokhawthar Village Council, he mentioned;

*Due to easy employment options, the dropout rate was high among the youths. To tackle the issue, Zokhawthar Welfare Association (ZWA) began to take initiative. With the support from the community, we mobilised resources, and Zokhawthar higher secondary school was set up in 2013. As of now, there exist 9 educational institutions in the vicinity of Zokhawthar. Whenever there is a shortage of teachers or funds, ZWA provides financial aid to these educational institutions. We feel by investing in education it is the right thing to do for the future of our village. How long can we depend on trade alone to sustain our rising needs? We need to keep searching for alternative means to develop the village.*

With respect to marital status, more than one half are unmarried (51%), while 43% are married. Widowers constitute just 4% of the population and divorce / separation rate is low. Family as a primary institution is strong and intact, which is a peculiar feature in rural areas (table 7.2). This finding is substantiated by the form of a family wherein 96% ascribed to have a stable family while broken family constituted just 4%. As per the types of family structure, nuclear family is the dominant type at 86%, and joint family consists of just 14%. Joint families are seen to be slightly prevalent in Melbuk. Across the villages, small to medium family size is predominant with members ranging from 4 to 6 members, Zokhawthar (45%) has a

higher percentage of small to medium family size than Melbuk (24%). But, in terms of large family size with more

**Table 7.1 Demographic Composition of Respondent Households**

Sl.No	Characteristic	Type of Border Village				Total N = 1285	
		Prime n = 692		Second n = 593			
		Frequency	%	Frequency	%	Frequency	%
<b>I</b>	<b>Age Group</b>						
	<= 18	210	30	242	41	452	35
	19 - 33	222	32	183	31	405	32
	34+	260	38	168	28	428	33
	<i>Mean Age</i>	<b>29</b>	<b>16</b>	<b>25</b>	<b>17</b>	<b>27</b>	<b>17</b>
<b>II</b>	<b>Gender</b>						
	Male	329	48	302	51	631	49
	Female	363	52	291	49	654	51
<b>III</b>	<b>Education Status</b>						
	Illiterate	30	4	68	11	98	8
	Primary(1 - 5)	203	29	189	32	392	31
	Middle (6 -8)	193	28	107	18	300	23
	Secondary ( 9 - 10)	139	20	95	16	234	18
	Higher Secondary (11 and 12)	81	12	93	16	174	14
	Higher Education	46	7	41	7	87	7
	<i>Mean Years of</i>	7	4	7	4	7	4

	<i>Education</i>						
<b>IV</b>	<b>Marital Status</b>						
	Married	305	44	251	42	556	43
	Unmarried	346	50	307	52	653	51
	Divorced/Separated	17	2	11	2	28	2
	Widowed	24	3	24	4	48	4
<b>V</b>	<b>Earner/Dependent</b>						
	Dependent	322	47	279	47	601	47
	Earner	370	53	314	53	684	53

Source: Computed

than 7 members, Melbuk (22%) shows a higher percentage than Zokhawthar (8%). The existence of medium to large size family is indicative of one of the common characteristics of rural areas. Labour is an important asset; large family is seen as a reservoir of labour. In rural households banking on extra labour from family members for domestic help, and for additional employment and income is predominant. Size of the family is also an indicator of the local economy. An economy that can absorb labour tends to be large.

**Table 7.2 Family Profile of Respondents**

Sl.No	Characteristic	Type of Border Village		Total N = 300
		Prime n = 161	Second n = 139	
<b>I</b>	<b>Type of Family</b>			
	Nuclear	143	116	259

		(88.8)	(83.5)	(86.3)
	Joint	18 (11.2)	23 (16.5)	41 (13.7)
<b>II</b>	<b>Form of Family</b>			
	Stable	153 (95.0)	135 (97.1)	288 (96.0)
	Broken	8 (5.0)	4 (2.9)	12 (4.0)
<b>III</b>	<b>Size of Family</b>			
	<= 3	17 (10.6)	29 (20.9)	46 (15.3)
	4 - 4	59 (36.6)	46 (33.1)	105 (35.0)
	5 - 6	72 (44.7)	33 (23.7)	105 (35.0)
	7+	13 (8.1)	31 (22.3)	44 (14.7)
<b>IV</b>	<b>Gender of Head</b>			
	Male	136 (84.5)	115 (82.7)	251 (83.7)
	Female	25 (15.5)	24 (17.3)	49 (16.3)

Source: Computed

Figures in parentheses are percentages

## 7.2 Socio Economic Profile of the Respondents

Socio-economic analysis provides the basic understanding of the make-up of the population and the economic structure of the region. Furthermore, it provides a sense on how border trade could have impacted on diverse groups differing in nature and responses. Table 7.3 describes the socio- economic profile of the respondents. In terms of the social composition of the bordering villages, Mizo is seen to be the predominant tribe across both the villages (80%). This is followed by Chin at 19%. Other than those two tribes, the composition of other tribes is negligible. Reason for the thin traces of other sects/ tribes is due to the enforcement of Inner Line Permit (ILP), which restricted entry of non-tribal population in the State. ILP is a colonial legacy that continues to be in force till date as a protective measure to ensure lesser assimilation in order to safeguard the culture, customs and resources of a particular region.

**Table 7.3 Social and Economic Profile of the Respondent Households**

Sl.No	Characteristic	Type of Border Village				Total N = 300	
		Prime n = 161		Second n = 139		Frequency	Percent
		Frequency	Percent	Frequency	Percent		
<b>I</b>	<b>Ethnicity</b>						
	Mizo	127	79	112	81	239	80
	Chin	31	19	27	19	58	19
	Other	3	2	0	0	3	1
<b>II</b>	<b>Denomination</b>				0		
	Presbyterian	76	47	79	57	155	52
	Baptist	40	25	0	0	40	13
	Catholic	6	4	22	16	28	9



	UPC (NE)	3	2	25	18	28	9
	UPC (M)	13	8	13	9	26	9
	Salvation Army	9	6	0	0	9	3
	Seventh Day	8	5	0	0	8	3
	EFCI	5	3	0	0	5	2
	Others	1	1	0	0	1	0
<b>III</b>	<b>Socio Economic Category</b>						
	Very poor (AAY)	2	1	33	24	35	12
	Poor ( BPL)	26	16	22	16	48	16
	Non Poor ( APL)	133	83	84	60	217	72

Source: Computed

Mizoram being a Christian majority state, 8 major denominations have its presence, among which the Presbyterian Church (52%) holds the maximum members in both the villages. This is followed by the Baptist Church (13%) which is found only in Zokhawthar. Catholic, UPC (North East and Mizoram) are present in both the villages with 9% each. Denominations like the Salvation Army, Seventh Day and Evangelical Free Church of India (EFCI) are found to exist only in Zokhawthar and members among the respondents are found to be minimal. In Mizoram, the Church plays an important role and has a great influence in the lives of the people. It forms a source of social capital for the community and individuals alike. And despite being a non-secular institution, it caters towards development activities at the same time exerting control by determining the social mores of the society.

In terms of socio- economic status, both the villages show a fair living standard as more than two third of the respondents are above the poverty line (APL) at 72%. Zokhawthar indicates higher socio-economic status than Melbuk. Zokhawthar has a higher percentage of APL, while on the opposite it has lower percentages of BPL and AAY households respectively.

### **7.3 Migration profile of the Respondent Households**

Migration profiles of households indicate that migration forms an important part of a household's livelihood strategy. 88% of the respondent households have a history of migration. From the given table 7.4, it can be rightly inferred that Zokhawthar is primarily a migrant village as 99% of the household is constituted by migrant families. The composition of migrants is also high in Melbuk as 74 % of the sample households belong to a migrant family. The formalisation of border trade attracts people and induces people to immigrate to villages located near the trade zone. With the signing of BTA in 1994 and the commencement of formal trade in 2004 across Zokhawthar- Rih trade zone, it attracted people to migrate to bordering villages of Zokhawthar and Melbuk. As Zokhawthar and Melbuk are the nearest villages with respect to the trade zone, they received a host of migrants both from intra district, inter district, interstate and international migrants. In both the villages, the year 2001- 2011 shows the highest number in receiving migrants. However, the next year it showed a decline to 15%. It is seen that the type of migration where the whole family moved is predominant rather than individual migration. The implication of this type of migration is seen in the rise of population across both the villages. As Zokhawthar received a higher number of migrants, despite being a relatively young village, its population exceeds that of Melbuk.

In terms of migration by last place of residence, slightly more than one half ( $\frac{1}{2}$ ) are from Champhai District (intra-district at 51%), the district under which border trade zone is located. It also received a host of international migrants mainly from Myanmar where it shares a 510 km long porous boundary with Mizoram. 26% of the respondent households are migrants originated from Myanmar. Migrants from Myanmar made up 27% of migrants received in Zokhawthar while in Melbuk they

made up 25%. In the context of migrants from the inter district of Mizoram, overall, they made up 10%. Melbuk (7%) seems to attract lesser inter-district migrants in comparison to Zokhawthar which has a record of 13%. Native made up 12% which is seen only in Melbuk. From the findings, Zokhawthar village is primarily made up of migrant's population.

The finding that migrants made up the village negates the role of migration and migrants' diaspora in the development of border villages and border trade, the role that needs further exploration. Although development of bordering villages has its genesis on account of border trade, yet, the contribution of migrants in terms of knowledge, divergent perspectives and connection of building trans-ethnic ties add strength to the community. The location of Zokhawthar also plays a decisive factor, being located adjacent to the trade zone, coupled with easy border crossing and greater employment opportunities attract a greater number of migrants yearly. In a small village like Zokhawthar 9 (nine) schools have been set up, and 5 (five) in Melbuk reverberate with the growing population and economy.

With regards to the distance of migration, majority of migrants covered a distance of 5 to 86 km (63%) followed by those covering more than 178 km distance (20 km), and by 17% who covered a distance between 87-177 km. Migration from nearby villages within the same district is predominant.

The existence of employment opportunities across bordering villages situated near the border trade zone attracted people to these places where 75 % of the migrants ascribed to this factor. Another reason for undergoing migration is the hope for better living conditions (22%). In terms of ease of doing business, it does not attract people as much as only 5% ascribed to this factor.

**Table 7.4 Migration Profile of Respondent Households**

Sl.No	Particulars	Type of Border Village		Total N = 300
		Prime	Second	

		n = 161		n = 139		Frequency	Percent
		Frequency	Percent	Frequency	Percent		
<b>I</b>	<b>Types of Residence</b>						
	By Birth	1	1	36	26	37	12
	By Migration	160	99	103	74	263	88
<b>II</b>	<b>Year of Settlement</b>						
	<= 1989	0	0	57	41	57	19
	1990 - 2000	54	34	28	20	82	27
	2001 - 2011	72	45	31	22	103	34
	2012+	35	22	23	17	58	19
<b>III</b>	<b>Type of Migration</b>		0				
	Intradistrict	93	58	58	42	151	50
	International	44	27	35	25	79	26
	Native	0	0	36	26	36	12
	Interdistrict	22	14	10	7	32	11
	Interstate	2	1	0	0	2	1
<b>IV</b>	<b>Type of Migration</b>						
	Native	0	0	36	26	36	12
	Intradistrict	94	58	58	42	152	51
	Interdistrict	21	13	10	7	31	10
	Interstate	2	1	0	0	2	1

	International	44	27	35	25	79	26
<b>V</b>	<b>Distance of Migration</b>						
	-5 - 86	93	58	95	68	188	63
	87 - 177	41	25	11	8	52	17
	178+	26	16	33	24	59	20
<b>VI</b>	<b>Reason for Migration</b>						
	Employment	142	88	84	60	226	75
	Better Living Condition	46	29	21	15	67	22
	Ease of Doing Business	12	7	3	2	15	5

Source: Computed

#### **7.4 Household Members Involvement in Border Trade Related Activities**

Border trade has provided employment to people residing nearby trade zone in varying ways mainly in the capacity as porter, driver in transportation of traded goods, and as small and big traders. Except for drivers it does not call for a specific set of skills, this aspect opens up huge potentials for the population to engage in trade related activities who would otherwise be left unemployed. The capacity to work as a porter does not demand skill nor qualification, as a result it is the single largest area where it can provide the maximum wage employment to the people. About 28% of households are engaged as porters. Apart from those working as porters, 5% of the respondents are engaged as drivers. Among the population, traders are few and only few owned commercial vehicles. Working in any border trade establishments is low among the population. Respondents from Melbuk showed higher involvement in different trade related areas than in Zokhawthar. This statement is further supplemented by looking at the number of non-involvement in Zokhawthar which showed a whopping 59%, while Melbuk registered just 20%. Further, this connotes

the availability of diverse employment opportunities in diverse fields depicting the options for engagement in livelihood diversification.

**Table 7.5 Involvement of Members of Respondent Households in Border Trade**

Sl.No	Areas of Involvement	Type of Border Village				Total N = 1285	
		Prime n = 692		Second n = 593			
		Frequency	Percent	Frequency	Percent	Frequency	Percent
1	Porter	225	33	135	52	360	28
2	Driver	15	2	51	9	66	5
3	Trader	32	5	8	6	40	3
4	Transport Owner	4	1	18	12	22	2
5	Work in Establishments	9	1	0	1	9	1
6	No Involvement	407	59	381	20	788	61

Source: Computed

### **7.5 Occupation Structure of Bordering Communities**

Occupation structure shows the distribution of the working population among different strata of the society. It also captures the diversity of the local economy. In this study, occupation is classified into 11 categories. ‘Others’ in the occupation structure indicate mainly those who depend on others solely for their existence like babies below age 4 and people with a high percentage of disability.

The occupation structure of bordering communities underwent considerable transformation. Occupational shift is seen mainly from the primary sector to tertiary sector, from cultivator to other workers. Prior to border trade, cultivation was the major occupation of the people which stood at 15% in total, and this has undergone a sea change as the percentage of cultivators dropped down to 3% post border trade. The change comes mostly from Zokhawthar wherein it shows a drop from 18% to 1%. Melbuk also indicated a change from 12% to 6%. There is an increase in the percentage of unskilled labourers, skilled labourers, private services, drivers and traders/ business persons in the post border trade scenario. The opportunities to work in private establishments such as in schools, offices, in small business outlets, and as drivers contributed to the increase. The highest shift is attributed by unskilled labourers from 8% prior to border trade to 24% in post border trade scenarios. In comparing pre and post border trade scenarios, unemployment has registered an increase of 1% from 6% to 7%. Reason for higher unemployment percentage during the post border trade scenario is mainly due to structural unemployment as the educated seek better employment other than working as porters or drivers. The study reveals that student's enrollment in school has improved and has increased from 22% prior border trade to 33% in post border trade. The positive change is due to attainment of age for school enrollment with greater provision for access to education. The positive change can also be attributed to the fact that there is an expansion of education with new establishment of schools along with an increase in household's income.

The occupational transformation reveals that border trade has an impact on the occupation structure of bordering communities differently among different groups. Moreover, border trade provides scope for employment directly and indirectly with the capacity to absorb both skilled and unskilled workers who would otherwise be left without decent wage employment. It has the capacity to transform the agriculture economy into a labour or service economy which is indicative of the trade economy. The transforming nature of border trade can be seen in the way it brought about an occupation shift from agri based to service oriented along with capacity to increase the portfolios of the local economy.

## 7.6 Assets Endowment of Household

Types of assets endowment reflect the social and economic position of a household. The value of an asset indicates the kind of security that a household possesses that in the event of uncertainty it can be cashed upon to meet immediate needs. Higher the value of an asset, the ability to liquify it into cash is easy. In this study, the value of assets is calculated and among the assets the highest asset value owned by households relate to owning commercial vehicles where 57% of the households ascribed to owning it. This is followed by four wheelers (17%). Across the villages, Melbuk has higher asset value as most of the respondents owned commercial vehicles such as 407-, 207- and 12-wheels' trucks. It can be concluded from table 7. 6 that households across the villages are endowed with high physical assets along with modern assets depicting that poverty level is low. Border trade has invariably increased physical endowment, paving for improvement in the living conditions of bordering communities.

**Table 7.6 Border Trade and Occupational Transformation**

Sl.No	Occupation	Type of Border Village				Total N = 1285	
		Prime n = 692		Second n = 593			
		Frequency	Percent	Frequency	Percent	Frequency	Percent
<b>I</b>	<b>Before Border Trade</b>						
	Cultivator	124	18	70	12	194	15
	Unskilled Labour	47	7	52	9	99	8
	Skilled Labour	16	2	9	2	25	2
	Trader/Business	27	4	6	1	33	3
	Government	9	1	12	2	21	2



	Service						
	Private Service	6	1	1	0	7	1
	Driver	10	1	6	1	16	1
	Pensioner	0	0	0	0	0	0
	Unemployed	46	7	28	5	74	6
	Student	183	26	169	28	352	27
	Others	224	32	240	40	464	36
<b>II</b>	<b>Present Occupation</b>						
	Cultivator	8	1	34	6	42	3
	Unskilled Labour	174	25	139	23	313	24
	Skilled Labour	41	6	14	2	55	4
	Trader/Business	70	10	23	4	93	7
	Government Service	18	3	14	2	32	2
	Private Service	38	5	22	4	60	5
	Driver	22	3	66	11	88	7
	Pensioner	3	0	3	1	6	0
	Unemployed	63	9	33	6	96	7
	Student	231	33	195	33	426	33
	Others	24	3	50	8	74	6
<b>III</b>	<b>Change</b>						
	Cultivator	-116	-17	-36	-6	-152	-12
	Unskilled Labour	127	18	87	15	214	17
	Skilled Labour	25	4	5	1	30	2

Trader/Business	43	6	17	3	60	5
Government Service	9	1	2	0	11	1
Private Service	32	5	21	4	53	4
Driver	12	2	60	10	72	6
Pensioner	3	0	3	1	6	0
Unemployed	17	2	5	1	22	2
Student	48	7	26	4	74	6
Others	-200	-29	-190	-32	-390	-30

Source: Computed

**Table 7.7 Pattern of Physical Asset Endowment of Households**

Sl.N o	Asset	Type of Border Village				Total N = 300	
		Prime n = 161		Second n = 139		Mean	SD
		Mean	SD	Mean	SD		
1	Commercial Vehicle	67081 (39.5)	30455 4	21712 2 (67.4)	43938 9	13660 0 (56.8)	37994 2
2	Four Wheeler	35093 (20.7)	14094 8	45108 (14.0)	16272 3	39733 (16.5)	15125 1
3	Two Wheelers	22019 (13.0)	30620	17353 (5.4)	28618	19857 (8.3)	29752
4	TV	11366 (6.7)	10814	11691 (3.6)	7687	11517 (4.8)	9480

5	Internet Device(s)	10668 (6.3)	12915	9871 (3.1)	8520	10298 (4.3)	11087
6	Refrigerator	9500 (5.6)	8405	10133 (3.1)	8121	9793 (4.1)	8267
7	Commercial Building	9441 (5.6)	43521	6115 (1.9)	37812	7900 (3.3)	40941
8	Computer/Laptop	3539 (2.1)	9523	1619 (0.5)	8748	2649 (1.1)	9207
9	Automotive Repair Tool	944	8234	3309	11912	2040	10157
		(0.6)		(1.0)		(0.8)	
10	Physical Assets	169650 (100)	45411 7	32232 0 (100)	58129 7	24038 7 (100)	52165 6

Source: Computed

Figures in parentheses are percentages

In this chapter the socio-economic characteristics of the border villages have been presented. In the next chapter border trade and development and its impact on the bordering villages is discussed.

## **CHAPTER VIII**

### **BORDER TRADE AND DEVELOPMENT: IMPACT ON BORDERING**

#### **VILLAGES**

## **CHAPTER VIII**

### **BORDER TRADE, LIVELIHOOD AND LIVING CONDITIONS: IMPACT ON BORDERING VILLAGES**

This chapter looks into the sources of income and livelihood diversification of bordering households. It compared household's access to various capitals before and after border trade to understand the impact of border trade on the livelihood of border villages. Furthermore, perceived impacts of border trade on the living conditions of bordering villages were also analysed to comprehend the impact it had on border households. Findings and subsequent discussion are presented below in detail.

#### **8.1 Sources of Income and Livelihood Diversification**

To understand the level of livelihood diversification across bordering villages, households' sources of income formed the base for the analysis. Level of livelihood diversification was calculated with the help of Simpson's Index. Distribution of household income, inter village level of livelihood diversification, relation of demographic and economic determinants of livelihood diversification are discussed in the following sub sections.

Livelihood diversification entails when a household has multiple portfolios of activities that can generate a stream of income or have monetary value. Household adopts livelihood diversification either as a poverty reduction strategy or as an augmentation strategy (Ellis, 1998). Households diversify their income to cope with momentary crises or to further enhance their living standards. Either way, diversification is a response to lessen threats associated with their livelihood. However, the capacity to diversify income and the choice to engage in a particular income generation depends on multiple factors like socio- demographic characteristics of a household, household's asset endowment and the availability of opportunities (Ellis, 2000; Khatun & Roy, 2012).

### **8.1.1 Household Income and Sources**

Income data measures the economic well-being of individuals and households (ILO, 2003). Analysing the sources and distribution of household income helps to understand the prevailing economic environment, depict the status of household food security, and potential vulnerabilities that a household is likely to face in case of experiencing calamity. Understanding the structure and distribution of household income helps predict outcomes, for instance, households that earn a higher percentage of their income from non-farm activities would be more vulnerable to changes in policy, price volatility and labour market.

Regarding the structure and distribution of household income (see table 8.1) it depicted that border households are engaged in diverse economic activities. 14 categories of income sources were identified among which business and salary are the major sources of income for borderland households and contributed the highest income in comparison to other economic activities. Income from business provides bordering households with the highest income with an average annual income of Rupees 47,188/-, although the proportion of households depending on business and on regular salary remains the same at 21% each. Annual average income drawn from salary stands at Rupees 46,802/- where the number of households with a steady salary is higher in Melbuk (26%) than in Zokhawthar (18%). This implies that involvement in business provides households with higher income where 26% of sample households in Zokhawthar depend on it for their source of income with an annual average income of Rs 64885/-, while 14% of sample households in Melbuk draw an annual average income of Rupees 26691/-. Majority of the businesses at the borderland were micro enterprises in nature - mobile traders, shop owners, service providers, although there are few who engage in medium and large business as market traders, suppliers, and as escort traders. Next to business and salary, 19% of the sample households are involved in unskilled work and form the main source of their income where annual average income in both the villages amounted to Rupees 42,134/-. Zokhawthar (23%) shows a higher proportion of households involved as unskilled labour than in Melbuk (13%). The percentages of these three economic activities i.e business, salary jobs and unskilled labour surpassed 60% in

combination. This indicates that the majority of the households are likely to draw their primary sources of income from the above three economic activities. Across the villages, 67% of the sample respondents from Zokhawthar depend on the above three major economic activities as their primary source of income. In Melbuk, 53% of the sample respondents depend on the above three economic activities.

With regards to other sources of income, income from skilled labour, from government schemes such as MGNREGS, NLUP, pension scheme, and livestock formed another important secondary source of income across bordering villages.

The proportion of income from skilled labour is 15% with an annual average income of Rupees 33656/-. Despite indicating a higher proportion of the population depending on skilled labour in Melbuk (18%), yet, income from skilled labour is higher in Zokhawthar.

Government schemes play an important part in contributing towards household income. On an average, its contribution amounted to Rupees 24861/- annually. Contribution of government schemes towards household income is higher in Melbuk (15 %) than in Zokhawthar (9%). MGNREGS, Old Age Pension scheme, and state funded scheme namely the New Land User Policy (NLUP) are the major government schemes that contributed towards household income.

The contribution of livestock towards household income is low with an annual average income of Rupees 11611/-, and its contribution is seen to be higher in Melbuk village. Pig and chicken are the major livestock reared. Based on this, it can be concluded that bordering households reared livestock mainly for consumption and form part of a household's food and income security. Livestock acts as a quick income security as it can be readily converted into cash. Commercial rearing of livestock is rare. Although it is seen that few households derived their income from agriculture, foreign remittance, income from house rent, and rent from leased out land. However, the proportion of income generated by these activities to the total income is miniscule.

Regarding annual income of border villages the combined total annual household income of these two villages amounted to Rupees 220111/- which is not low considering they are located at the border, away from major towns and markets. However, there is income variation across the two border villages. Zokhawthar, the prime village, indicated higher annual household income at Rupees 248949/- while Melbuk, the second village, indicated lower annual income at Rupees 186708/-. The variation could be attributed to the fact that Zokhawthar's economy is more oriented to the service economy where dependence on agriculture and allied activities is lower than in Melbuk. And despite the existence of similar economic activities, economic returns for the same activities vary and that the economy of Zokhawthar favours higher returns.

With regards to households' annual income, it is categorised into very low ( $\leq 41241$ ), low (41241 to 220111), moderate (220111 to 398980), and high (398980 and above), to understand income distribution of bordering households. The earning capacity of a household depends on various factors, such as educational level, skill, number of adult members, and on the availability of employment opportunities. It is seen from table 8.2 that more than half of the respondents' annual income falls within the range of Rupees 41241/- to 220111/- implying that 64% of the sample population belong to a low income level. The percentage of households falling at a low-income level is higher in Melbuk (75%) than in Zokhawthar (54%). On the other hand, 24% of the respondents fall within a moderate level of income, where the percentage is higher in Zokhawthar (33%) than in Melbuk (14%). And 11% of the sample respondents' income falls in the category of high, where the proportion is higher in Zokhawthar (12%) than in Melbuk (9%). Across the bordering villages the incidence of extreme poverty is low as only 1% of the sample households fall under a very low-income level, which is distributed evenly in both the two villages. From the analysis, Zokhawthar, the prime village, depicts a higher level of income than Melbuk, the second village.

As the proportion of income from a single source is just 21 %, it is seen that households have diverse economic portfolios indicating that livelihood diversification is a common aspect in both the bordering villages. In combining the



two main sources of income, that is business and salary, its contribution amounted to 41% of the total income. This demonstrates that the borderland's economy is dynamic and mobile. Border economy governed by trade is characterised by opportunities for engagement in diverse economic activities that have a large capacity to absorb manual workforce with a considerable number of those with skilled and qualified populations, particularly in the field of services.

The level of income and income distribution suggest the existence of a large population within the range of low to middle income along with a few wealthy elites. The existence of different income groups is likely to generate particular types of supply response and demands. The consumption preference across households with different income level of distribution will project a diverse basket of consumption patterns. It will include luxury goods or superior goods aimed at wealthy elites and mass consumption goods for the majority of the population. As such, Zokhawthar depicts better functioning of the market with greater demand for diverse consumption patterns. Overall, with a large concentration of the population at a low income level, it reflects the nature of domestic labour revolving around low skill intensively and for consumption preference for inferior goods. This understanding according to Bird (2004) is important as it will enable in designing a policy for the protection of inferior food and goods in order to protect groups likely to experience declining well-being as a result of change in trade regime (p.8).

### **8.1.2 Inter Village Livelihood Diversification**

To understand the prominence of livelihood diversification across the two villages, the number of economic activities engaged by each household was analysed and categorised into very low ( $\leq 2$ ), low (3-4), moderate (5), and high (6 and above). Across the two villages, 40% of the households are engaged in diverse economic activities, combining a minimum of five (5) economic activities. 37 % of the households ascribed to engage in 3 to 4 economic activities. Similarly, 12 % of the households are engaged in very low- and high-income diversification. Overall, on an average, bordering households combined more than a minimum of three (3) economic activities. With regards to the level of livelihood diversification, Melbuk

shows a slightly higher level of livelihood diversification than Zokhawthar. From the findings it can be said that the Livelihood Diversification Index (LDI) of bordering villages falls under a moderate level of diversification, where it points towards a moderate level (see table 8.3 & 8.4).

Trade economy has opened up opportunities for bordering communities to engage in diverse economic activities. Border economy displays a diversified economy. Engagement in single livelihood activity based on highly specialised skill is low across the households making bordering livelihood mobile. Mobility entails transferability of skills and capitals which can ensure adaptability in the face of circumstances. However, a closure analysis of major economic activities reveals high dependence on trade directly or indirectly. Livelihood mobility is centered around major economic activities like business, skilled and unskilled labour that depend upon border trade. In the eventuality of closure of trade, changes in trade, border livelihood remains vulnerable.

In terms of inter-village differences in income, economic activities, and livelihood diversification measures. It shows that there is a significant difference in the annual household income across prime village and second village at 1 %. Zokhawthar, a prime village, located nearer to the trade zone has a higher income with a mean score of Rs 248949 while Melbuk, a second village, has a mean score of Rs.186708. This indicates there exist better income and employment opportunities in Zokhawthar village implying that distance plays a decisive role in terms of accruing the benefits of trade. This finding is consistent with Rauch (1951) which states that spatial difference is important in deciding the outcome of bilateral trade. The benefits of location come in the forms of access to goods and services, better employment opportunities, eligibility for participating in two national economies and higher paying jobs as in the case of Zokhawthar. Inter -village variation in terms of economic activities were found to have no significant difference. On the other hand, inter-village difference in livelihood diversification was found to be statistically significant at 1%. The difference is accounted for by the difference in income level. Zokhawthar indicated a higher level of income. As Melbuk's LDI is higher than Zokhawthar's LDI, it implies that lower income diversifies more than those with

higher income. As livelihood diversification is higher among lower income, findings allow the conclusion that livelihood diversification is a matter of poverty reduction strategy rather than augmentation strategy, and lower the proportion of income from a particular source livelihood mobility persists.

### **8.1.3 Demographic and Economic Determinants of Livelihood Diversification**

The relation between demographic and economic determinants of livelihood diversification is determined with the help of Pearson's Correlation Coefficient and is presented in table 8.6.

Age is an asset and holds an important factor in determining the kind and level of work a person can engage in. Age was found to have a positive significance on economic activities and on livelihood diversification at 1% each. However, age was found to have no statistical correlation on household income. Earning peak may be assigned to age appropriate, but depending on the need and requirement of a household the capacity to earn defies age that at times children are seen to contribute towards family income in one way or the other either through earning or in providing a helping hand.

Regarding gender, the proportion of male has a negative significance on annual household income and on economic activities at 5% each, but no significant effect on the level of livelihood diversification. This suggests that there is no gender difference in terms of employment, and gender has little effect in the capacity of earning and in contribution towards household income. Besides, it can be deduced that feminisation of labour is peculiar in these bordering villages. Trade economy has the capacity to bridge across gender in terms of accruing benefits.

Likewise, the educational level indicates a positive significant effect on annual household income and on economic activities, while there is no significant effect in the level of livelihood diversification. The value that bordering communities place on education has increased as the number of educational institutions that have considerable rise post border trade. The reason for such investment in education is

that they see tangible evidence in returns and its contribution towards household and community development.

Pertaining to the proportion of earners, positive correlation is seen with annual household income and livelihood diversification respectively, both at 5% each. Size of family has a positive bearing across the three economic determinants of livelihood diversification indicating it plays an important role in terms of contributing to household income, in engaging in diverse economic activities and towards having a positive significance to LDI. In a labour economy, the number of adult members and size of family is crucial as it forms a kind of security for households.

In terms of physical assets endowment of a household, it has a positive significant effect on annual household income and on economic activities respectively. However, it has no significant effect on the level of livelihood diversification. Asset's endowment of a household is a powerful indicator whether households are able to adjust to costs of changes in trade (Bird, 2004). The transferability nature of assets provides households with a security to stride through changes.

Economic activities on the other hand have a positive correlation with annual household income and level of livelihood diversification, at 1 % each. Likewise, the level of livelihood diversification has positive correlation with annual household income and economic activities. This indicated the existence of inter-affinity among economic activities, household income, and level of livelihood diversification.

Lastly, annual household income indicated a positive relation with economic activities at 1%, while it indicated a negative relation with level of livelihood diversification at 1%. This explains how diversification happens when household income decreases. This further reaffirmed that livelihood diversification is used in bordering villages mainly as a poverty reduction strategy. This provides an explanation as to why prime village Zokhawthar diversified less than Melbuk village.

## **8.2 Household Access to Livelihood Capitals**

Household access to livelihood capitals was analysed with respect to access to five types of capitals viz., Natural, Physical, Human, Financial and Social capitals. Comparative analysis before and after border trade across the two villages was done to capture changes in the level of access to these capitals. The level of access to these capitals were measured in a five-points scale, except for community participation which comes under social capital. Community participation was measured using a four points scale. Score was assigned in ascending order. The highest number was assigned the highest score, and respondents were asked to assign scores as per their perceived level of access to these livelihood capitals.

### **8.2.1 Access to Livelihood Capitals**

Livelihood capitals in this study encompassed natural, physical, human, financial and social capitals. Access to these capitals is assessed at two points in time before and after border trade formalisation. Respondents were asked to rate their access to various livelihood capitals on a five points scale.

#### ***Natural Capital***

Households' access to various natural capitals are assessed comprising 8 (eight) indicators viz., land for housing, land for cultivation, minor forest products, livestock (poultry), livestock (animal), aquatic products, major forest products, and access to river water. In comparing access to natural capital before and after border trade, access to these capitals decreases after the commencement of border trade except access to land for housing. Access to land for housing indicated an increase from 2.6 to 3.0 in post border trade across the two villages where Zokhawthar depicted marginal improvement than Melbuk village. However, Zokhawthar depicts a decrease in the level of access to other natural capitals post border trade. The decrease is marked by a major shift in the occupation structure of households. Occupational shift from the primary and secondary sector to the tertiary sector has resulted in lesser access to the majority of the natural capitals.

### ***Physical Capital***

Physical capital indicator comprises road connectivity, drinking water, health care institutions, educational institutions, transport services, telecommunication, electricity supply and housing. In terms of access to physical capital, improvement is observed in the level of access after border trade in both the villages, and the second village that is Melbuk indicates a higher level of access than Zokhawthar. Road connectivity has improved considerably and the improvement is seen to be higher in Zokhawthar village. Among physical capitals, access to drinking water supply depicted the least improvement while access to telecommunication was registered the highest. Every household owned mobile phones with internet accessibility.

### ***Human Capital***

Access to human capitals was measured in terms of 5 indicators which comprises health status of family members, knowledge level of household members, vocational skills of family members, marketing skills, and lastly banking skills. Table 8.9 shows households' human capitals endowment has improved from low level to moderate level post border trade. Human capital is important in influencing household income earning potential. In terms of the indicators of human capital, variation is seen in the level of access and improvement across the villages. Improvement is seen higher in Zokhawthar village with a marked change from low level (2.55) to moderate level (3.09). On the other hand, Melbuk village indicates a slight improvement from 2.51 to 2.98. Prime village saw higher improvement in the areas of health status of family members, access to institutions, upgradation of skills pertaining to marketing skills and banking skills per se than the second village. On the contrary, it is only in vocational skills that Melbuk village shows more improvement than Zokhawthar village.

Improvement in physical capital has invariably influenced households' endowment of human capital. Establishment of institutions such as banks, schools and being located nearby trade have a strong positive influence on their endowment of various human capitals. Banking skills, marketing skills and knowledge levels among bordering households have improved considerably.

### ***Financial Capital***

Access to financial capitals across bordering villages before and after border trade is presented at table 8.10. Financial capital of households is affected by the ability to generate cash income, ability to save, avail banking services, their access to credit and insurance mechanisms. Access to financial capital remains low despite the commencement of border trade in both the two bordering villages. Overall, access to financial capital is extremely low prior to border trade although a slight improvement is seen post border trade from 1.7 to 2.2. Improvement was seen to be slightly higher in Zokhawthar village in contrast to Melbuk. Regarding the indicators, saving is seen to have improved across the villages from low to moderate. Other indicators like deposit in banks, availing loans/ advances from formal and informal channels, repayment of loan and lending of money have improved slightly. Improvement is seen to be slightly higher in the prime village than in the second village. Availing of life insurance and repayment however remains low across both the villages. Awareness on insurance and access to it is low.

### ***Social Capital***

To determine households' social capital, it was analysed at two levels. One at primary, secondary and tertiary groups level and the other at the level of household participation in community level institutions. At primary level institutions, it is measured in terms of the nature of relationships among family members, neighbours, relatives, members of denomination, community leaders, and lastly with members from other denominations. At secondary level, it is measured in terms of participation at community level institutions including Church, community based voluntary organisations like YMA, MHIP, MUP and across various trade related groups namely porters', traders' and transports' groups. Over all, there existed hardly any change with regards to social capitals in both the villages. Mizoram being a communitarian society, social capital is considerably high. Furthermore, participation in community institutions holds prominence in Mizo society. The Church, and voluntary organisations such as the Young Mizo Association (YMA), Mizo Hmeichhia Insuikhawm Pawl(MHIP) women's association wing, and Mizo Upa

Pawl(MUP) elder's association particularly for those who have reach 60 years of age and above, wields the largest members having branches in each and every village and locality across Mizoram. Organisations that spring up on account of border trade like Porter's union, Trader's union and Transport's owner associations show increased participation post border trade, but depict marginal change in both the villages. Reason for the low rate of participation is that unlike community organisations where participation is voluntary and open to all residents, trade related organisations have their own exclusionary measures where membership is exclusive and territorial. Despite the limitation for inclusive participation of all, the establishment of trade related organisations provides members with bargaining power and a platform for negotiation. It helps in channeling benefits to households, building community cohesion and contributes to regional development. Community cohesion is strong and the presence of active organisations can explain why bordering communities could accrue benefits at the same time challenges elite groups for the control of border and border trade.

In comparing household livelihood capitals before and after border trade, a conclusion can be made that trade has a significant positive impact on the lives of bordering communities both in terms of tangible and intangible assets. Trade can change the way in which people make use of various livelihood capitals by investing in it and in transferring capitals for the betterment of the community. Strengthening in intangible assets leads to improvement in tangible assets and vice versa. This negates the complimentary of various capitals and the need to focus on various aspects of livelihood capitals.

### **8.2.2 Border Trade and Household's Livelihood Assets**

In the interaction between border trade and household's livelihood assets, changes in livelihood capitals prior and post border trade is found to be statistically significant at 1 %. One pertinent attribute of border trade is the dwindling of access to natural capitals post border trade. Dependence on natural capital decreases as border trade brings about diverse livelihood activities that are concentrated mostly in service oriented trade. Social relationships before and after border trade depicted



slight improvement where the change is accounted mainly by the formation of new groups that centered around trade activities. Apart from these, other livelihood capitals show an increased post border trade. In assessing the significance between border trade and interacting villages, significant differences in terms of natural capital, physical capital, community participation and in financial capital are observed. On the other hand, there is no significant difference in terms of human resource development and in social relationships between the villages on account of border trade.

### **8.3 Border Trade and its Impact on the Living Conditions**

Dwelling on the impact of border trade on the living conditions of bordering villages, it was measured in five points (Improved a lot = 5, Improved = 4, No change =3, Deteriorate = 2, and Deteriorate a lot = 1). Overall, bordering households perceived border trade to have improved their living conditions. It is perceived that with the commencement of border trade it has provided them with security in the areas of securing their source of income (4.1), followed by employment security (4.0), and food security (4.0). It is also perceived that border trade has been able to provide them with security for their children's education (3.8), housing security (3.8). However, in the area of health care, it is perceived that border trade has not been able to provide them with health security. Bordering communities relied mainly on primary health sub center, nearest health service provider, which has its own inadequately in terms of staffing and healthcare professionals. Bordering communities had to rely on private clinics, and on the nearest secondary and tertiary health care services which are located at a distance of more than 20 km. Other times they seek health care service in Myanmar.

In assessing the level of impact of border trade on the living conditions of border villages, it is classified into very low, low, moderate, and high. Overall, border trade has an impact on the lives of border communities moderately low. 49% of the sample households felt that border trade had impacted them at low level, while 21% ascribed to have impacted them moderately. 17% ascribed border trade have impacted them at a high level, while 13% felt it has impacted them at a very low

level. The impact of border trade varies across the villages. Very low impact level was found to be higher in Melbuk village similarly it also indicated a marginally higher percentage of high-level impact. Opportunities are created by border trade; however, benefits are not accrued equally across households and communities, resulting in differentiation of its impact.

#### **8.4 Correlation across Various Variables**

Correlation across demography, livelihood diversification, livelihood capitals and living conditions is calculated to understand the relationship across these variables. In assessing the correlation across various variables and the impact of border trade on the living conditions, mean years of education, size of family, household's physical assets, number of economic activities, annual household income have positive significance, at 1% level of significance. The proportion of male has a negative significant effect which further points out that there is hardly any gender disparity in terms of employment and capacity to earn. Women's contribution towards the improvement of the household is fairly noticeable. This is further substantiated by wherein the proportion of earners shows a negative significance effect. Livelihood Diversification Index (LDI) also shows a significant negative relation. This calibrates previous findings that households with better economic standing diversify less whereas households with lower economic status employed livelihood diversification as part of poverty reduction. As such, higher the LDI, lower is the living conditions. Pertaining to various livelihood capitals only community participation before border trade was found to have no significant relationship, while the rest was found to have positive significance at different levels of significance. Access to natural capital before border trade and social relationships prior to border trade indicated statistical significance level at 5% while the rest at 1% each.

**Table 8.1 Pattern of Annual Household Income of Respondents**

Sl.No	Economic Activity	Type of Border Village				Total N = 300	
		Prime n = 161		Second n = 139		Mean	SD
		Mean	SD	Mean	SD		
1	Business	64885 (26)	149044	26691 (14)	62253	47188 (21)	118490
2	Salary	45159 (18)	94573	48705 (26)	158156	46802 (21)	127804
3	Unskilled Labour	58171 (23)	72501	23558 (13)	30537	42134 (19)	59515
4	Skilled Labour	34191 (14)	69080	33036 (18)	56111	33656 (15)	63301
5	Govt. Programme	21426 (9)	49558	28839 (15)	42690	24861 (11)	46573
6	Livestock	9989 (4)	15617	13489 (7)	18381	11611 (5)	17015
7	Agriculture	4230 (2)	16640	2181 (1)	7317	3281 (1)	13188
8	Foreign Remittance	4832 (2)	19342	144 (0)	1696	2660 (1)	14388
9	House Rent	3665 (1)	18155	1324 (1)	9065	2580 (1)	14686
10	Pension	1491 (1)	10581	3137 (2)	26909	2253 (1)	19870

11	Forest Products	186 (0)	1758	2381 (1)	9228	1203 (1)	6493
12	Home Remittance	168 (0)	1905	1511 (1)	7807	790 (0)	5525
13	Agriculture Wages	307 (0)	1675	1165 (1)	4168	705 (0)	3115
14	Rent from Leased out Land	248 (0)	3152	547 (0)	4580	387 (0)	3876
15	Annual Household Income	248949	172490	186708	180917	220111	178870

Source: Computed

Figures in parentheses are percentage

**Table 8.2 Distribution of Annual Household Income of Respondents**

Sl.No	Annual Household Income	Type of Border Village				Total N = 300	
		Prime n = 161		Second n = 139			
		Frequency	Percent	Frequency	Percent	Frequency	Percent
1	Very Low (≤ 41241)	2	1	2	1	4	1
2	Low (41242 - 220111)	87	54	104	75	191	64
3	Moderate (220112 - 398980)	53	33	20	14	73	24
4	High(398981+)	19	12	13	9	32	11

	Total	161	100	139	100	300	100
	Annual Household Income	248949	172490	186708	180917	220111	178870

Source: Computed

**Table 8.3 Livelihood Diversification: Distribution of Number of Economic Activities**

Sl.No	Level	Type of Border Village				Total	
		Prime n = 161		Second n = 139		N = 300	
		Frequency	Percent	Frequency	Percent	Frequency	Percent
1	Very Low(<= 2)	21	13	15	11	36	12
2	Low(3 - 4)	60	37	50	36	110	37
3	Moderate (5 - 5)	65	40	54	39	119	40
4	High(6+)	15	9	20	14	35	12
	Total	161	100	139	100	300	100
	<i>Mean Number of Economic Activities</i>	<b>3.63 ±1.31</b>		<b>3.89±1.34</b>		<b>3.75 ±1.33</b>	

Source: Computed

Mean ± SD

**Table 8.4 Livelihood Diversification: Distribution of Simpson's Index (HHH)**

Sl.No	Level	Type of Border Village				Total	
		Prime n = 161		Second n = 139		N = 300	
		Frequency	Percent	Frequency	Percent	Frequency	Percent
1	Very Low ( $\leq 0.248$ )	45	28	15	11	60	20
2	Low (0.249 - 0.460)	31	19	29	21	60	20
3	Moderate (.0.461 - 0.672)	61	38	74	53	135	45
4	High(0.673+)	24	15	21	15	45	15
	Total	161	100	139	100	300	100
	Livelihood Diversification Index	.42 ± .23		.51±.18		.46±.21	

Source: Computed

Mean ± SD

**Table 8.5 Inter-village Differences in Income and Livelihood Diversification Measures**

Sl.No	Economic Activity	Type of Border Village				't'
		Prime n = 161		Second n = 139		
		Mean	SD	Mean	SD	
1	Annual Household Income	248949 .32	172489 .87	186707 .91	180917 .20	3.047**
2	Economic Activities	3.63	1.31	3.89	1.34	1.686
3	Livelihood Diversification Index	0.42	0.23	0.51	0.18	3.786**

Source: Computed

\*\* P < 0.01

\* P < 0.0

**Table 8.6 Demographic and Economic Determinants of Livelihood Diversification**

Sl.No	Variable	Annual Household Income	Economic Activities	Livelihood Diversification Index
1	Age	.080	.225**	.164**
2	Proportion of Male	-.117*	-.143*	-.048
3	Mean Years of Education	.325**	.124*	-.079
4	Proportion of Earners	.134*	.075	.147*
5	Size of Family	.379**	.357**	.121*
6	Physical Assets	.577**	.205**	-.048
7	Economic Activities	.209**	1	.678**
8	Livelihood Diversification Index	-.171**	.678**	1
9	Annual Household Income	1	.209**	-.171**

Source: Computed

\*\* P <0.01

\* P <0.05



**Table 8.7 Border Trade and Households Access to Natural Capital**

Sl.No	Before Border Trade	Type of Border Village				Total	
		Prime n = 161		Second n = 139		N = 300	
I		Mean	SD	Mean	SD	Mean	SD
			2.4	0.5	2.1	0.6	2.2
	Land for Housing	2.5	0.8	2.8	0.6	2.6	0.7
	Land for Cultivation	2.7	0.8	2.5	0.7	2.6	0.8
	Minor Forest Products	2.6	0.8	2.3	0.7	2.5	0.8
	Livestock ( Poultry)	2.5	0.7	2.3	0.8	2.4	0.7
	Livestock ( Animals)	2.3	0.8	2.3	0.8	2.3	0.8
	Aquatics	2.2	0.7	1.8	0.8	2.0	0.7
	Major Forest Products	2.0	0.8	1.5	0.8	1.8	0.8
	River Water	2.1	0.7	1.3	0.6	1.7	0.8
II	<b>After Border Trade</b>	2.0	0.4	1.9	0.4	2.0	0.4
	Land for Housing	3.0	0.8	3.0	0.7	3.0	0.8
	Land for Cultivation	2.0	0.6	2.2	0.8	2.1	0.7
	Minor Forest Products	1.9	0.6	2.0	0.7	2.0	0.7
	Livestock	2.1	0.7	2.1	0.7	2.1	0.7

( Poultry)						
Livestock ( Animals)	2.0	0.7	2.3	0.8	2.1	0.7
Aquatics	1.9	0.5	1.6	0.6	1.8	0.6
Major Forest Products	1.5	0.5	1.2	0.5	1.3	0.5
River Water	1.7	0.6	1.1	0.3	1.4	0.6

Source: Computed

**Table 8.8 Border Trade and Households Access to Physical Capital**

Sl.No	Physical Asset	Type of Border Village				Total N = 300	
		Prime n = 161		Second n = 139		Mean	SD
		Mean	SD	Mean	SD		
<b>I</b>	<b>Before Border Trade</b>	2.63	.509	2.62	.405	2.62	.463
	Road Connectivity	2.55	.790	2.65	.574	2.60	.699
	Drinking Water	2.80	.534	2.53	.617	2.68	.589
	Health care Institution	2.50	.624	2.09	.563	2.31	.629
	Educational Institution	2.58	.658	2.81	.475	2.69	.591
	Transport Services	2.68	.684	2.76	.523	2.72	.615
	Telecommunication	2.59	.693	2.49	.618	2.54	.660
	Electricity Supply	2.66	.66	2.78	.565	2.72	.620

			1				
	Housing	2.68	.617	2.82	.514	2.75	.575
<b>II</b>	<b>After Border Trade</b>	3.31	.382	3.13	.380	3.23	.391
	Road Connectivity	3.38	.642	3.10	.325	3.25	.537
	Drinking water	3.02	.353	2.94	.454	2.98	.404
	Health care institutions	2.75	.635	2.33	.582	2.55	.644
	Educational institutions	3.63	.678	3.23	.569	3.44	.659
	Transport services	3.66	.624	3.35	.576	3.52	.620
	Telecommunication	3.55	.621	3.56	.661	3.56	.639
	Electricity supply	3.26	.506	3.29	.454	3.27	.482
	Housing	3.25	.633	3.24	.585	3.24	.610

Source: Computed

**Table 8.9 Border Trade and Households Access to Human Capital**

Sl.No	Human Capital	Type of Border Village				Total	
		Prime n = 161		Second n = 139		N = 300	
		Mean	SD	Mean	SD	Mean	SD
<b>I</b>	<b>Before Border Trade</b>	2.55	.338	2.51	.273	2.53	.310
	Health Status of family Members	2.76	.628	2.84	.485	2.80	.567
	Knowledge of family Members	2.71	.607	2.72	.552	2.72	.581
	Vocational skills of family Members	2.48	.603	2.19	.490	2.35	.572
	Marketing skills of family Members	2.32	.543	2.09	.415	2.22	.501
	Banking Skills of family Members	2.47	.633	2.71	.696	2.58	.672
<b>II</b>	<b>After Border Trade</b>	3.09	.411	2.98	.414	3.04	.415
	Health Status of family members	3.03	.505	3.04	.407	3.03	.461
	Knowledge of family members	3.41	.575	3.14	.469	3.28	.545
	Vocational skills of family members	2.84	.648	2.88	.812	2.86	.727
	Marketing skills of family members	2.96	.719	2.69	.711	2.83	.726
	Banking skills of family members	3.20	.600	3.16	.555	3.18	.579

Source: Computed

**Table 8.10 Border Trade and Households Access to Financial Capital**

Sl.No	Financial Capital	Type of Border Village				Total N = 300	
		Prime n = 161		Second n = 139			
		Mean	SD	Mean	SD	Mean	SD
<b>I</b>	<b>Financial Capital Before BT</b>	1.7	.4	1.6	.4	1.7	.4
	Save Money	2.2	.6	2.5	.6	2.3	.6
	Deposit in Banks	1.8	.6	1.9	.6	1.8	.6
	Avail Bank Loans	1.4	.6	1.2	.4	1.3	.5
	Avail Loan from other Sources	2.0	.6	2.1	.6	2.0	.6
	Repay interest and loan	1.8	.6	2.0	.5	1.9	.6
	Lend Money	1.6	.7	1.3	.6	1.5	.6
	Avail life insurance policy	1.3	.5	1.1	.4	1.2	.5
	Pay premium for life insurance	1.3	.5	1.1	.5	1.2	.5
<b>II</b>	<b>Financial Capital After BT</b>	2.3	.5	2.0	.6	2.2	.6
	Save Money	3.1	.6	3.0	.6	3.0	.6
	Deposit in Banks	2.7	.7	2.4	.6	2.6	.7
	Avail Bank Loans	2.1	.9	1.7	1.1	1.9	1.0
	Avail loan from other sources	2.6	.6	2.6	.7	2.6	.6
	Repay Interest and loan	2.4	.7	2.3	.6	2.3	.7
	Lend Money	2.3	.7	1.9	.9	2.1	.9

	Avail life insurance policy	1.7	.8	1.2	.6	1.5	.7
	Pay premium for life insurance	1.7	.7	1.2	.6	1.5	.7

Source: Computed

**Table 8.11 Border Trade and Household's Social Capital: Social Relationship**

Sl.No	Indicator	Type of Border Village				Total N = 300	
		Prime n = 161		Second n = 139		Mean	SD
		Mean	SD	Mean	SD		
<b>I</b>	<b>Before Border Trade</b>	3.3	0.5	3.5	0.4	3.4	0.5
	Among family members within	3.5	0.7	3.8	0.5	3.6	0.6
	With neighbours	3.4	0.6	3.6	0.6	3.5	0.6
	With relatives	3.4	0.6	3.5	0.6	3.5	0.6
	With members of your denomination	3.4	0.6	3.4	0.5	3.4	0.6
	Community leaders	3.2	0.6	3.3	0.5	3.2	0.5
	With members of other denominations	3.1	0.6	3.2	0.5	3.2	0.6
<b>II</b>	<b>After Border Trade</b>	3.4	0.5	3.5	0.5	3.5	0.5
	Among family members within	3.5	0.7	3.8	0.6	3.6	0.7
	With your neighbours	3.5	0.6	3.6	0.6	3.6	0.6
	With relatives	3.4	0.6	3.5	0.6	3.5	0.6
	With members of your denominations	3.4	0.6	3.4	0.6	3.4	0.6
	Community leaders	3.4	0.6	3.4	0.6	3.4	0.6

	With members of others denomination	3.2	0.6	3.3	0.5	3.2	0.5
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Source: Computed

**Table 8.12 Border Trade and Household's Social Capital: Community Participation**

SLNo	Community Participation	Type of Border Village				Total N = 300	
		Prime n = 161		Second n = 139			
		Mean	SD	Mean	SD	Mean	SD
<b>I</b>	<b>Before Border Trade</b>	1.87	.398	1.98	.243	1.92	.339
	Church	2.94	.673	3.28	.451	3.10	.604
	YMA	2.56	.732	2.99	.371	2.76	.630
	MHIP	1.70	.895	1.56	.672	1.63	.801
	Traders/Transport/Porter organisations	1.11	.353	1.01	.120	1.07	.275
	MUP	1.05	.245	1.06	.336	1.05	.290
<b>II</b>	<b>After Border Trade</b>	2.19	.444	2.16	.291	2.17	.381
	Church	3.11	.766	3.31	.479	3.20	.656
	YMA	2.65	.693	2.96	.488	2.79	.626
	MHIP	2.00	.851	2.14	.604	2.06	.749
	Traders/Transport/ Porter organisations	1.96	.631	1.20	.437	1.61	.668
	MUP	1.23	.584	1.17	.537	1.20	.562

Source: Computed

**Table 8.13 Border Trade and Household's Livelihood Assets**

SL.No	Livelihood Asset	Type of Border Village								BT F	Interaction Village X BT F
		Prime n = 161				Second n = 139					
		Before		After		Before		After			
		Mean	SD	Mean	SD	Mean	SD	Mean	SD		
1	Natural Capitals\	2.4	0.5	2.0	0.4	2.1	0.6	1.9	0.4	85.3**	10.5**
2	Physical Capital	2.6	0.5	3.3	0.4	2.6	0.4	3.1	0.4	456.4*	9.1**
3	Human Resources	2.6	0.3	3.1	0.4	2.5	0.3	3.0	0.4	471.1*	2.0
4	Social Relationship	3.3	0.5	3.4	0.5	3.5	0.4	3.5	0.5	8.4**	0.5
5	Community Participation	1.9	0.4	2.2	0.4	2.0	0.2	2.2	0.3	179.1*	14.9**
6	Financial Capital	1.7	0.4	2.3	0.5	1.6	0.4	2.0	0.56	443.8*	19.2**

Source: Computed

\*\* P < 0.01

\* P < 0.05



**Table 8.14 Impact of BT on Living Conditions of Households**

Sl.No	Indicators	Type of Border Village				Total N = 300	
		Prime n = 161		Second n = 139		Mean	SD
		Mean	SD	Mean	SD		
1	Income Security	4.0	.7	4.1	.7	4.1	.7
2	Employment Security	4.0	.6	4.0	.7	4.0	.7
3	Food Security	4.0	.6	4.0	.7	4.0	.6
4	Education Security of Children	3.9	.7	3.8	.7	3.8	.7
5	Housing Security	3.9	.7	3.8	.8	3.8	.8
6	Health Care Security	3.4	.7	3.4	.7	3.4	.7
7	Impact of BT on Living Conditions	3.9	.5	3.8	.6	3.9	.6
	't'	.437					

Source: Computed

\*\* P < 0.01

\* P < 0.05

**Table 8.15 Level of Impact of BT on Living Conditions**

Sl.No	Level	Type of Border Village		Total N = 300
		Prime n = 161	Second n = 139	
1	Very Low ( $\leq 3.290$ )	16 (9.9)	22 (15.8)	38 (12.7)
2	Low (3.291 - 3.852)	84 (52.2)	63 (45.3)	147 (49.0)
3	Moderate (3.853 - 4.415)	35 (21.7)	29 (20.9)	64 (21.3)
4	High (4.416+)	26 (16.1)	25 (18.0)	51 (17.0)
	Total	161 (100)	139 (100)	300 (100)

Source: Computed

**Table 8.16 Demography, Livelihood Diversification, Assets and Living Conditions**

Sl.No	Variables	Impact of BT on Living Conditions
1	Mean Age	-.048
2	Proportion of Male	-.149 <sup>**</sup>
3	Mean Years of Education	.308 <sup>**</sup>
4	Proportion of Earners	.142 <sup>*</sup>

5	Size of Family	.309**
6	Physical Assets	.480**
7	Economic Activities	.196**
8	Livelihood Diversification Index	-.129*
9	Annual Household Income	.480**
10	Natural Capitals Before Border Trade	.126*
11	Natural Capitals After Border Trade	.268**
12	Physical Capitals Before BT	.219**
13	Physical Capital After BT	.539**
14	Financial Capital Before BT	.335**
15	Financial Capital After BT	.578**
16	Human Resources Before BT	.194**
17	Human Resources After BT	.541**
18	Social Relationship Before BT	.144*
19	Social Relationship After BT	.286**
20	Community Participation Before BT	-0.04
21	Community Participation After BT	.191**

Source: Computed

\*\* P < 0.01

\* P < 0.05

## **CHAPTER IX**

## **CONCLUSION**

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### **CONCLUSION**

The present study intends to understand the impact of border trade on the livelihood of two bordering villages of Zokhawthar and Melbuk that are located on the Indian side of the Indo-Myanmar border. It looks into the contribution made by Indo- Myanmar border trade for the promotion of livelihood and development of bordering villages. In understanding how communities respond to the formalisation of border trade, it dwells into the subjective perception of its impacts and implications by placing bordering communities at the heart of analysis.

In the previous chapters, results of the qualitative and quantitative data collected have been discussed. In this chapter, an attempt is made to summarise major findings, draw conclusions and highlight the implications of the study. This chapter is presented in three major sections. The first section presents the salient findings of the study. In the second section, conclusions of the present study along with implications of the study for social work are presented.

#### **9.1 Summary of Major Findings**

Summary of major findings of the study is presented in seven subsections. The first subsection deals with the vulnerability context and livelihood challenges of people in the bordering villages. The second subsection highlights the major findings on the pattern of border trade in terms of inflow and outflow of goods across Zokhawthar- Rih border trade. The third subsection summarised how border communities respond to the emerging opportunities of border trade. The fourth subsection highlights some of the major socio- economic characteristics of bordering communities while the fifth subsection underlines some pertinent aspects of their livelihood. It dwells into livelihood diversification, and access to various livelihood capitals. The sixth subsection discusses the impact of border trade on the living conditions of bordering villages. Apart from drawing a brief conclusion, implications for social work education and practice are also presented.

### **9.1.1 Vulnerability Context and Livelihood Challenges**

Border villages located enroute Zokhawthar-Rih trade zone faced a plethora of livelihood vulnerabilities, that are externally and internally entrenched in climatic and non-climatic factors. These two factors contributed much towards their vulnerabilities. Seasonality has a bearing on the livelihood of border communities in terms of employment, price volatility and connectivity. Monsoon season in Mizoram which lasted for more than six months reduced the earning capacity of households who are engaged in the majority as daily wage earners, and induced price hikes in commodities. Price volatility benefited mostly those who are involved in business. In addition to this, the occurrence of landslides along with other climatic hazards put a constraint on people's livelihood. Labouring life entails occupational health hazards, and it forms one of the most prevalent livelihood challenges across many of the bordering households. Complaints of health problems are acute. Lack of healthcare facilities in border regions added further to their vulnerability. Contestation for resources, culminating in disputes and conflicts mostly among different groups of interest, affect the people in general, and particularly to those sections of the population who depended on trade for their daily wage income. Changes in policy also affect the people whose lives revolve around trade. The spread of disease, especially animal diseases often lead to enforcing stringent laws across the borders resulting in loss and lessening of trade transactions.

The vulnerability of borderlands shows their livelihood is at risk from various factors that are embedded in the social, economic, and environmental context. In order to respond to these livelihood-associated risks and shocks, households employed short term response and long-term response. As part of short-term response to immediate livelihood challenges, households seek help from family and close friends in the forms of dividing work or extra labour or search for alternative short-term employment. As part of a long-term response, households engage in livelihood diversification, besides developing client patronage across different stakeholders such as customs officials, police, army, traders etc.

The presence of an adult member and size of family matters in an economy that is governed by trade where the majority of the population depend on labour

work for their income generation. Adult members in a family formed an important asset in rural households. Households with more adult members have greater security as it could be substantiated by contributing to household income if one source of income is disrupted.

The kind of livelihood challenges and vulnerabilities that exist throws light into the characteristics of households and the dynamics of border regions that are constantly shaped by trade. This pointed towards the need to build strategies that will help lessen climatic induced vulnerability and regulate price of commodities in border regions where their livelihood is centered around trade. The internal side of risk which is apparent in occupational health hazards affecting their health, work and income required proactive intervention in the form of securing social protection, and health care intervention. This calls forth the need to strengthen health care services, upgrade and improvise facilities in the border region.

### **9.1.2 Pattern of Border Trade: Inflows and Outflows of Goods**

Trade across Mizoram and Myanmar began much before the formalisation of border trade. However, with the signing of the Border Trade Agreement (BTA) between India and the Government of Myanmar in 1994, formal trade across Moreh and Zokhawthar- Rih commenced in 1994 and 2004 respectively. Trade was carried out mainly through a traditional exchange mechanism and barter system, and from 2015 onwards normal trade was allowed to function, following the abolition of barter trade. Subsequently, the list of tradable items was increased from 23 to 62 and later with the commencement of normal trade, all items were allowed to be traded with the exception of contraband items. The switch in policy resulted in the lowering of trade volumes from US \$ 25.96 million in 2014-2015 to US \$ 22.52 million in 2015-2016 and further reduced to US \$ 0.31 million in the year 2017-18.

Comparative analysis of official records and data from the field indicate otherwise the dominance of informal trade. Albeit the lack to determine the amount of informal trade volume, field narratives clearly reflect the intensity of informal trade. Across this channel, India accrued a trade deficit with Myanmar, where import exceeds export in terms of volumes and items traded. Despite this, border

trade across this sector holds importance at two levels, one as a strategic tool to build relations with Myanmar and at the other level as a strategic tool for border area development. In viewing informal trade in terms of economic benefits rather than on the subject of its legality, informal trade in itself is not bad. In the light of this predicament, informal trade despite its legal status continues to run parallel with formal trade as it could sustain the local economy and promote livelihood to a larger section of the border population. In addition to economic benefits, the existence of ethnic trading ties, porous borders and lack of formalising measures accentuate the need for greater channeling of informal border trade as well as informal cross border trade. However, this has also caused great concern. This trade zone has become a hotspot for smuggling of guns, drugs, animals and gold (The Economic Times, 2019). A comparison between revenue generated and seizure indicates that the worth of seizure exceeds the revenue collected. Official record is supported by field narratives, where import and export of contraband substances finds its way across both the borders. Import of cattle for meat from Myanmar, and export items from India such as fertilizers, pharmaceuticals are carried out mainly through unmanned routes.

### **9.1.3 Community Response to the Formalisation of Border Trade**

Bordering communities respond to the economic imperatives of border trade in multiple ways. One aspect of border trade is the redrawing of identity and belonging. Border communities played the ethnic cards in maneuvering across different political and economic spaces and across officials of both regions, making territorial delineation less of a limitation. In centralising their marginality as living on the border, border communities identify themselves as ‘a border’ that helps them to legitimise their claim for benefits and control of the border trade center. This aspect provided them with the nutch to compete and challenge the domination of trade by the elite group of Champhai region. Moreover, border communities also effectively used the medium of contestation and conflict to channel benefits, by means of claim as being located in the border region or nearby border trade point. In addition to it, border communities are involved in community building by promoting social capital and human capital development. In capitalising on the development model of AEP



through the injection of infrastructure development, border communities take advantage by accumulating physical capital in the form of owning commercial vehicles, and build institutions that cater to social development. The constitution of informal groups helps channelise for the decentralisation of benefits, not only that it helps in creating greater transborder corporations.

Dispute and contestation have become a common feature in border regions where the economy is shaped by border trade. Spatial control of border trade has resulted in clashes across diverse interest groups disrupting on numerous occasions the smooth facilitation of trade. Blockage of trade affects the poor and those who depend on trade for daily wages. A mechanism to resolve disputes is of utmost importance.

#### **9.1.4 Socio- Economic Characteristics of Borderland Villages**

With regards to the social characteristics, bordering villages of Zokhawthar and Melbuk are made up relatively by young population. Age is an asset for bordering villages whose populations depend largely on trade activities. With relatively young population, it throws light into the characteristics of the population indicating the level of maturity, capacity to work and earn, and above all the capability to engage in hard work. Besides, it represents a household capacity to withstand poverty through inputs of additional labour and greater engagement in productive work. This invertible lessens a household's vulnerability and acts as a security in the event of circumstances. It is an asset not only to the family but also for the community. Dependency ratio is much lower in both the villages, indicating that the villagers are productive in general and depict the existence of employment opportunities. In terms of gender, females constituted a higher percentage than male in the study. However, a higher percentage of male headed households depicted a patriarchal society. Family is seen to be stable and strong, although low proportion of the population is composed of broken families. Family bonds are strong, and relatively intact in bordering villages as compared to urban settings. Nuclear families are the norm although few households still adhere to staying as joint family. Size of family members across the villages is small to medium size (4 to 6 members) while the second village Melbuk has a larger size of family members than Zokhawthar.

Age, gender and family size are important determinants in border households. Overall, the educational status of bordering villages is low. This implies that trade has the capacity to absorb populations with lesser skill and knowledge that contributed in registering a higher percentage of their population to fall Above Poverty Line (APL).

The occupation structure of both the villages also contributed towards registering a lower poverty rate. In comparing the occupation of the population before and after border trade, it depicted a shift in the occupation structure. Dependency on primary and secondary sectors has dwindled and the shift is directed towards the service sector. Cultivators are mostly absorbed in the labour workforce and few enter into business, as traders, shop owners or in other trade related activities. The formalisation of border trade opens up various avenues for employment, both in the areas of unskilled and skilled labour. As observed, the majority are engaged as porters and few are engaged as drivers, traders and as business owners. The rise in educational institutions in the villages provided employment opportunities mainly to the educated youth.

Another impact of formalisation of border trade is in the demographic representation of the villages. Border trade acts as a pull factor, attracting people to migrate to these two bordering villages. Trade stimulates economic activities and boosts population growth. Migrants' diasporas and their contribution and role in cross border trade are some aspects that can be explored further.

#### **9.1.5 Sources of Households Income and Livelihood Diversification**

It was observed that a household is likely to draw their primary source of income from the above economic activities viz., business, salary, and from unskilled labour. As the proportion of income from a single source is just 21 per cent, households are engaged in diverse economic activities and that livelihood diversification is a common aspect in both the villages. This indicated that diversification is adopted as part of household strategy and as a means to respond to crises. Barrett et al (2001) stated that the decision to engage in livelihood diversification is influenced by the vulnerability context. The existence of erratic

trade along with climatic risks that affect employment and income induced bordering households to adopt livelihood diversification. The level of livelihood diversification in this study is inversely proportional to income. Zokhawthar, which shows higher annual income, indicates otherwise lower level of livelihood diversification. Besides, it is seen that the higher the proportion of income from a particular source, the smaller a household's diversified income. This further implies that in bordering households' diversification is adopted mostly as a matter of poverty reduction strategy rather than an accumulating strategy.

In terms of demographic and economic determinants of livelihood diversification, age is seen to have a significant effect on livelihood diversification. Other factors include, proportion of earners, size of family, number of economic activities. Size of family plays an important role in terms of contributing to household income, and factors in household capacity to engage in diverse economic activities. It contributed a significant effect on the Livelihood Diversification Index (LDI). This suggested that socio- economic status, demographic indicators such as age , sex influences livelihood diversification.

#### **9.1.6 Access to Livelihood Capitals and Living Conditions**

Among the livelihood capitals, except for natural capitals, access to other capitals shows an improvement in the post border trade scenario, across both the bordering villages of Zokhawthar and Melbuk. Among livelihood capitals, access to physical capitals saw the highest improvement, followed by improvement in human capitals. Although variations persisted across both the villages, increased livelihood capital's endowment in comparison to pre and post border trade is seen to be higher in the prime village of Zokhawthar village. The geo-political location of Zokhawthar along with the socio-economic characteristics provide favourable factors for its development in comparison to Melbuk village, which is located farther from the border trade point.

Regarding the impact of border trade on the living conditions of bordering villages, its impact is seen to register at a level of low to moderate. Across the two bordering villages, Zokhawthar saw a higher level of improvement in its living

conditions than Melbuk village. Impact of border trade can be seen in the areas of facilitating and providing income security, employment security and in providing food security across bordering households. Among the indicators, demographic, mean year of education, size of family shows significant effect on the impact of border trade in the living conditions of households. Likewise, economic indicators such as economic activities, physical assets endowment, and annual household income show a significant effect. In terms of access to livelihood capitals, all the capitals expect community participation before border trade shows positive correlation.

## **9.2 Conclusion**

From the above findings we can conclude that the formalisation of border trade has contributed for regional development, and brought about improvement in the living conditions of the people residing near the trade zone. In creating diverse livelihood options for the people, it has supported the majority of the bordering population with diverse sources of income. These developments occur on account of border trade which further filter in development through improvement in connectivity, infrastructure and, in building people's institutions. It creates a productive base upon which people build their livelihood where benefits are accrued at household level and at the community level. In another similar finding by Srinivasan (2012) on regional cooperation and infrastructure development in South Asia, it indicated improvement in the level of household income, and depicted diversification of household income. It further shows that there is a significant decline in poverty as better road linkages resulted in substantial improvement in access to health and education services.

In comparing Zokhawthar and Melbuk bordering villages, the two designated border townships, it was observed that geographical location and distance played a decisive role in terms of accruing benefits. Zokhawthar, which is located nearer to the border trade zone than Melbuk, shows a higher level of development and improvement in living conditions. Better employment opportunities exist in Zokhawthar with higher paying wage/salary for similar jobs that are available in Melbuk.

Given the opportunities, people as well as the community as a whole adapt themselves to respond to those opportunities that exist. People build their own institutions to garner the benefits of border trade. Through the formation of groups, it provides people with bargaining power and a voice on the movement of trade. It has been observed that friction often occurs between diverse groups that has impinged the smooth running of border trade resulting in road blockage, loss of income and employment. But at the core of it, it paves a way for change and growth. In light of this, it is pertinent to build the capacities of community leaders and other stakeholders to help resolve conflict in a democratic and peaceful manner without losing days of employment or loss of goods.

Considering the linkages between livelihood assets and improvement in living conditions, there is a need to further enhance access to physical and human capital, as these capitals contribute much for the improvement of living conditions. Albeit border trade promotes and supports livelihood to a large number of bordering households, yet households remain vulnerable in the face of external and internal forms of vulnerabilities. It is pertinent to address those vulnerabilities to lessen the associated risks and sustain the livelihood of the people. In addition, border trade across this sector needs to be sustained and enhanced as majority of the population depends on it for their primary livelihood.

Migration is a common feature observed in both bordering villages. As trade stimulates economic activities, it attracts people to the border region and helps in the expansion of villages and growth of population. The role of migration as a part of household livelihood strategy needs to be discussed further and how migrant's diaspora contribute towards the development of border villages. Moreover, trans border trade would provide an interesting subject of inquiry.

Given the spectrum of potentials border trade could invigorate in terms of development of border regions and in promoting livelihoods to people residing enroute trade zone, it is pertinent to enhance and strengthen the trade zone and address those inadequacies that hampers in the smooth implementation of border trade. Some of the steps that could be taken to enhance this trade zone are: -

- 1) The culture element enshrined under the three Cs (Culture, Connectivity, and Commerce) of India's foreign policy towards Southeast Asian (SEA) regions needs to take shape to help expand beyond the designated transit point by taking advantage of the ethnic ties and historical significance the place has to offer. With a host of festivals and historical asymmetry exerted by the people of Mizo and Chin of Myanmar, a common platform to celebrate cultural commonalities and distinct culture could begin along the trade zone to facilitate greater visitation of people which could boost the local economy. This will eventually spiral to affordable rooms that could be extended as hotels or homesteads. The existence of many historical places in and around Champhai and Rikhawdar has to be explored, operationalised and promoted as a hub not only for socio-cultural meet but also as a site for tourist destinations. Rih Dil (A lake situated on the Myanmar border) has a strong cultural connotation across the people of Zo as a passage of the soul after death. The existence of common cultural ties spells out for further possible collaboration.
- 2) There is an ardent need to organise and promote border meets, haats in order to facilitate local trade and exchanges. It will not only invigorate the local economy but also promote alternative livelihood options for bordering villages.
- 3) A spectrum of services in the areas of health and education need to be upgraded and standardised. India can take advantage of medical tourism. There exist potentials to promote medical tourism as lack of health care services often prompted people on the other side of the border to visit Mizoram to avail health care services. Specialised and other higher institutions can be initiated to attract international students.
- 4) There is a need to revamp and promote local industries along with establishing forward and backward linkages for enhancing domestic as well as international trade. Entrepreneur development programmes could be initiated for local youths and investors. In spite of the abundance of bamboo which could be processed in a variety of products, there is a dearth of the bamboo processing industry. Bamboo shoot, a delicacy among the northeast

and Southeast Asian(SEA) countries, has a huge market potential for which bamboo food processing units can be set up in and around the border trade zone. This will augment the region's economy and open up avenues for employment.

- 5) The need to inject soft and hard infrastructure remains wanting. All-weather roads, connectivity, laboratory test facilities, health care facilities, broader banking services and educational institutions are areas that require greater investment that will cater towards human development of the regions. Greater need for entrepreneurship development in the state is well founded.
- 6) Setting up of well-functioning communication towers/networks, information booths and upgradation of bank services at the border trade zone.
- 7) More studies on market-related research need to be conducted to capture market demand, supply chain, networks and in other fields that could add knowledge to the existing literature on border trade and facilitate a better trading mechanism.
- 8) There is a need to promote and enhance a trader's skill by organising exposure trips and interactive sessions from time to time.

Connectivity in the Northeast region (NER) of India has improved and strengthened, lessening to a great extent the geographical handicapness of the region. With 12 operational airports, the majority of the state capitals and towns are linked by air connectivity. Rail connection has improved over the last decades. Landlocked states like Mizoram (Bairabi), Manipur (Jirbam) and Meghalaya (Mendipathar) are now on India's railway map marking for a new vista to boost international connectivity. The upcoming waterway, the Kaladan Multimodal Transit Transport Project once complete, will connect the Sittwe port and ease trade and connectivity. With the recent announcement by the Centre to promote kisan rail and kisan udaan, the NER can channelise to become a center for trade and commerce. As one looks at the socio –economic profile of NER, it proves better in education and health despite its poor economic performance. So is the case of Mizoram which indicates high human capital development having the highest literacy rate in India, only next to Kerala (Mizoram Economic Survey 2018). The wealth of human capitals needs to be capitalised. According to Kravis (1970) trade alone will not promote growth unless

supported by other institutional changes. The need of the hour is to build the capabilities of locals to become entrepreneurs. Enhance and promote existing institutions of people for better collectivising of products. Lack of enterprising skills, market related knowledge, and lack of vital capitals act as a wet blanket to seek out the vast potentials.

### **9.3 Implications for Social Work Practice**

Social Work as an academic body of knowledge has undergone changes that encompass broader thematic areas of interventions. According to the International Federation of Social Workers (IFSW) definition, Social Work is a practice based profession and an academic discipline that promotes social change and development, social cohesion, empowerment and work towards the liberation of people. In short, *social work as a profession aims to bring about positive change in a society*. The definition has enlarged the scope of social work. It recognized the importance of collective responsibility, and in linking people with their environment apart from recognizing the importance of individuals. In defining in a generalist way, it recognised the multidisciplinary nature of social work which resonated considering its body of knowledge and theories have been derived from different schools. This flexibility has contributed much in expanding the scope of social work as well.

Earlier, social work practice centered heavily on individual practice, on a one-to-one basis. With the development of the body of knowledge alongside the changing nature of society and in identifying newer social issues and problems, the contour of social work practice broadens and expands to include beyond family-level intervention. The recognition that society influences individual, family and shape outcomes in a community provides a rationale for practice beyond providing relief work. Community level social work began to emerge, positioning social workers as facilitators with the recognition to relocate power to the people (Tan, 2009). Proponents of community level social work put forth an argument that too often social work deals with symptoms and outcomes of problems in a society rather than intervene to fix the foundations (Perkins 2008). Field of social work practice broadens to encompass interventions at three broad recognised levels of micro, mezzo and macro. Micro level deals with individuals, mezzo level covers family



level intervention and intervention among small groups, and macro level deals at community and society level interfacing at a point where people interact with their environment. It works at a policy level that governs and directs changes.

The differentiation of social work practice at different levels provides a boundary and helps to distinguish the line of separation, in its application of methods and target groups. At a ground reality the social dimension of problems can be compartmentalised assuming problems persist only at a certain level. This differentiation cannot be used as a base to project the dominance of intervention at one level to the other nor imply the supremacy of one method over another method of practice. There is a growing consensus about the need to focus on the dimensionality of a problem holistically, identify the interface of issues at various levels and how it interacts with a person and his environment. Problems cannot be treated in isolation from the individual with the society he interacts with. The emerging recognition of *a person in environment* bridges the divide between micro and macro levels of social work.

The emerging issues on account of the adoption of new policies, welfare regimes with forces of globalisation and the liberalisation process draw the need to focus globally in a holistic manner (Tan, 2009). With the world economies being reunited yet exuding greater disparities in the level of resources, it brought to the forefront a need for greater thrust on community development that encompassed community economic development. At the threshold of the world constituting as a global village- forces which appeal globally need to be inducted into social work. International social work began to deal with such issues that are not local but could impact locally.

The rise of regional economic integration, geo-strategic politics and liberalisation of the economy have driven the forces of globalisation at a faster rate. It has placed even remote areas at the heart of policy thereby experiencing in one way or the other the effect of it. The commencement of border trade along Zokhawthar and Rih, two bordering villages located at the periphery borders of Indo-Myanmar, has intricately placed these two border villages at the heart of

liberalisation and globalisation forces. Despite belonging to two different countries along with its distinct socio-cultural elements it is now intertwined by a force exerting greater commonality forged upon the trade economy. And this study, in spite of dealing with bilateral border trade agreement-driven positions at a larger national policy, explored and described how globalisation and liberalisation takes place at local or ground level. It captures people's experience by employing a people centric approach - Livelihood Approach and other methods. In assessing the impact, it draws implications for social work practice and areas for social worker's interventions. Although the household is used as a level of analysis, and that there are issues that can be focused at the micro level- individual or at a household level, but I would like to draw more at a higher level focusing on community development models and international social work.

### **9.3.1 Community Development**

Improving the social fabric of communities is key to sustainable change to which quality social relationships are essential towards building a strong community (Anderson & Millgan 2006; Tan 2009). Community development has evolved over the past decades into a recognised discipline to both practitioners and academicians (Philips & Pittman 2009). In the field of social work, the settlement house movement which focused on the environment and communities in which the poor live is associated with the beginning of community based intervention programmes. According to Tan (2009) the theory of Community Development is practical and relevant for social workers seeking lasting change for individuals, communities and society as a whole. Drawing on similarity in the tenets of both social work and community development, adopting community development, Tan (2009) further advocated that Community Development based social workers can provide a new innovative face to social work education.

Like varying concepts of community, community development is defined in differ arrays. Bharracharyya (2004) defined community development as the process of creating or increasing solidarity and agency. Mendes (2008) defined community development as the employment of community structures to address social needs and empower groups of people. Across the varying definitions the underlying

commonality is developing stronger communities of people. Phillips and Pittman (2009) attempt to consolidate the varying level of understanding of community development by connoting as a *process* and as an *outcome*. As a process, community development implies developing and enhancing the ability to act collectively, and as an outcome it implies taking collective action with a result of aiming for improvement in a community in any sphere (p 6).

Community development and economic development are intrinsically linked and refer to the same community assets such as physical, social, financial, natural and human. However, advocates of community development draw a line to depart from assuming it is on the same footing as economic development. Development ready community is a prerequisite for pursuing economic development in order to have positive change as there can be a plausible situation where a community can have growth without development and vice versa (Phillips & Pittman 2009). So, the basic focus of community development is to produce assets, and the purpose of economic development is to mobilise these assets (ibid). The combination of which social worker practitioners can focus on all round community economic development.

### **Potential Areas for Community Intervention**

Zokhawthar and Melbuk, two border trade townships, are fast growing economies characterised by border trade between India and Myanmar. Despite the existence of cross border trade, it is with the formalisation of border trade that has brought considerable change to the local economy and social life. From the findings we noted that it has brought about a shift in occupation, and their livelihood is centered around trade. Access to various building blocks of livelihood and for economic development has improved. Border trade has contributed to the development of bordering communities, yet, border communities remain vulnerable to both climatic and non-climatic factors. Conflicts, irregular trade, disease, policy change are some factors that could put them on the edge. Promotion of alternative livelihood remains wanting. Albeit, bordering communities diversify their income, the livelihood diversification scenario shows high concentration in few sources of

income which at any eventuality can place households to fall back into poverty. From the findings and analysis, it can be ascribed that both bordering communities of Zokhawthar and Melbuk are at a transitional stage in between rural village and town. And with irregularities in trade, holistic community building needs to be focused. Areas for community development intervention are categorised in two broad areas viz., Community Building: Preparation and Planning, and Community Economic Development: Strategies.

### **1. Community Building: Preparation and Planning**

Bordering communities reorient to the opportunities exerted by border trade. Border practices reshape their identity, giving rise to social identification of the border. Border crossing, exchange of complementary goods, and cross border migration restructured the physical border. A sense of belonging is shaped by trade, ethnic ties and in locating at a border to develop a sense of what Flynn described as 'we are the border' (1997:319). Located at the intersection of two national economies, political systems and cultures, border communities bridge these differences and instead forge a new identity that at times contradict with State's policy and rule or at times with official and non-state officials. This resulted in conflicts, distrust and contestation among bordering communities and others. In addition to it, working towards building a safe neighborhood is eminent which calls for intervention at individual, family and at community level. Therefore, the areas that community development social workers could intervene in are discussed below.

#### ***a) Community Building: Neighborhood and Family intervention***

The first important step towards community development is to build the community in terms of creating assets and in improving access to resources. Community needs to be made ready to respond to both economic and non-economic benefits in order to have a positive change. Based on field experience and drawing from the analysis of field data, below are the areas of interventions that draw importance to.

**Health:** Borders are seen as a threat not only in terms of security, but also in matters of non-traditional threats like diseases like malaria, HIV/AIDS, Tuberculosis and

other infectious bovine disease. Risk to public health hazards along the Indo-Myanmar border is high considering the regions form a site for unmonitored cross border movements of migrants and animals. The Free Movement Regime (FMR) which allows free movement upto 16 kms on both sides of the borders allows migrants to glide without proper health monitoring. Mizoram depends on Myanmar largely for the supply of meat, which goes unchecked and imported mainly through unmanned routes. The absence of testing laboratory and other infrastructure facilities add additional constraints to public health concerns. On numerous occasions due to the spread of bovine disease, Mizoram has banned import of pig and piglets from Myanmar, enforcing stringent actions like closing of border gates and trade transactions.

The commencement of border trade has opened avenues for employment and wage employment. It absorbed labour which gave a characteristic feature to these two border communities. Majority of the population are dependent on trade, working in the capacity as porters and drivers that required hard labour. Their working conditions come with occupational health hazards. It compromises their health and the consequence can be seen in loss of wage employment, relying on medicines and on other substances to relieve their pain which could prove detrimental in the future to their health and surroundings. Cases of alcoholics are on the rise.

**Education:** Another pertinent area of intervention is focusing on education. On account of the existence of easy wage employment working as porters and in other trade-based wage employment, the dropout rate among school going youth is on the rise. In comparison to the number of population and educational institutions in the area, the rate of higher education enrollment is low. This concern was raised also by the Village Council president during the interview.

**Youth Development:** In the study, the population of bordering communities is relatively young. Youth age group formed a large percentage of the population. This implies the potential that border communities could reap from its young population. Therefore, intervention in the area of fostering youth development is of importance, especially when it is in a transitional phase of embodying both village and town

characteristics. Healthy youth population is essential towards building a safe community and neighbourhood.

***b) Social Cohesion: Community Based Organisations***

Social cohesion is the bond that binds individuals to the community or society. It is the element that directs growth and development for the whole community. Academicians and practitioners of Community Development assign importance to social capitals (Tan, 2009; Perkins, Crim & Silberman et al, 2003; Anderson & Milligan, 2006; Philips & Pittman, 2009). Social capital facilitates community development, it acts as an enabler to access critical resources. And improving the social fabric of communities is the key to sustainable change (Anderson & Milligan 2006, Philips & Pittman, 2009)

**Community Visioning and Planning:** Building vision and proper planning are two prerequisite elementary steps in any community-based interventions. It helps measure progress and provide direction for setting objectives for a community. It takes into consideration what kind of community they want to build, what they want to achieve and how to develop strategies to achieve their goals. It also takes into account the current position and image of the community. During my field work, I encounter occasional stereotypical language by non-border residents, some of which comes from enforcement officials describing what goods can come out from communities located near the trade center. Some explicitly describe in this manner, “*You will find everything in the border, except God*”. Service vehicles originating from Zokhawthar are scrutinised more by law agencies than those vehicles originating from other areas. Moreover, located in a transit route for smuggling of drugs, arms and other contraband substances with a large floating population of migrants, stereotyping is inevitable. This assures more of the need to facilitate vision building and work towards building the image of the border communities.

**Community Leadership:** This is another important area. During field interviews with various leaders, the educational level of the majority of leaders is below high school. The need for training, capacity building, awareness on border trade policy

and other related rules and regulations was felt both by the majority of the respondents and community leaders. Leaders need awareness on important basic aspects of communicative action, conflict theory, and symbolic interactionism. Border is located in a zone that is highly militarised and at the same time permits cross border movement of people and goods. And commodities that move across the border formed the center of struggle across various groups leading to conflict between state agencies and non-state agencies or sometimes between different groups that are formed purely on account of border trade. On numerous accounts, disputes have occurred between diverse groups. The worst affected group are the wage earners who had to depend on trade for their daily source of income. Capacity building of local leaders in the area of conflict management and resolution is needed in order to mediate through disputes and conflicts. And this calls for good communication strategies. As border practices define identity and a sense of belonging, the symbolic nature of it needs to be recognised from the nauce of economic, socio-cultural and political sphere.

*c) Community Action on Environment and Sustainable Development*

Access to natural resources is vital. It provides households with an alternative source of income and contributes towards ensuring food security. Communities need to be made aware of what constitutes sustainable? The adoption of sustainable development considers the impacts of development activities not only in economic terms but also in social and environmental dimensions.

**2. Community Economic Development: Strategies**

This is another important area that needs to be focused. Community development produces assets that may be used to improve the community; on the other hand, economic development purpose is to mobilise these assets to benefit the community (Phillips & Pittman 2009). Assets include five broad categorisations in terms of natural, financial, social, physical and human assets. The significance of community economic development as noted by Crodero-Guzman and Auspos (2006) states that 'it's not just focused on economic development of a community but also focuses on community building (p196). The efforts of CED must include understanding the assets of a community through community assets assessment.

a) ***Community Development Assessment***

Coming to community development assessment, various assessments can be adopted like SWOT analysis, community resource mappings and surveys.

b) ***Community Entrepreneurial Development***

Community assessment suggests existing opportunities in a community in matters related to expanding existing business or in developing new business opportunities. Job creation and absorption of locals in meaningful employment through skill development and in inculcating entrepreneurship spirit. Assessing business opportunities in the area of tourism, service sector, and small-scale business are avenues that can be exploited to further develop. Border trade attracts people and with existing tourist destinations, tourism development has potential. Few households have run homestays, turning their extra room into a business opportunity. Likewise, knowledge on marketing can provide the locals with the opportunity to upgrade their business or to embark on innovative business. Marketing strategies, and development of markets are few areas that can be focused on.

### **9.3.2 International Social Work**

Located at the periphery area away from the main center of markets, the opening of borders for trade has positioned Zokhawthar and other nearby villages at the heart of globalisation process. In consideration of the shift from agriculture economy to trade economy, it has brought imminent changes in the social fabric, culture and local administration of bordering villages. Whether those bordering villages are made ready or not, it has to respond to forces of globalisation and liberalisation. International social work deals with issues that are international in its outlook. However, the demarcation of local, national and international dimensions has lessened with the rapid process of globalisation with the world economies integrating. As stated by Dominelli (2010), globalisation has been accompanied by internalisation of social problems. What may arise in one location becomes problematic in another location. Advancement in technology and communication has bridged the gap. For instance, migration has taken forefront along with issues like smuggling, trafficking and labour exploitation at global arena.



In a globalised world, Dominelli (2010) advocates for indigenising social work and recognising local input to social problems. Localising problems draw out cultural representation that is devoid of contextualising from a global perspective. The effects of globalisation process in border areas need ground understanding and how lessons can be drawn when working with communities that are positioned at the center of liberalisation and globalisation processes through the adoption of free trade movement.

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## **APPENDICES**




\* 1. Male 2. Female

\*\* 1. Married 2. Unmarried 3. Divorced/ Separated  
4. Widower

\*\*\* 1. Self 2. Wife/Husband 3. Son 4. Daughter 5. Mother/ Father 6. Son/  
daughter In Laws 7. Grand Children 8. Sibling 9. Others

\*\*\*\* 1. Cultivator 2. Unskilled Labour 3. Artisan/ Craftsmen( skilled)  
4. Trade/Business 5. Govt Service 6. Pvt Services 7. Driver 8. Pensioner 9.  
Unemployed/not earning 10. Student 11. Others

#### **D. History of Migration**

9. Year of residence at Zokhawthar :

10. Type of Residence 1) By Birth 2) Migrate ( if 1 Skip Q11  
to Q14)

11. Last place of residence : Village/Town \_\_\_\_\_  
District \_\_\_\_\_ State

12. Distance between last place of residence and present residence

13. Reason for migrating to

Zokhawthar? \_\_\_\_\_

#### **E. INVOLVEMENT OF HOUSEHOLD IN TRADE RELATED ACTIVITIES**

14. Kindly provide information about your family members who are involved in  
trade related activities

<b>Sl.No</b>	<b>Involvement in BT</b>	<b>Tick ( V)</b>
1	None	
2	Porter	
3	Driver	
4	Trader	
5	Transport Owner	
6	Working in Govt offices (Border Trade)	

15. Please tell us about the participation of your family members in organisations related to Border Trade.

Sl.No	Organization	No	Membership	Leadership
1	Porter Organisation	0	1	2
2	Transport Union	0	1	2
3	Trader Union	0	1	2

#### F. Livelihood Diversification

17. Kindly provide your household sources of income

Type	Source of Livelihood	Yes( 1) No(2)	Annual Household Income (Appx)
1.Farm	Crops/Vegetable <sup>SEP</sup> /Fruits		
	Livestock		
	Forest		
2.Off –Farm	Rented out land		
	Farm machinery		
	Agriculture wages		
3. Non-Farm	Business		
	Home Remittance		
	Foreign Remittance		
	Pension		
	Skilled Labour( driver, misty, mechanic etc)		
	Salary (Govt / Pvt )		
	Social Assistance (Schemes)		

	Rent		
	Unskilled Labour( Porter, helper etc)		

18. Kindly provide information on your household assets.

SI No	Assets	Own		Quantity	Value (Rs)
		Yes ( 1)	No (2)		
1	TV				
2	Refrigerator				
3	Computer / Laptop				
4	Internet Connection				
5	Godown/Storage				
6	Commercial Buildings/ Shop				
7	Two wheeler (Scooty, bike )				
8	Four Wheeler ( Jeep, Van , Car for private used)				
9	Commercial Vehicles( Pick up, Sumo, Truck etc )				
10	Automotive repair tools				

### Natural Capital

19. Kindly rate your household's ability to use the following natural resources.

Resource	Before Border Trade					After Border Trade				
	Very High	High	Moderate	Low	Very Low	Very High	High	Moderate	Low	Very Low
Land for Housing	5	4	3	2	1	5	4	3	2	1
Land for Cultivation	5	4	3	2	1	5	4	3	2	1

Non Timber Forest Products	5	4	3	2	1	5	4	3	2	1
Forest Products( Wood, Timber, Bamboo etc)	5	4	3	2	1	5	4	3	2	1
River Water	5	4	3	2	1	5	4	3	2	1
Aquatics ( Fish etc)	5	4	3	2	1	5	4	3	2	1
Livestock: Animals	5	4	3	2	1	5	4	3	2	1
Livestock: Poultry	5	4	3	2	1	5	4	3	2	1

### Social Capitals

Relationship	Before Border Trade					After Border Trade				
	Very Good	Good	Moderate	Poor	Very Poor	Very Good	Good	Moderate	Poor	Very Poor
Among family members	5	4	3	2	1	5	4	3	2	1
With Your Relatives	5	4	3	2	1	5	4	3	2	1
With Your Neighbours	5	4	3	2	1	5	4	3	2	1
With Members of your denomination	5	4	3	2	1	5	4	3	2	1
With Members of Other Denominations	5	4	3	2	1	5	4	3	2	1
Community Leaders	5	4	3	2	1	5	4	3	2	1

20. Kindly rate the social relationships at various levels in your community

Association	Before Border Trade				After Border Trade			
	Always	Mostly	Sometimes	Never	Always	Mostly	Sometimes	Never
Church activities	4	3	2	1	4	3	2	1
YMA	4	3	2	1	4	3	2	1
MHIP	4	3	2	1	4	3	2	1
MUP	4	3	2	1	4	3	2	1
Traders/ Transport / Porter organisation	4	3	2	1	4	3	2	1
Welfare Association	4	3	2	1	4	3	2	1

21. How frequently do your family members participate in your community

### Human Capital

22. How do you rate your household status on the following human resources

Resources	Before Border Trade					After Border Trade				
	Very High	High	Moderate	Low	Very Low	Very High	High	Moderate	Low	Very Low
Health Status	5	4	3	2	1	5	4	3	2	1
Knowledge	5	4	3	2	1	5	4	3	2	1
Vocational skill	5	4	3	2	1	5	4	3	2	1
Marketing Skills	5	4	3	2	1	5	4	3	2	1
Banking Skills	5	4	3	2	1	5	4	3	2	1

### Financial Capital

23. Kindly rate your household ability to avail the following financial

Households Ability to	Before Border Trade					After Border Trade				
	Very High	High	Moderate	Low	Very Low	Very High	High	Moderate	Low	Very Low
Save money	5	4	3	2	1	5	4	3	2	1
Deposit in Banks	5	4	3	2	1	5	4	3	2	1
Avail Bank	5	4	3	2	1	5	4	3	2	1



Loans										
Avail loan from other sources	5	4	3	2	1	5	4	3	2	
Repay interest and loan	5	4	3	2	1	5	4	3	2	
Lend Money	5	4	3	2	1	5	4	3	2	
Avail life insurance Policy	5	4	3	2	1	5	4	3	2	
Pay premium for life insurance	5	4	3	2	1	5	4	3	2	

### Physical Capital

24. Kindly rate your household ability to access the following physical resources.

Access to	Before Border Trade					After Border Trade				
	Very High	High	Moderate	Low	Very Low	Very High	High	Moderate	Low	Very Low
Road Connectivity	5	4	3	2	1	5	4	3	2	1
Drinking Water	5	4	3	2	1	5	4	3	2	1
Health Care Institution	5	4	3	2	1	5	4	3	2	1
Educational Institution	5	4	3	2	1	5	4	3	2	1
Transport Services	5	4	3	2	1	5	4	3	2	1
Tele Communication	5	4	3	2	1	5	4	3	2	1
Electricity Supply	5	4	3	2	1	5	4	3	2	1
Housing	5	4	3	2	1	5	4	3	2	1

### G. Perceived Impact of Living Conditions on Account of Border Trade

25. Kindly rate your household perceived impact of BT on your living conditions

Sl No	Items on different Household Indicators	Improve a lot	Improve	No Change	Deteriorate	Deteriorate a lot

1	Income Security	5	4	3	2	1
2	Employment Security	5	4	3	2	1
3	Housing Security	5	4	3	2	1
4	Food Security	5	4	3	2	1
5	Health Security	5	4	3	2	1
6	Education Security of Children	5	4	3	2	1

#### **H. Livelihood Challenges, Strategies and Social Support**

26. What are the main livelihood challenges faced by your household?
27. Tell us the strategies used by your household to manage these livelihood challenges.
28. Tell me the sources of support for managing your problems
29. Tell me the kinds of support received by you

## INTERVIEW CHECKLIST FOR KEY INFORMANTS

Category: Trader/ Porter / Transport owner/Driver

Leadership position: Yes / No (Ni na nei / member pangai)

Name: Age:

Occupation: Add:

Q1. How did you get involved in the first place with relate to border trade activities?

Q2. What items are imported across this trade zone?

Q3. What items are exported across this trade zone?

Q4. In what ways border trade bring about benefits to the region?

Q5. Whom does it benefit the most according to you?

Q6. What kind of measures has been taken in order to develop further Zokhawthar –  
Rih trade  
zone?

Q7. (a) What is your opinion about the development that is taking place across  
different span of years.

(b) Is there any difference in terms of development of border Trade during the Look East Policy and Act East Policy

Q8. What kind of infrastructure constraints exist across Zokhawthar – Rih trade zone

Q9. Is there any legal policy(ies) / Rules / administrative that implicates for the growth of border trade?

Q 10. What kind of steps should be taken in order to enhance Border Trade across this sector?

### BIO DATA OF THE CANDIDATE

NAME : LILY SANGPUI  
FATHER'S NAME : L T VELA KHAWBUNG  
GENDER : FEMALE  
MARITAL STATUS : UNMARRIED  
EDU QUALIFICATION :

Qualification	Institution- University/Board	Year of passing	Percentage	Div./ Class
10 <sup>th</sup>	BSEM	2000	62	1 <sup>st</sup> Div.
Inter/ H.S.C.	CoHSEM	2004	54	2 <sup>nd</sup> Div
Graduation	NEHU	2007	46	2 <sup>nd</sup> Div
M.S.W	TISS, Mumbai	2009	60	1 <sup>st</sup> Class
PGDRDM	NIRD(Hyderabad)	2011	78	1 <sup>st</sup> Class
Mphil	Mizoram University	2017	73	O grade

## **PARTICULARS OF THE CANDIDATE**

NAME OF THE CANDIDATE: LILY SANGPUI

DEGREE : Ph.D

DEPARTMENT : SOCIAL WORK

TITLE OF THESIS : INDO-MYANMAR BORDER TRADE AND  
DEVELOPMENT OF BORDER VILLAGES IN  
MIZORAM

DATE OF ADMISSION : 27<sup>th</sup> July, 2017

### **APPROVAL OF RESEARCH PROPOSAL**

1. BOS : 24<sup>th</sup> October, 2017

2. SCHOOL BOARD : 31<sup>st</sup> October, 2017

MZU REGISTRATION NO : 1506817 of 2015

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**ABSTRACT**

**INDO-MYANMAR BORDER TRADE AND DEVELOPMENT OF  
BORDER VILLAGES IN MIZORAM**

**A THESIS SUBMITTED IN PARTIAL FULFILMENT OF THE  
REQUIREMENTS FOR THE DEGREE OF DOCTOR OF  
PHILOSOPHY**

**LILY SANGPUI**

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**DEPARTMENT OF SOCIAL WORK  
SCHOOL OF SOCIAL SCIENCES  
NOVEMBER, 2020**

**INDO-MYANMAR BORDER TRADE AND DEVELOPMENT OF  
BORDER VILLAGES IN MIZORAM**

**by**

**LILY SANGPUI**

**Department of Social Work**

**KANAGARAJ EASWARAN**

**In partial fulfillment of the requirement of the Degree of Doctor of  
Philosophy in Social Work of Mizoram University, Aizawl.**



## **ABSTRACT**

The study explores the role of border trade in the development of bordering villages in Mizoram. The study focuses on Zokhawthar and Melbuk villages which are located along the corridor of Zokhawthar – Rih border trade, the second Indo-Myanmar Border Trade. Zokhawthar- Rih Trade point is marked by the river Tiau which runs between the borders of Mizoram and Chin State of Myanmar. River Tiau acts as a natural boundary demarcating the two countries. These villages located on the Indian side are the nearest two adjacent villages in consideration of the border trade zone. With the formalisation of border trade, these two villages are placed at the heart of the Act East Policy (AEP) and subsequently identified as border trade towns. Located at the periphery, they run the risk of being side-lined in the analysis of policy which is centrally structured in a manner of centralised top-down approach. This study is an attempt to understand the impact of border trade from the ground realities, placing borderland at the heart of analysis rather than as a component part of AEP or frontier politics.

The mid-eighties and the nineties were characterised by a phase of trade openness, globalisation and economic reforms. Opening up of borders and advocating a concept of shared borders began to take a forefront role in the policies of the nations. The emerging intensity of regional co-operations and frameworks, particularly of Myanmar joining the Association of Southeast Asian Nations (ASEAN), pushed India to redirect its foreign policy. The direction of change for forging new relationships began in the early 1990s. The erstwhile Look East Policy (LEP) now rechristened as the Act East Policy (AEP) was born and formulated along the line towards garnering geo-economics potentials by linking with Southeast Asia countries via Myanmar (Bhaumik, 2014; Sikri, 2009). Using the 3 C's- Culture, Commerce, and Connectivity, India's foreign policy towards Southeast Asian (SEA) regions began to take shape and developed. As India shared a long land border of 1643 kms with Myanmar running along the north eastern states of Arunachal Pradesh, Manipur, Mizoram and Nagaland it strategically placed NER and Myanmar at the heart of the Act. Bilateral trade agreement was signed between India and Myanmar in 1994, which subsequently opened up India's Northeastern region (NER) border for trade. This has led to the opening of four designated trade zones across

four states of Manipur, Mizoram, Nagaland and Arunachal Pradesh. The first designated Indo- Myanmar border trade commenced from Moreh-Tamu (Manipur) in 1995, and the second trade point Zokhawthar – Rih was inaugurated in the year 2004 across the borders of Mizoram and Chin state of Myanmar. Borders which were once seen as liabilities are now seen as geo-economic potentials (Das, 2005). The connotation of the border as a transit hub for bilateral trade has transformed the development narratives of NER. It is in the domestic consideration of the Act to help transform the handicap of NER that garners much attention.

With a view of integrating India's economies with the world economy, India has opened up 42 Land Custom Services (LCS) in and around the borders of NER primarily to facilitate economic linkages through border trade. The NER shares a long land border of over 1600 km with Myanmar (MEA, 2016) that strategically acts as a gateway to Southeast Asia (SEA) regions. Where the Northeast ends, Southeast Asia begins with Myanmar, and to take advantage of its natural geostrategic location, the Government of India signed the Border Trade Agreement (BTA) with the Government of Myanmar in 1994. Subsequently, it was agreed to open up four border trade zones along the Indo- Myanmar border viz, Moreh- Tamu, Zokhawthar- Rih, Longwa in Nagaland and Pangsau Pass in Arunachal Pradesh.

Under the BTA, it facilitates three mechanisms of trade for the exchange of commodities overland from a bi-laterally agreed list by people living along both sides of the border area. Indo-Myanmar bilateral trade is conducted under

- a) Traditional Exchange of items not exceeding the US \$ 1000 or its equivalent,
- b) Barter Trade of items up to the value of US \$ 20,000 or its equivalent, and
- c) Normal Trade against payment for the supplies

Contemplating the difficulties and problems associated with the barter trade system, the Reserve Bank of India (RBI) on November 5<sup>th</sup>, 2015 abolished it and laid down for the functioning of normal trade (Das, 2016).

Cross border trade was prevalent even before the commencement of formalised border trade. Border communities depend on cross border interactions and have been a continuous lifeline for them, with dependence on far flung main markets remaining exclusive on account of cost, limited transportation facilities and above all

the region being underdeveloped in many areas. With the onset of formalised border trade much of the site for trade points were based on the upgradated traditional old routes. Commenting on the difference between cross border trade and border trade, the Department of Commerce, GOI defined border trade as over land trade by way of exchange of commodities from a bi-laterally agreed list by the people living along both sides of the international border. It is a trade in local products of limited value by the people residing along the border areas (Das, 2014). It is different from other international trade carried through air, land or sea ports. In another instance, border trade is defined as the exchange of goods and services across international land borders within the reach of up to 30 kms (Ge, He, Jiang *et al*, 2014). On the other hand, the contour of cross border trade is larger in comparison to border trade both in terms of volumes of trade and patterns of transactions. Cross borders encompass both aspects of formal and informal trading through air, land or sea. It can be ascribed that border trade can be incorporated as part of a subset under the larger domain of cross border trade.

Considering the implications of the Act East Policy, border trade strives to serve two major dual purposes, viz., as a strategic tool and development tool. As a strategic tool, border trade helps in forging relations across countries especially with the neighbouring countries within the objective of greater economic ties. Another aspect is that it helps draw the line of control and the recognition of border line demarcation. At a local level, border trade is viewed as part of a larger border development plan, one that has the potential to usher in the much-needed development in border regions. As a part of border area development plan, border trade provides alternative means of livelihood to border residents, generate employment opportunities and with the injection of critical infrastructures help boost the local economy. From these perspectives, border trade acts not just as a strategic tool on its own, but also as a catalysing agent for regional development.

The capitalisation on economic imperatives with Myanmar proves to be a better strategic move rather than upholding on democratic ideology which had frowned previously. Border trade provides for both countries to cement new relations based on the complementary needs of its bordering communities, commonalities of remoteness and the need for management of its borders. The potential to revive the

local economy and free the NER from its isolation and under development has intricately positioned border trade in the heart of Act East Policy. Within the praxis of development, the role of border trade has garnered much attention. C. J. Thomas, Das and Singh argued the need for considering ‘border trade’ as a strategy for the development of border areas (2005:32). Rather than focusing on frontier politics and placing border trade within the sub component of policy, the study focuses on the role of border trade within the discourse of rural development in an attempt to understand liberalisation forces at the ground by placing border communities at the centre of analysis.

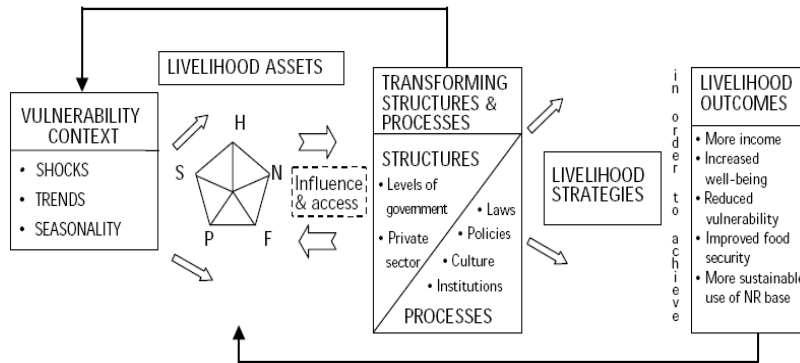
### **Theoretical Framework: Sustainable Livelihood Framework**

The study incorporates a sustainable livelihood framework (SLF) promoted by the Department for International Development (DFID) to understand the nexus between border trade and livelihood, and the subsequent role in the development of bordering villages located adjacent to the trade zone.

The Livelihood approach places people at the centre of development and provides a framework for the analysis of people’s livelihood. Drawing from Chambers and Conway (1992), a livelihood comprises capabilities, assets and activities necessary to earn a living. And a livelihood is said to be sustainable when it is able to cope or recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base (DFID, 2008). Sustainable Livelihood Framework (SLF) enables a description of the local individual, household or community assets to be positioned and analysed against the existing vulnerabilities, structures and processes that shape and govern their livelihood (Ellis, 2000; Carney, 1998, Scoones, 1998). As Cahn (n.d) observed, the framework placed the asset status of people as fundamental in determining the options open to them and the choice in pursuing strategies to attain livelihood.

SLF consists of different key components. It looks into various components and its linkages in influencing livelihood. Major components of SLF include vulnerability context, livelihood assets, transforming structures and processes, livelihood strategies and livelihood outcomes.

**1.1 Fig: Sustainable Livelihood Framework**



Source: DFID (1999)

### Overview of Literature

Trade and development are discussed together for years as they are interrelated. Growth has been seen as the major criterion to assess success. Earlier debate on trade and development centred around the efficiency of export led growth versus import led industrialisation (Raychaudari, 2005). The vent for Surplus theory as popularised by Myint (1958) gives an initial basis for trade. The surplus resources-rich nation used to export as an outlet to sell their surplus products and pay for valuable imports. This export-led growth theory came to dominate the understanding of trade as an engine of growth. United Nations Conference on Trade and Development (UNCTAD) study provides an empirical finding relating to export-led growth and GNP growth (Raychaudari, 2005). There are studies by Hanson (1999, 1998) and Hanson/Krugman (1993) which suggest that trade liberalisation might strongly affect the economy of the border region. Unlike International trade models, which regard nations as dimensionless points and assume the spatial distance to be irrelevant for the intensity of trade relations, empirical study by Rauch (1951) shows spatial relation to be an important determinant of international bilateral trade volumes. This revert to the importance of location in that geographic position is decisive for access to the cost advantage to foreign markets (Niebuhr & Stiller, 2002). Borders which were once seen as liabilities were now seen as geo-economic potentials (Das, 2005). The opening of borders and advocating a concept of shared borders began to take a forefront role in the policies of the nations. Kravis (1970) holds that trade alone will not promote growth unless supported by other institutional

changes (cited in Raychaudari, 2005). The rise in regional cooperation and frameworks and with Myanmar joining the ASEAN, India felt the need to redirect its foreign policy. The Act East Policy erstwhile Look East Policy was formulated towards garnering geo-economics potential by linking Southeast Asia countries via Myanmar (Bhaumik,2014; Sikri,2009). Another important dimension of the policy lies in its domestic consideration; to help transform the geographical handicapped of Northeast regions by taking advantage of its geo-strategic location. Using the 3Cs- Culture, Commerce and Connectivity, India's foreign policy towards SEA regions began to take shape and developed. However, since its inception in 1991, it has benefited some traders, industrialists and highly qualified professionals but it has not met the expectations in the field of employment generation (Bhattacharjee, 2016). Considering the time frame of its formulation, the Act East policy has not shown much improvement in ushering in those intended benefits. The problems persisted in the geopolitical contours of Northeast regions and ASEAN countries coupled with slow infrastructure development (Bhaumik, 2014; Bhattacharjee, 2016). Nevertheless, India has made significant strides through its Act East policy in areas of infrastructure development, and especially in its supervisory and regulatory (Sikri, 2009; Kalita, 2012). Also, in a study conducted by Srinivasan (2012) on regional cooperation and infrastructure development in South Asia, it indicated improvement in the level of household income and depicted diversification of household's income. It also shows that there was a significant poverty decline, as rural roads result in substantially improved access to health and education services.

The opening of the border and its linkages to development lay in promoting livelihood along border trade areas and in ushering development (Das, 2006; Kabra & Singha, 2006). One finds the support of this hypothesis from the studies by Songate (2010), Romalsawma (2000), Singh (2011) wherein border trade facilitates employment opportunities along the border regions in sectors like transport, small business enterprise and creation of the labour market. Significant improvement in the per capita household income was found in Singh's study. Despite the enormous geo-economic potentials, however, India has not been able to derive the much-intended benefits. According to Taneja (1999), Thomas (2000), and Singh (2011), the domination of informal trade on account of problems in formalising trade and the

dominance of high tariffs diverted much of the intended benefits. In addition to it, the opening of border trade also brings in other non-security threats and ushers in social, political and economic dynamics especially among people residing in the border areas (Songate, 2010; Gogoi, 2010).

Livelihood approach places people at the centre of development and provides a framework for the analysis of people's livelihood. Sustainable Livelihood Framework (SLF) enables a description of the local individual, household or community assets to be positioned and analysed against the existing vulnerability context, structures and processes that shape and govern their livelihood (Ellis, 2000; Carney, 1998, Scoones, 1998). As Cahn (n.d) observed, the framework placed the asset status of people as fundamental in determining the options open to them and the choice in pursuing strategies to attain livelihood. As livelihoods research is directed to understand the dynamics and interplays of poverty governed by structures and institutional processes Murray (2002) underpinned the need to analyse social relations. And this required attention to the livelihoods of people who are not poor as well as to those people who are poor. He further distinguished three major approaches to livelihood studies, which he identified as the circumspensive approach that looks at livelihood at the moment of time, while the retrospective approach looks back and assesses the change in livelihood over a period of time and the prospective approach that looks towards policy formulation. To achieve a better understanding of changing livelihoods over a period of time he argues for a combination of some approaches (Murray, 2002).

The overview of literature indicates that empirical studies on border trade in the Northeast sparingly focused on the linkages to border development. The focus of previous studies mainly draws upon the implications, social, political and economic, at a larger policy level. The focus has been mostly on the status, trends, socioeconomic impact as well as constraints to trade, and studies related to the context of border trade in Mizoram are rarer and understudied. Furthermore, previous studies relied mostly on secondary data while studies employing a mixed method of qualitative and quantitative primary data are sporadic. Attempts to draw the impact of border trade at ground level, on the bordering communities who are intricately placed at the heart of policy, are sporadically touched upon. In addition to this, no

empirical study, particularly on Zokhawthar –Rih border trade in the context of the livelihood approach, has been conducted to explore the role of border trade in promoting the livelihood of the people inhabiting the border areas. The present study tries to fill the above major gaps in the literature on border trade and development as well as in livelihood studies.

### **Statement of Problem**

With the onset of trade liberalisation and the process of globalisation, borders which are seen as a predicament and liabilities are now looked upon as a prospect for growth factors. The opening of North-eastern borders for bilateral trade along with its neighbouring countries is an imperative channel to integrate India's economy with the external economy. The promotion of trade as an instrument of growth, in a landlocked non-industrialised region of the northeast which has a natural advantage of trading, could invariably boost the regions' much needed growth and development.

Myanmar is the only country in Southeast Asia with which India's Northeast shares a land border and is therefore highly relevant to India's Act East Policy (Bhaumik, 2014). With the existence of prior cross border trade, and being occupied by the same ethnic stock, building on the existing cross border trade seems to be relevant. With the formalisation of Indo- Myanmar border trade, and the subsequent injection of infrastructure and upgradation of trade point, it invigorates the potentials to usher in developmental narratives to the Northeast region. The Northeast region has always been marked as a region depicting slower growth rate and lack of development in various dimensions as compared to mainland India. Yet on a different angle, it is seen to have potential for development as the region is rich in resources which is a conducive aspect for the development of trade. The strategic location adds advantage to facilitate trade, which could transform the region as a hub of trade and manufacturing units.

According to Kravis (1970) trade alone will not promote growth unless supported by other institutional changes (cited in Raychaudari 2005). With the establishment of Special Economic Zones (SEZ) and increasing intensity of investment along the Zokhawthar trade zone, it brought a prospect and opportunity to facilitate development along the region. The opening of the border and its linkages to development lay in promoting livelihood for local residents living in the border trade



areas and in ushering development (Das, 2006; Kabra & Singha, 2006). Besides, it opened up space for people at the border areas to intrinsically link their lives with the ongoing border trade activities, impacting their lives in numerous ways. This development has intricately positioned borderlands at the intersection of policy discourse which have far wider implications and run the risk of potentially marginalised narratives of those situated along the borders (Kurian,2019). Centralising the marginality of border communities, it is pertinent to understand at this juncture how borderlands, which are often described as peripheral regions or least developed regions, create their own narratives of development.

### **Objectives of the Study**

1. To understand the vulnerability context of households in the Indo-Myanmar border villages.
2. To identify the pattern of border trade in terms of inflow and outflow of Goods and Services in Zokhawthar – Rih Border trade zone.
3. To understand how the community and households response to the formalization of border trade.
4. To probe into the pattern of livelihood in border villages.
5. To explore the role of border trade in livelihood diversification in the border villages.
6. To assess the impact of Border Trade in the living conditions of the households residing in Zokhawthar – Rih border trade zone.

### **Methodology**

The present study is cross-sectional in design and descriptive in nature. Two bordering villages of Melbuk and Zokhawthar, identified as border townships with the formalisation of border trade, were selected purposely as the study area.

### **Mixed Method**

Livelihood studies aim at people-centric development (Kaag, Berkel & Brons et al, 2004). It focuses on people and their activities at the central stage and seeks to

understand it from the perspective of people. As livelihood entails the complexity of the socially embedded nature of people's lives, capturing the complexity of human dynamics through a single isolated method would highlight only one facet of reality. Studies by Kanj Hamade, Giulio Malorgio & Peter Midmore (2011), Karen Westley & Vladimir Mikhalev (2002) indicated that findings from a qualitative and a quantitative may not be consistent with each other, but suggested that in combining methods it helps in forging a linkage between those seemingly divergent results. Thus, in combining methods, it helps better capture into more details the complexity and dynamic interplay of various factors that impinge upon people's lived experiences.

The present study employed a mixed-method in sequential order of qualitative and quantitative methods. Primary data was collected with the help of qualitative, quantitative and participatory methods. Key informant interview (KII) was conducted across major stakeholders encompassing porter's union, trader's union, transport union and community leaders. Focus group discussion (FGD) was conducted among community leaders of each village. And a field survey with a pretested structure interview schedule was used to collect quantitative data. Participatory methods such as timeline and seasonal calendar were drawn to understand the timeline of village development and the vulnerability context of the community under which people base their livelihood. Secondary data was collected from both electronic and non-electronic sources. Journals, books, and government reports are the main sources of secondary data.

### **Sampling Design**

For the selection of the study area, purposive sampling was adopted. Since Zokhawthar- Rih trade point is the only functioning designated trade point so far under Indo-Myanmar trade in Mizoram, bordering villages of Zokhawthar and Melbuk located enroute border trade zone which comes under Khawzawl Block of Champhai district of Mizoram were selected purposely. For the selection of sample size, simple random sampling technique was used to identify the sample household. Determination of sample size was carried out by collecting information about household numbers from key persons in each village. Considering the time frame,

the census report of 2011 was not in use as it would not provide accurate data concerning the population. Current population data was collected from community health worker. Melbuk consists of 160 households and Zokhawthar consists of 700 households (approx)<sup>1</sup>. The overall sample size selected was 300 households, covering 1 house in every 3<sup>rd</sup> house.

### **Tools of Data Collection, Processing and Analysis**

For qualitative data, various tools and techniques were employed. Key informant interviews (KIIs) among 30 various key stakeholders were conducted. An interview guideline was used to assist the interview process. In addition to it, free listing exercise was also conducted among the 30 primarily to understand the inflows and outflows of goods across the border trade as per the knowledge of the people. Focus Group Discussion (FGD) was conducted among prominent personalities of the community in both the villages. And lastly, participatory methods like timelines and seasonal diagram were drawn with the help of locals. Moreover, a semi-structured interview schedule was used to collect quantitative data. It may be mentioned that the researcher seeks the assistance of local teachers to help in the collection of quantitative data, two each from one village. The assistants were trained before data collection.

Apart from primary source, secondary source of data was collected for the study. Government records, books and articles collected from different websites formed the main secondary data.

Qualitative data were analysed with the help of Nvivo software (2016) and Anthropic for free listing data. With Nvivo software, KII data was analysed and categorised into themes and sub-themes. From the categorisation, a conceptual framework on the impact of formalisation of border trade was drawn which focuses on how people/ communities respond to the formalisation of border trade. To understand the inflow and outflow of goods, free listing exercises were further analysed with the help of Anthropic to see the dominance of goods traded and to understand the salience of goods that are traded.

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<sup>1</sup> As on 20<sup>th</sup> October 2018.

For the analysis of quantitative data, descriptive and inferential statistics were used. Percentages and averages were computed. In addition to it, independent t-test, f- test, and Karl Pearson's coefficients of correlation were further calculated primarily to test the hypotheses and to see the relationship among various variables.

### **Limitations of the Study**

The major limitation of the present study rests with the ability to draw conclusions that are generalisable beyond the Zokhawthar –Rih trade sector. As the study is confined only to two bordering villages along the Zokhawthar-Rih border trade zone, it is impossible to generalise the whole bordering villages that are located in different parts of the state. With the existence of various trade points both manned and unmanned, the findings are limited to formal trade points.

Another limitation relates to the study area, which takes into consideration border communities on the Indian side only. As such, the findings can be generalised for those located on the other side of the border i.e Myanmar.

Ethical considerations that were applied during the study include: -

- I. Permission to conduct the interview
- II. Confidentiality
- III. Flexibility and right to withdraw

### **Results and Discussion**

Summary of results is presented in three broad sections. The first section presents the salient findings of the present study. In the second section, the conclusion of the present study is presented while in the last section the implication of present study for social work is presented in the last section.

### **Vulnerability Context and Livelihood Challenges**

Vulnerability here is referred to as defenceless in the face of stress, shock and seasonality is captured with the help of seasonality mapping and through focus group discussion with key leaders of the village. It is seen that seasonality has a bearing in terms of employment, price volatility and connectivity. In both the bordering

villages, vulnerability on account of seasonal change is experienced. Monsoon season in Mizoram lasted for more than six months and during this season wage employment is reduced despite inducing price hike of commodities. However, during the dry season employment is at its peak as volumes of trade are higher than in the monsoon season. This indicates that wage employment is directly related to volume of trade. During the months of heavy rainfall, the volume of trade is low thereby lessening days of wage employment. In addition to this, the occurrence of landslides along with other climatic hazards put a constraint on people's livelihood. And on account of the monsoon season, prices of goods are volatile. Price rise occurs during monsoon in order to compensate for damage of goods, surcharge on transportation or due to lesser import quantity. However, the availability of food is sufficient all the year round. During the dry season both villages experience shortage of water.

Jhum cultivation is a common practice among the villagers of Melbuk and Zokhawthar, yet, it is practiced on subsistence level. During the peak of trade, households divided work or employed additional labour. Particularly, for those households with less working members in a family they had to forgo either working in the field or trade work (logistic services). The presence of an adult member and size of family matters as it forms an important asset in rural households.

Vulnerability in occupations is pronounced at a household level. As the majority of the villages are engaged as porters, and lorry drivers, it involves a heavy workload. Occupational health hazards such as work accidents, heavy workload often led to death, disability and continually compromising on their health which lead to serious complications. Porters complain mostly of muscle and joint pain, and women in particular complain about disruption of menstrual cycle. Dependence on medicine and on substance dependency to relieve their tiredness and pain is common among porters. Men in general resort to alcohol dependence. Invariably it inculcates disruptive behaviour. These implicate household economic well-being and increase the likelihood of a household to fall back into poverty. At the community level, halting trade movement on account of conflicts that arise mostly among the different groups of interest affect the people in general as well as the majority of the people who depend on trade for their daily wage. Changes in policy also affect the people whose lives revolve around the trade zone. The spread of disease, especially animal

disease often leads to enforcing stringent laws across the borders resulting in loss and in lessening trade transactions. In addition to this as rearing livestock form an important secondary source of income for rural households which acts as a security when families fall short of cash and food, the spread of disease deprived households of that kind of security.

Occupational health hazards formed the majority of livelihood challenges across the households of bordering villages. This invariably shows the kind of occupation where the majority are engaged with heavy load and laborious with involvement of substantial amount of risk. Deterioration of health is one of the major problems cited by the respondents. This is followed by irregular employment in terms of daily wage. The occurrence of disputes across different groups of interest led to halting of trade transactions which are peculiar features on the Indian side. This effect in general the population as a whole as the majority are in one way or the other dependent on trade for their livelihood. The worst affected are porters and drivers who depended on the arrival of trade consignments for their daily wage.

In the face of livelihood challenges, the majority seek to find alternative employment and resort to engage extra labour from family members. Households with more adult members provide greater security as extra labour could substantiate household income if one source of income is affected or disrupted. Support from family and friends in the form of providing additional labour input and finding financial support constituted the major types of coping strategies adopted across households in the face of experiencing livelihood challenges.

#### **Pattern of Border Trade: Inflows and Outflows of Goods.**

Trade across Mizoram and Myanmar began much before the formalisation of border trade. With the signing of the Border Trade Agreement (BTA) between India and the Government of Myanmar in 1994, formal trade across Zokhawthar- Rih commenced in 2004. From the year of commencement till 2015, trade across this sector was conducted mainly through a traditional exchange mechanism and barter system. From 2015 onwards, normal trade was allowed to function following the abolition of barter trade. Subsequently, the list of tradable items was increased from 23 to 62 and later with the commencement of normal trade, all items were allowed to be traded with the exception of contraband items. The switch in policy resulted in the

lowering of trade volumes from US \$ 25.96 million in 2014-2015 to US \$ 22.52 million in 2015-2016 and further reduced to US \$ 0.31 million in the year 2017-18.

India accrued a trade deficit with Myanmar, where import exceeds export in terms of volumes and items traded. As per the official records, trade across this sector is erratic and items traded are few. There is a huge disparity in the items traded between official record and field data, which was collected as part of the study. Till 2017-18 official records documented three import items, while field narratives documented 28 varieties of items that were imported across this trade zone. Similarly, export items are depicted differently. Soyabari is the only export item recorded; the field indicates 11 items being exported to Myanmar. Items imported and exported are covered up without documentation. A comparative analysis of official records and data from the field indicate otherwise the dominance of informal trade. Albeit, the amount of volume cannot be determined, it does clearly reflect the intensity of informal trade. The existence of informal trade on account of problems in formalising trade has induced an enormous loss to the government. The desire to evade high tariff, existence of porous borders, and unmanned old routes contributes to the parallel running of informal trade. Import of cattle for meat, export items such as fertilizers, pharmaceuticals are carried out mainly through unmanned routes. This trade zone has become a hotspot for smuggling of guns, drugs, animals and gold (The Economic Times, 2019). A comparison between revenue generated and seizure indicates that the worth of seizure exceeds the revenue collected. Official record is supported by field narratives, where import and export of contraband substances finds its way across both the borders.

### **Community Response to the Formalisation of Border Trade.**

To understand the community response to formalisation of border trade, key informant interviews were conducted across 30 respondents from a mixed group of traders, transport owners and porters. In comparison with before and after formalisation of border trade, there is a sea change in the socio-economic status of the region as well as in the development of border villages. Informal trade which existed prior to the implementation of border trade continues to run parallel with formal trade till today. In fact, informal trade dominates with an estimation that 90% of trade is transacted through informal channels. However, a closer analysis reveals

that informal trade supported the majority of the border population by providing them with wage employment, who would otherwise be left unemployed. This revert that not all informal trade is bad.

Another finding is that as the majority of the traders are from Champhai town, benefits are accrued towards the Champhai region. Being the district capital, markets are well developed and nearby villages depend on it for their needs. In addition to it, one of the oldest groups Champhai Transport Union (CTU) monopolised freight services prior to the formalisation of border trade and continued to dominate and control it from Champhai town. The existence of transport service invariably helps for the growth of traders, businessmen in and around Champhai region. These factors contributed to the dominance of Zokhawthar- Rih trade zone, and also to some extent factorised for the development of Champhai Town. Different interest groups emerged which are exclusive and territorial. It sidelines the percolation of benefits to Zokhawthar and Melbuk villages to a minimal level. On some occasions it led to a bone of contention between the village and Champhai town, especially among Zokhawthar and CTU. Zokhawthar community started to challenge the dominance of CTU and feels that being located nearby the trade zone it should accrue more benefits. Taking advantage of its location, Zokhawthar formed various organisations to divert the benefits from trade for the development of the community and the people. Formation of groups and later formalising of organisation in order to accrue benefits is one pertinent upshot of the formalisation of border trade. Four trader's associations have come up mainly in Champhai town, three transport groups have been formed and three porter's associations. Two specific community-based associations also emerged, one each in Zokhawthar and Melbuk. Majority of the groups are formalised in such a way that has its own unique mechanism of by-laws. Although some groups are informal with no affiliation to larger associations /groups. The rise in diverse groups with different interests often led to conflict of interest that at times resulted in the disruption and smooth functioning of trade. Recent conflict that arose with CTU and Zokhawthar during the early months of 2019 led to blockage of Zokhawthar to Champhai road for the transaction of goods. Goods were piled up in the zero point of LCS leading to huge loss not only to traders, but also to



porters and drivers who earn their daily wage on the consignment that arrived by loading and unloading of goods, and in ferrying goods across the region.

Despite the occurrence of conflicts, the formalisation of border trade has provided employment opportunities and brought about regional development. Periphery villages like Zokhawthar and Melbuk have been linked by all-weather 2-lane roads. Earlier, no proper road existed nor proper transportation existed. As of now, vehicle (sumo) service ply after every hour between Zokhawthar and Champhai town. In addition to it, connectivity and infrastructure development took place and the villages are well linked to the main center of market, trade zone and development of inter village roads. Number of educational institutions have increased thereby contributing towards the development of human resources in bordering villages. At the same time it opened up employment opportunities attracting educated migrants. On account of trade, the dependence on the primary sector dwindles and opens up avenues for occupations in the tertiary sector. However, it may be mentioned that as the majority are engaged in semi-formal sectors devoid of social security, it does not in a way lessen their vulnerability. Although some of the groups are unionised and have formal structure, they devoid social protection and security measures that in any eventuality could render a household vulnerable. In some cases, welfare measures are extended in the case of extreme eventuality like an accident during working hours or in the event of death of a worker. Welfare measures are provided in a limited manner, yet, on larger part social security measures are absent in the binding form. There is a lacuna in taking legal courses of action and that backing is most absent in all the organisations that have been formed. On account of which it is partly semi-formal.

### **Socio- Economic Characteristics of Borderland Villages**

Bordering villages of Zokhawthar and Melbuk have a relatively young population with an average mean age of 40 years. 34 years and above comprises about more than half of the sample population. Age is an asset for the bordering village. With a relatively young population, it throws light into the characteristics of the population indicating the level of maturity, capacity to work and earn, and above all the capability to engage in hard work. Besides, it represents a household capacity to withstand poverty through inputs of additional labour and greater engagement in

productive work. This invertible lessens a household's vulnerability and acts as a security in the event of circumstances. It is an asset not only to the family but also for the community. The advantage of the young population is depicted where the percentage of earners (53 per cent) is higher than the dependent (47 per cent). Dependency ratio is much lower in both the villages, indicating that the villagers are productive in general and depict the existence of employment opportunities.

In terms of gender, females constituted a higher percentage than male in the study. However, a higher percentage of male headed households depicted a patriarchal society. Family is seen to be stable and strong, broken families comprise a low proportion. The low proportion could also be on account of the relatively young population as the majority of the sample is unmarried. Family bonds are strong, and relatively intact in bordering villages as compared to urban settings. Nuclear families are the norm although few households still stay together as a joint family. Size of family members across the villages is small to medium size (4 to 6 members) while the second village Melbuk has larger size of family members than Zokhawthar.

In terms of educational attainment, on an average across the villages educational attainment stands at middle level that is 7 (seven) standards. Overall, educational status is low in both the bordering villages, yet Zokhawthar village has slightly higher educational attainment than Melbuk, the second village. The existence of a higher number of educational institutions in Zokhawthar is the major contributing factor for higher educational status than Melbuk. And among the population, Christianity is dominant. On account of which different denominations existed, of which Presbyterian church has the highest members.

Considering the young population and lower dependency rate, the economic status of the community falls in the Above Poverty Line (APL). The occupation structure of both the villages also contributed towards registering a lower poverty rate. In comparing the occupation of the population before and after border trade, it depicted a shift in the occupation structure. Dependency on primary and secondary sectors has dwindled and the shift is directed towards the service sector. Cultivators are mostly absorbed in the labour workforce and few enter into business, as traders, shop owners or in other trades. The formalisation of border trade opens up various avenues for employment, both in the areas of unskilled and skilled labour. As

observed, the majority are engaged as porters and few are engaged as drivers, traders and as business owners. The rise in educational institutions provides employment opportunities mainly for educated youth.

Another impact of formalisation of border trade is in the demographic representation of the villages. Border trade acts as a pull factor, attracting people to migrate to these two bordering villages. Migration forms an important part in the livelihood strategy of the population. Prime village Zokhawthar is constituted mainly by the migrant population and can be characterised as a migrant village. Employment opportunities that exist on account of border trade, and the expectation to provide households with better living conditions, pull people to Zokhawthar and Melbuk villages respectively. Three major types of migrants are found based on their origin. Migrants from the intra district that is from Champhai district formed the majority type of migrants. This is followed by inter districts where migrants migrate from other parts of Mizoram districts and international migrants mainly from its neighbouring country Myanmar. Migrants from Myanmar belong mainly to the Chin tribe, who hail either from the Chin State or from Sagaing Division. These two places are the major sender of Myanmar migrants into Mizoram. A study on Migration and Livelihood. A Case of Migrants from Myanmar by Sangpui (2016) reported similar findings.

### **Livelihood Diversification.**

To understand the level of livelihood diversification of a household, different economic activities of a household which has monetary transactions are taken into consideration. It is observed that a household is likely to draw their primary sources of income from the above economic activities viz., business, salary, and from unskilled labour. As the proportion of income from a single source is just 21 per cent, households are engaged in diverse economic activities and that livelihood diversification is a common aspect in both the villages. Overall, on average households across both the villages combined three economic activities at the most. More than half pursue five economic activities indicating moderate levels of income diversification. Across the villages, Melbuk diversified slightly higher than Zokhawthar village. Across the villages, income from business, salary and from unskilled labourers contributed the highest sources of income in which 67% of

Zokhawthar's total income and 53% of Melbuk's total income were contributed by these three economic activities. The annual income of a household is low and falls in between Rupees 41242 - 220111. On an average, annual income pointed towards a higher level of a low range. Pertaining to the Livelihood Diversification Index (LDI), it is low, however, it is directed towards a higher level of low score, falling in between high and moderate low levels. The level of livelihood diversification in this study is inversely proportional to income. Zokhawthar, which shows higher annual income, indicates an otherwise lower level of livelihood diversification. Besides, it is seen that higher the proportion of income from a particular source, lesser the household's diversification. This further implies that diversification is a matter of poverty reduction strategy employed mostly by the household.

In terms of demographic and economic determinants of livelihood diversification, age is seen to have a significant effect on livelihood diversification. Other factors include, proportion of earners, size of family, number of economic activities. Size of family plays an important role in terms of contributing to household income, and factors in household capacity to engage in diverse economic activities. It contributed a significant effect on the Livelihood Diversification Index (LDI).

### **Access to Livelihood Capitals and Living Conditions of Bordering Communities**

Among the livelihood capitals, except for natural capitals, access to other capitals shows an improvement in the post border trade scenario, across both the bordering villages of Zokhawthar and Melbuk. Among the capitals that show improvement, access to physical capitals saw the highest improvement, followed by improvement in human capitals. Although variations persisted across both the villages, increased livelihood capital's endowment in comparison to pre and post border trade is seen to be higher in the prime village. The geo-political location of Zokhawthar along with the socio-economic characteristics provides favourable factors for its development in comparison to Melbuk village, which is located farther from the border trade point.

Regarding the impact of border trade on the living conditions of bordering villages, its impact is seen to register at a level of low to moderate. Across the two bordering villages, Zokhawthar saw a higher level of improvement in its living

conditions than Melbuk village. The impact of Border trade can be seen in the areas of facilitating and providing income security, employment security and in providing food security across the households. Among indicators, demographic, mean year of education, size of family shows significant effect on the impact of border trade in the living conditions of households. Likewise, economic indicators such as economic activities, physical assets endowment, and annual household income show a significant effect. In terms of access to livelihood capitals, all the capitals expect community participation before border trade shows positive correlation.

### **Conclusion**

From the above findings we can conclude that formalisation of border trade brings regional development, improved the living conditions of the people residing nearby the trade zone. It creates diverse livelihood options for the people and has supported the majority of the bordering population with a source of income. These developments occur on account of border trade which further filter in development through improvement in connectivity, infrastructure and building people's institutions. It creates a productive base upon which people build their livelihood where benefits are accrued at a household and at the level of the community. A study by Srinivasan (2012) on regional cooperation and infrastructure development in South Asia, indicated improvement in the level of household income, and depicted diversification of household's income. It further shows that there is a significant decline in poverty as better road linkages resulted in substantial improvement in access to health and education services.

In comparing Zokhawthar and Melbuk, the two designated border township, it is observed that geographical location and distance plays a decisive role in terms of accruing benefits. Zokhawthar, which is located nearer to the border trade zone than Melbuk, shows a higher level of development and improvement in living conditions. Employment opportunities existed better in Zokhawthar with higher paying wage/salary for similar jobs available in Melbuk.

Given the opportunities, people as well as the community adapt themselves to respond to those opportunities that exist. People build their own institutions to garner the benefits of border trade. Through the formation of groups, it provides people with bargaining power and a hold on the movement of trade. It has been observed that

often friction occurs between diverse groups that has impinged the smooth running of border trade resulting in loss of income, profit and road blockage. But at the core of it, it paves a way for change and growth. In light of this, it is pertinent to build the capacities of community leaders and other stakeholders to help resolve conflict in democratic ways.

Considering the linkages between livelihood assets and improvement in living conditions, there is a need to further enhance access to those capitals especially in the areas of physical and human capitals. Albeit, border trade promotes and supports livelihood to a large number of bordering households, yet households remain vulnerable in the face of external and internal forms of vulnerabilities. It is pertinent to address those vulnerabilities to lessen the associated risks and sustain the livelihood of the people. In addition to it, border trade across this sector needs to be sustained and enhanced as majority of the population depends on it for their primary livelihood.

Migration is a common feature observed in the bordering region situated nearby border trade. The role of migration as a part of household livelihood strategy needs to be further delved into. The contribution of migrant's diaspora would also provide an interesting subject of enquiry.

Given the spectrum of potentials border trade could invigorate in terms of development of border regions and in promoting livelihoods to people residing enroute trade zone, it is pertinent to enhance and strengthen the trade zone and address inadequacies around the implementation of border trade. Some of the steps that could be taken to enhance this trade zone are: -

- 1) The culture element enshrined under the three Cs (Culture, Connectivity, and Commerce) of India's foreign policy towards Southeast Asian (SEA) regions needs to take shape to help expand beyond the designated transit point by taking advantage of the ethnic ties and historical significance the place has to offer. With a host of festivals and historical asymmetry exerted by the people of Mizo and Chin of Myanmar, a common platform to celebrate cultural commonalities and distinctiveness could begin along the trade zone to facilitate greater visitation of people which could boost the local economy.

This will eventually spiral to affordable rooms that could be extended as hotels or homesteads. The existence of many historical places in and around Champhai and Rikhawdar has to be explored, operationalised and promoted as a hub not only for socio-cultural meet but also as a site for tourist destinations. Rih Dil (A lake situated on the Myanmar border) has a strong cultural connotation across the people of Zo as a passage of the soul after death. The existence of common cultural ties spells out for further possible collaboration.

- 2) There is an ardent need to organise and promote border meets, haats in order to facilitate local trade and exchanges. It will not only invigorate the local economy but also promote alternative livelihood options for bordering villages.
- 3) A spectrum of services in the areas of health and education need to be upgraded and standardised. India can take advantage of a medical tourist destination. There exist potentials to promote medical tourism as lack of health care services often prompted people on the other side of the border to visit Mizoram to avail health care services. Specialised and other higher institutions can be initiated to attract international students.
- 4) Revamp and promote local industries along with establishing forward and backward linkages for domestic as well as international trade. Entrepreneur development programmes could be initiated for local youths and investors. In spite of the abundance of bamboo which could be processed in a variety of products, there is a dearth of bamboo processing industry. Bamboo shoot, a delicacy among the north east and Southeast Asian(SEA) countries, has a huge market potential for which bamboo food processing units can be set up in and around the border trade zone. This will augment the development of the border region.
- 5) Inject necessary soft and hard infrastructure such as all-weather roads, connectivity, laboratory test facility, Health care facilities, broader banking services and educational institutions to cater towards human development. Greater need for Entrepreneurship development in the state is well founded.

- 6) Setting up of well-functioning communication towers/networks, information booths and upgradation of bank services at the border trade zone.
- 7) More studies on market-related research need to be conducted to capture market demand, supply chain, networks and in other fields that could add knowledge to the existing literature on border trade and facilitate a better trading mechanism.
- 8) There is a need to promote and enhance a trader's skill by organising exposure trips and interactive sessions from time to time.

Connectivity in the Northeast region (NER) of India has improved and strengthened, lessening to a great extent the geographical handicapness of the region. With 12 operational airports, the majority of the state capitals and towns are linked by air connectivity. Rail connection has improved over the last decades. Landlocked states like Mizoram (Bairabi), Manipur (Jirbam) and Meghalaya (Mendipathar) are now on India's railway map marking for a new vista to boost international connectivity. The upcoming waterway, the Kaladan Multimodal Transit Transport Project once complete, will connect the Sittwe port and ease trade and connectivity. With the recent announcement by the Centre to promote kisan rail and kisan udaan, the NER can channelise to become a centre for trade and commerce. As one looks at the socio-economic profile of NER, it proves better in education and health despite its poor economic performance. So is the case of Mizoram which indicates high human capital development having the highest literacy rate in India, only next to Kerala (Mizoram Economic Survey 2018). The wealth of human capitals needs to be capitalised. According to Kravis (1970) trade alone will not promote growth unless supported by other institutional changes. The need of the hour is to build the capabilities of locals to become entrepreneurs. Enhance and promote existing institutions of people for better collectivizing of products. Lack of enterprising skills, market related knowledge, and lack of capital act as a wet blanket to seek out the vast potentials.

### **Implications for Social Work Practice.**

Social Work as an academic body of knowledge has undergone changes that encompass broader thematic areas of interventions. According to the International Federation of Social Workers (IFSW) definition, Social Work is a practice-based



profession and an academic discipline that promotes social change and development, social cohesion, empowerment and work towards the liberation of people. In short, *social work as a profession aims to bring about positive change in a society*. The definition has enlarged the scope of social work. It recognized the importance of collective responsibility, and in linking people with their environment apart from recognizing the importance of individuality. In defining in a generalist way it recognized the multidisciplinary nature of social work where its body of knowledge and theories derived from different schools. This flexibility contributed in expanding the scope of social work as well.

The differentiation of social work practice at different levels provides a boundary and helps to distinguish the line of separation in the application of methods and target groups. However, in reality the social dimension of problems can be compartmentalized assuming problems persist only at a certain level. This differentiation cannot be used as a base to project the dominance of intervention at one level to the other nor imply the supremacy of one method over another's method of practice. There is a growing consensus about the need to focus on the dimensionality of the problem holistically, identify the interface of issues at various levels and how it interacts with a person and his environment. Problems cannot be treated in isolation from the individual with the society he interacts with. The emerging recognition of a *person in environment* bridges the divide between micro and macro levels of social work.

The emerging issues on account of the adoption of new policies, welfare regimes with forces of globalisation and the liberalisation process draw the need to focus globally in a holistic manner (Tan 2009). With the world economies being reunited yet exuding greater disparities in the level of resources, it brought to the forefront the need for greater thrust on community development that encompassed community economic development. At the threshold of marking a global village-forces which appeal globally need to be inducted into social work. International social work began to deal with such issues that are not local but could impact locally.

### **International Social Work**

Located at the periphery area away from main centers of market, the opening of borders for trade has positioned Zokhawthar and other nearby villages at the heart

of the globalisation process. In consideration of the shift from agriculture economy to trade economy, it has brought imminent changes in the social fabric, culture and local administration of bordering villages. Whether those bordering villages are made ready or not, it has to respond to forces of globalisation and liberalisation. International social work deals with issues that are international in its outlook. However, the demarcation of local, national and international dimensions has lessened with the rapid process of globalisation with the world economies integrating. As stated by Dominelli (2010), globalisation has been accompanied by internalisation of social problems. What may arise in one location becomes problematic in another location. Advancement in technology and communication has bridged the gap. For instance, migration has taken the forefront along with issues like smuggling, trafficking and labour exploitation in the global arena.

In a globalised world Dominelli (2010) advocates for indigenizing social work and recognising local input to social problems. Localising problems draw out cultural representation that is devoid of contextualising from a global perspective. The effects of the globalisation process in border areas need ground understanding and how lessons can be drawn when working with communities that are positioned at the centre of the liberalisation and globalisation process through the adoption of free trade movement.

### **Community Development**

Improving the social fabric of communities is key to sustainable change in which quality social relationships are essential towards building a strong community (Anderson & Millgan, 2006; Tan 2009). Community development has evolved over the past decades into a recognised discipline to both practitioners and academicians (Phillips & Pittman, 2009). In the field of social work, the settlement house movement which focused on the environment and communities in which the poor lived is associated with the beginning of community-based intervention programmes. According to Tan (2009) the theory of Community Development is practical and relevant for social workers for seeking lasting change for individuals and the communities and societies. Drawing on similarity in the tenets of both social work and community development, adopting community development, Tan (2009) further

advocated that Community Development based social workers can provide new innovative approaches to social work education.

Like varying concepts on community, community development is defined in differ arrays. Bharracharyya (2004) defined community development as the process of creating or increasing solidarity and agency. Mendes (2008) defined Community development as the employment of community structures to address social needs and empower groups of people. Across the varying definitions the underlying commonality is developing stronger communities of people. Phillips and Pittman (2009) attempt to consolidate the varying level of understanding of community development by connoting as a *process* and as an *outcome*. As a process, community development implies developing and enhancing the ability to act collectively, and as an outcome taking collective action the result of which is to aim for the improvement of a community in any sphere (ibid 2009: 6).

Community development and economic development are intrinsically linked and refer to the same community capital assets such as physical, social, financial, natural and human. However, advocates of community development draw a line to depart from assuming it on the same footing as economic development. Development ready community is a prerequisite for pursuing economic development in order to have positive change as there can be a plausible where community can have growth without development and vice versa (Phillips & Pittman 2009). As such, the basic focus of community development is to produce assets, and the purpose of economic development is to mobilise these assets (ibid). In combination of which social worker practitioners can focus on all round community economic development.

#### **Potential Areas for Community Intervention:**

Zokhawthar and Melbuk, two border trade townships, are fast growing economies characterised by a trade economy. Despite the existence of cross border trade, it is with the formalisation of border trade that has brought considerable change to the local economy and social life. From the findings we noted that it has brought about a shift in occupation and their livelihood is centered around trade. Access to various building blocks of livelihood and for economic development has improved. Border trade has contributed to the development of bordering communities, yet, border communities remain vulnerable to both climatic and non-

climatic factors. Conflicts, irregular trade, disease, policy change are some factors that could put them on the edge. Promotion of alternative livelihood remains wanting. Albeit bordering communities diversify their income, livelihood diversification scenario shows high concentration in few sources of income which at any eventuality can place households to fall back into poverty. From the findings and analysis, it can be ascribed that both bordering communities of Zokhawthar and Melbuk are at a transitional stage between village and full-fledged town. And with irregularities in trade, holistic community building needs to be focused. Areas for community development intervention are categorised in two broad areas viz., Community Building and Community Economic Development.

### **A. COMMUNITY BUILDING**

Bordering communities reorient to the opportunities exerted by border trade. Border practices reshape their identity, giving rise to social identification of the border. Border crossing, exchange of complementary goods, and cross border migration restructured the physical border. A sense of belonging is shaped by trade, ethnic ties and in locating at a border to develop a sense of what Flynn described as 'we are the border' (1997:319). Located at the intersection of two national economies, political systems and cultures, border communities bridge these differences and instead forge a new identity that at times contradict with State's policy and rule or at times with official and non-state officials. This results in contests and conflicts. In addition to it, working towards building a safe neighbourhood is eminent which calls for intervention at individual, family and at community level. Therefore, the areas that community development social workers could intervene in are discussed below.

#### **1. Community Building: Neighborhood and Family Intervention**

The first important step towards community development is to build the community in terms of creating assets and in improving access to resources. Community needs to be made ready to respond to both economic and non-economic benefits in order to have a positive change. Based on field experience and drawing from the analysis of field data, below are the areas of interventions that the researcher draws importance from.

(a) **Health:** Borders are seen as a threat not only in terms of security but also in

matters of non-traditional threats like border disease like malaria, HIV/AIDS, Tuberculosis and other infectious bovine disease. Risk for public health hazards along the Indo-Myanmar border is high considering the regions form a site for unmonitored cross border movements of migrants and animals. The Free Movement Regime (FMR) which allows free movement up to 16 kms on both sides of the borders allows migrants to glide without proper health monitoring. Mizoram depends on Myanmar largely for supply of meat, which goes unchecked and imported mainly through unmanned routes. The absence of testing laboratories and other infrastructure facilities add additional constraints to public health concerns. On numerous occasions due to the spread of bovine disease, Mizoram has banned import of pig and piglets, enforcing stringent actions like closing of border gates and trade transactions.

The commencement of border trade has opened avenues for employment and wage employment. It absorbed labour which characterised bordering communities. Majority are dependent on trade working in the capacity as porters and drivers exerting occupational health hazard. It compromises their health and the consequence can be seen in loss of wage employment, relying on medicines and on other substances to relieve their pain which could prove detrimental in the future to their health and surroundings. Cases of alcoholics are on the rise.

**(b) Education:** Another pertinent area of intervention is focusing on education. On account of the existence of easy wage employment, working as porters, dropout rate among school going youth is on the rise. In comparison to the number of population and educational institutions in the area, the rate of higher education enrollment is low. This concern was raised also by the village council president during the interview.

**(c) Youth Development:** In the study, the population of bordering communities is relatively young. Youth age group formed a larger percentage of the population. This implies the potential that border communities could reap from its young population. Therefore, intervention in the area of fostering youth development is of importance especially when it is in a transitional phase of embodying both village and town characteristics. Healthy youth population is essential towards building a safe community and neighbourhood.

## **2. Social Cohesion: Community Based Organisations**

Social cohesion is the bond that binds an individual to the community or society. It is the element that directs growth and development for the whole community. Academicians and practitioners of Community Development assign importance to social capital (Tan, 2009; Perkins, nd; Anderson & Milligan, 2006; Phillips & Pittman, 2009). Social capital facilitates community development, it acts as an enabler to access critical resources as such improving the social fabric of communities is the key to sustainable change (Anderson & Milligan, 2006; Phillips & Pittman, 2009)

**(a) Community visioning and planning:** Building vision and proper planning are two prerequisite elementary steps in any community-based interventions. It measures progress and the direct setting of objectives for a community. It takes into consideration what kind of community they want to build, what they want to achieve and how to develop strategies to achieve their goals. It also takes into account the current position and image of the community. During my field work, I encounter occasional stereotypical language by non-border residents some of which are enforcement officials describing what goods can come out from communities located near the trade centre. Some explicitly describe in this manner, *“You will find everything in the border, except God”*. Service vehicles originating from Zokhawthar are scrutinised more by law agencies than those vehicles originating from other areas. Moreover, located in a transit route for smuggling of drugs, arms and other contraband substances with a large floating population of migrants, stereotyping is inevitable.

**(b) Community leadership:** This is another important area. During field interviews with various leaders, the educational level of the majority of leaders is below high school. The need for training, capacity building, awareness on border trade policy and other related rules and regulations was felt both by the respondents and interviewers. Leaders need awareness on important basic aspects of communicative action, conflict theory, and symbolic interactionism. Border is located in a zone that is highly militarised and at the same time permits cross border movement of people and goods. And commodities that move across the border form the center of struggle across various groups leading to conflict between state

agencies and non-state agencies or sometimes between different groups in existence on account of border trade. On numerous accounts, dispute has occurred along Zokhawthar – Rih where it most affected wage earners who had to depend on trade for their daily source of income. Capacity building of local leaders in the area of conflict management and resolution is needed in order to mediate through disputes and conflicts. Since border practices define identity and sense of belonging, the symbolic nature of it needs to be recognised from the economic, socio-cultural and political sphere.

### **3. Community Action on Environment and Sustainable Development**

Access to natural resources is vital. It provides households with an alternative source of income and contributes towards ensuring food security. Communities need to be made aware of what constitutes sustainable? The adoption of sustainable development considers the impacts of development activities not only in economic terms but also in social and environmental dimensions.

## **B. COMMUNITY ECONOMIC DEVELOPMENT: STRATEGIES**

This is another important area that needs to be focused. Community development produces assets that may be used to improve the community on the other hand economic development purpose is to mobilise these assets to benefit the community (Phillips & Pittman, 2009). Assets include five broad categorizations in terms of natural, financial, social, physical and human assets. The significance of community economic development as noted by Crodero-Guzman and Auspos (2006: 196) is that it's not just focus on economic development of a community but also focus on community building. The efforts of CED must include understanding the assets of a community through community assets assessment.

### **1. Community Development Assessment**

Coming to community development assessment, various assessments can be adopted like SWOT analysis, community resource mappings and surveys.

### **2. Community Entrepreneurial Development**

Community assessment suggests existing opportunities in a community in matters related to expanding existing business or in developing new business opportunities. Job creation and absorption of locals in meaningful employment through skill development and in inculcating entrepreneurship spirit. Assessing

business opportunities in the area of tourism, service sector, and small-scale business are avenues that can be exploited to further develop. Border trade attracts people and with existing tourist destinations tourism development has potential. Few households have run homestays, turning their extra room into business opportunities. Likewise, knowledge on marketing can be initiated. Marketing strategies, and development of markets are few areas that can be focused on.