

INDO-MYANMAR BORDER TRADE: THE STUDY OF SOCIO-CULTURAL AND POLITICAL DYNAMICS IN MIZORAM.

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CHAPTER-1

1.1 Introduction:

Throughout history international trade has been playing an important role in the development of various economies. In the entire first millennium of the Christian era, India's trade was widespread and as such many foreign markets were dominated by Indian merchants.¹ India being very rich in some materials that other countries lacked could send these materials abroad. Today international trade accounts for about 15 per cent of the total economic activity in the world;² it is as important in the third world as in the developed countries. Trade across the international boundary has been practiced by people living across the border in order to meet their needs. We know that initially the Europeans came to India with the basic objective of trade. No nation is self-sufficient by itself; to meet its requirements which are short in the country, it has to look beyond the international boundary. International trade had been useful in the past, it is still useful in today's world. Its essential nature has been more manifested in today's globalizing world more than before because nations realize the benefits of integration. Developing countries need to develop trade across the international border which is vital for their over-all growth. Today 'Poor countries are more dependent on international trade',³ indeed, it is now an essential part of normal economic activity of almost all nations.

¹ Jawaharlal Nehru, *'The Discovery of India'* Penguin Publications, New Delhi, 2004, p.228.

² Joshua S.Goldstein, *'International Relations'* Pearson Education, Delhi, 2004, p.309.

³ Pascal Lamy, Director General, W.T.O. on CNN news on July 6, 2009 at 10:35 pm.

To have an over-all development of a country, foreign trade must play an important role, because no country is self-sufficient by itself. A country should export its surplus goods and in turn import goods which are essential and scarce in the country, and the theme that 'our exports must be their bottle neck goods and their export our bottleneck goods, it is only then that our exports will meet with ready response',⁴ that should be kept in mind in conducting trade across the international border. However, in the case with the Indo-Myanmar border trade through the State of Mizoram, the nature of the trade is mainly an informal, as such, it can not be said with certainty that it provides balanced economic growth in Mizoram.

The process of formal trade as per the Indo-Myanmar border trade agreement between India and Myanmar has been going on since 1994 and it is in the completion stage. With regard to border trade through the State of Mizoram, the formal trade is yet to be fully operational and as such, the border trade across the international border through the State of Mizoram is in the nature of informal structure. Through this informal trade goods are imported and this informal trade is the main focus of the present research.

The preparation for formal trade in the Champhai Zokhawthar-Rih sector has been going on steadily since the signing of Indo-Myanmar border trade agreement on January 21, 1994. Very soon normal trade between India and Myanmar is likely to take place across the

⁴ B.Satyanarayan '*India's Trade with Asia and the Far East Countries*' B.R Publishing Corporation, New Delhi, 1986, p.2.

international border through the State of Mizoram. In fact, the informal trade has been going on through Zokhawthar-Rih sector channel. Out of these goods, only a few of them, like agricultural products such as edible items and animal husbandry are the products of Myanmar. Goods items other than these that have come through Myanmar to the State of Mizoram are mainly produced in other countries mostly from China and Thailand. These third country products are industrial goods that have entered Mizoram through Myanmar.

The Northeastern region of India remains by and large, a land-locked region. It is surrounded by Bangladesh, Bhutan, China and Myanmar. The Northeast India is linked to the mainland India through Siliguri by the tiny but strategic point known as chicken neck, very small narrow strip of land measuring only 33 km in width. Considering this peculiar geo-political location, cross border markets are very fruitful for the people of the border areas. Border trade is also producing economically efficient result and becomes more cost-effective for the Northeast India's surplus productions than the distant national markets which are far away from the Northeastern States.⁵

Considering the significance of the border trade between India and Myanmar and with a view to promote socio-economic growth and to minimize the large volume of smuggling of goods, an agreement was signed on January 21, 1994. Consequent upon that, Indo-Myanmar border trade as per agreement between the two countries has taken place through Moreh Land Customs Stations in Manipur which was opened on April 12,

⁵ J.R.S. Khating '*Indo-Myanmar Border Trade*' in Gurudas Das at el, *Indo- Myanmar Border Trade Status, Problems and Potentials*, New Delhi, Akansha Publishing House, 2005, p.41.

1995 by the Minister of State for Commerce, Government of India, P. Chidambaram along with the Myanmar counterpart, the Minister of Trade Myanmar, Lt. Gen. Tun Kyi,⁶ but the Indo-Myanmar border trade point through the State of Mizoram was neglected until 2002. The Government of Mizoram, realizing the importance of Indo-Myanmar border trade, constructed a bailey bridge over the river Tiau at Zokhawthar-Rih sector across the Indo-Myanmar border in 2002. This greatly facilitated the movement of goods and people across the Indo-Myanmar border from Mizoram sector which became one of the main supply lines of foreign goods to the State.

In view of the disadvantage location of the State of Mizoram and its backwardness in terms of infrastructure, slow growth of economy and various other socio-cultural and political factors, the development of border trade is included in one of the clauses that were enshrined in the Mizoram Accord of 1986 between the MNF leadership and the Government of India. The implementation of this important clause of agreement has been delayed for a long time which is very vital agreement for the socio-economic development of the land-locked Mizoram. This border trade becomes the life-line of a large number of people living in the border areas, particularly in times when the supply lines in the national markets are interrupted due to various reasons. The second border trade point via Champhai-Zokhawthar sector corresponding to Rih in Myanmar as envisaged in the border trade agreement between India and Myanmar was inaugurated on January 30, 2004 by Tawnluia, the then Home Minister of Mizoram. This has been a step in the right

⁶ *Ibid*, p.43.

direction towards the implementation of the border trade agreement between India and Myanmar signed in 1994 which placed Champhai – Zohkawthar sector as the second Indo-Myanmar border trade point in the State of Mizoram.

1.2 Statement of the Problem:

Border trade is now increasingly looked upon as one of the means to generate growth and development in the backward economy of the Northeastern region. The present study analyses the various aspects of socio-cultural and political implications of the Indo-Myanmar border trade via Champhai- Zokhawthar sector. The Government of Mizoram has acquired 126.96 acres of lands at Khawnuam,⁷ which is 8 km from Zokhawthar for the establishment of border Trade Township. The Government of Mizoram marks this town as ‘*Special Economic Zone*’.

A study of the Indo-Myanmar border trade through the State of Mizoram reveals that varieties of foreign goods have entered from Myanmar to the State of Mizoram through Zokhawthar-Rih sector. It is also to be noted that the informal trades that have been carried out through all the transit points along the Northeastern region is very high. Because of this, there is an urgent necessity to direct these trades through the legal channel. Due to all this, the need arises to have a serious study of the nature of commodities in the emerging Indo-Myanmar border trade. The study is more important in the face of liberalization and globalizing tendencies that have been on the rise lately; where in this

⁷ *Project Report of Trade and Commerce Department*, Government of Mizoram, June 6, 2008, p.8.

context international border points become more of assets than liabilities. It is also pertinent to mention that the border between India and Myanmar is porous; as such, there has been virtually no restriction in crossing it from either way.

The fact of the matter is that the national markets such as Delhi, Kolkata, Chennai, Guwahati etc. are a bit too far from the State of Mizoram, and if border trades are opened with the neighboring countries many of the problems faced by the State are likely to be solved. Surely, the development of border trade will usher in a new era of prosperity and development in all spheres to this land locked State. However, border trade has to be tackled and managed with great care as border trade brings in along with it multifarious side effects to the socio-political set up of the society. Due to this, a deeper study is needed to find out the various implications of border trade.

Border trade generates a lot of ripple effects; border trade generates social problems in Mizoram, as unlawful activities started appearing in and around the border areas. There has already been a phenomenal increase of illegal migration of Myanmarese to Mizoram. The people from Myanmar come to the State of Mizoram to earn their daily bread by engaging themselves in different kinds of works as weavers, domestic servants, daily laborers and some of them doing trade and business activities. Border trade brings along with it various social problems in Mizoram. Social problems such as robberies, smuggling, stealing etc. are common phenomena particularly in border villages and towns in Mizoram. However, as the Mizos have a close cultural link with

the Myanmarese, a large number of Myanmarese from neighboring Chin State enter the State of Mizoram. Majority of Myanmarese migrants in Mizoram are political and economic migrants and have settled in different places in Mizoram with far reaching socio-cultural and political impact in Mizo society.

These Myanmarese migrants are from Chin State neighboring Mizoram. They are ethnically the same with the Mizos. There is a huge psychological affiliation between these ethnic stocks. People to people contacts have become a regular phenomenon. Many Myanmarese traders have entered Mizoram to sell goods, many of them are engaged as laborers and many have settled in Mizoram permanently which in turn generates political implications in Mizoram. The socio-political problems can also become worse if border areas are not efficiently manned. Accelerated cross-border migration leads to a number of demographic problems in Mizoram. As a matter of fact, infiltration of foreigners and their free mobility in Mizoram generates varieties socio-political crises.

As the study is an inter-disciplinary in nature, it deals with relevant concepts relating to border trades. The study focuses mainly the Indo-Myanmar border trade via the State of Mizoram and its socio-cultural and political implications in Mizoram. Although socio-economic repercussion of border trade is dealt in this study, the main focus is on the political implications in Mizoram.

The stories of the Lushai Hills district have been closely associated with the history of Burma. The various Mizo tribes entered the

State of Mizoram at the close of 18th century from the Chin Hills of Myanmar formally called Burma,⁸ and all the Mizo ethnic groups, tribes, sub-tribes, clans have entered Mizoram through Myanmar and then from there, to different directions in India. Today, different Mizo ethnic groups are still living in Myanmar, and continually cross the Indo-Myanmar border to and fro for the purpose of doing business in trade and to work in the State of Mizoram. Myanmarese military regime was not favorable to many of the Chins living in the Chin State of Myanmar. Moreover, the State of Mizoram being peaceful ever since the signing of the Mizo Accord in 1986, the Chins of Myanmar find Mizoram a favorable destination to earn their living and a means to help their families in Myanmar. The Chins are ethnically the same with the Mizos and the Mizos also do not reject them which is why there is mutual co-existence between the two communities in Mizoram. As the process of living together in the State continues to progress, their symbiotic relationship is deeply strengthened by this co-existence. Interestingly, there is an organization which favors the unification of the ethnic Mizos even from across the international border and is still working in tandem to achieve the goal.⁹

Culturally, there exist a close affinity between the people of Chin Hills which is bordering the State of Mizoram and the people of Mizoram. Both these Mizo ethnic groups have claimed that they have come from the same place called *Chhinlung*,¹⁰ which acts as a channel for

⁸ Suhas Chatterjee '*Making of Mizoram*' Volume 1, M.D Publications, New Delhi, 1994, p.51.

⁹ An organization known as '*Zomi Re-unification Organization*' (ZRO) is actively working for the re-unification of different ethnic groups living in Myanmar, India, and Bangladesh.

¹⁰ Lian H. Sakhawng '*In Search of Chin Identity*' Nordic Institute of Asian Studies,

emotional integration. When Mizoram became democratically a peaceful State people from Myanmar find themselves easy to cross border to do business and work in the State of Mizoram. As long as they behave well these Myanmarese are tolerated by the Mizos but as and when anti-social elements surface from the Myanmarese community, communal issues used to flare up. However, the Myanmarese have contributed to the economy of Mizoram, and enriched the socio-cultural fabric of the Mizo society. This has been explained in detail in chapter-3 of this study paper.

With regard to the Indo-Bangladesh border trade through the State of Mizoram, progress has not been satisfactory. However, the Government of Mizoram has been closely watching the situation. The Indo-Bangladesh border trade point through the State of Mizoram has been located at Thlabung. In this area, the Department of Trade and Commerce has proposed to acquire land for the purpose of Indo-Bangladesh border trade via the State of Mizoram. With regard to Thlabung of Bangladesh border, official trade is only in an embryonic stage.

Another area which is dealt with in this work is the south of Mizoram, where the Kaladan Multi-Modal Transit Transport Project agreement is being envisaged by India and Myanmar which is one of the main focal points in the Look East Policy of the Government of India. The project is so important that when it is completed the State of Mizoram is destined to become one of the gate-ways to the South Eastern countries of Asia through Indo-Myanmar border trade point. The

Copenhagen, 2003, p.1.

Northeastern region will have an access to the Bay of Bengal via river Kaladan. Though Mizoram is located in the extreme east of Northeastern India, the State is surrounded by Myanmar in the east and south and Bangladesh in the west and in the north Assam and Manipur States. Fortunately, the southern river called river Kaladan flows to Myanmar and reaches Sittwe port in Bay of Bengal in Myanmar. The river Kaladan Multi-Modal Transport Project is a project to make river Kaladan navigable up to a certain point so that the State of Mizoram becomes accessible to Sittwe port which will turn Mizoram geographical handicap into an opportunity for development in diverse spheres. The Northeastern States have been suffering from economic backwardness due to various reasons. One of such reasons is its geo-political isolation and hence, the panacea of these ills lies in the country's Look East Policy. We will discuss about the Look East Policy with a special reference to the Kaladan Multi-Modal Transit Transport Project in Chapter-6.

1.3 The Concept of Border Trade:

According to American Heritage dictionary,¹¹ border means a part that forms the outer edge of something. The line or frontier areas separating political divisions are geographic regions or, a boundary. In this context, border refers either to the boundary line or to the area immediately outside. According to Webster's encyclopedic dictionary, border means the part or edge of surface areas which form its outer boundary, States, province etc.¹²

¹¹ www.waltracts.com accessed on 19.7.2007

¹² Webster's Encyclopedic, Unabridged, Dictionary of English language, London House Value Publishing, New York, 1996, p.171.

There are many definitions of border trade. In simple term, border trade is usually refers to the transaction of goods and services across the international borders between countries. In this case, it is a part and parcel of normal trade that flows through the procedure of import-export frame work of nations. In other word, border trade also refers to as the increase in trade in areas where crossing border is easy.¹³ Border trade also takes place in the border areas where goods are significantly cheaper in one place than another. Border trading is often done as a result of differences in transaction level in goods, such as agricultural products like, tobacco, ginger, reed broom, etc. Nevertheless, where border trade is done for avoidance of tax, then, it forms part of the underground economy of both countries. However, through this black economy many people get employment across the border. Some of the special examples, where border trades are conducted in different parts of the world are the borders between Ukrain and Russia, between Norway and Denmark, between Denmark and Germany, between India and Bangladesh and between India and Myanmar. Border trading also exists between Northern Ireland and Republic of Ireland because petrol is cheaper in Republic of Ireland and groceries, furniture, clothing and other goods are cheaper in Northern Ireland. People who live across international borders often purchase goods on the other side of the border. It is to be noted that cross border shopping between the three countries of

¹³The commercial relation between countries cannot be viewed entirely on the basis of exchange of goods by the people. Therefore, it is necessary to deal with other related issues such as social, political and cultural issues which are often associated with trade across the border. Therefore, cross border trade refers to buying and selling of commodities that take place across the international border. In other words, goods sold by a seller in one country and bought by a buyer in another country are also considered as cross border trade.

North America, such as, Canada, USA and Mexico is very brisk.¹⁴ The North American Free Trade Agreement has reduced barriers and tariffs, thereby, facilitating cross border trade between them.¹⁵

People take part in cross border trading in order to gain access to larger market places, for example, many Singaporeans also travel to Johor Bahru in Malaysia to take advantage of price differences and different products availability. In this context, the Singapore government has introduced law that requires a vehicle leaving Singapore to have a fuel tank that is mostly full in order to prevent it from being filled with fuel from outside the country.¹⁶

Border crossing is another related issue of border trade which needs a brief explanation at this point. Many countries today have laws requiring workers to have proper documents in order to prevent unauthorized entry of immigrants to their countries. However, this has been very difficult to enforce because laws breakers are scarcely punished, as such, they continue to hire unauthorized immigrants. These

¹⁴ Several terms are used to elucidate the limits of a country, it is known as boundary, frontier or, border. Some boundaries are drawing through treaties and agreements, and others follow the natural boundaries marked by rivers, specific mountains, or informal based on well established customs and traditions. A border is in truth, a transition zone where the country's jurisdiction ends and other sovereign jurisdiction begins. The fact of the matter is that border zone is usually multicultural, bilingual, racially mixed and share many things in common, including markets and other economic links. The Northeast India has shown such divergent cultures, at the same time this is the area where South Asia begins or, ends, and also it is a place where, mongoloid racial stocks intermingle.

¹⁵ <http://en.wikipedia.org/wiki/border-trade>. Accessed on 8.4.2010.

¹⁶ *Ibid.*

unauthorized immigrants are also used to be in friendly relations with the employers as they can be hired less than the legal minimum wage.¹⁷

Indo-Bangladesh border in Dhubri District of Assam is also another example of high tension border point,¹⁸ where a lot of cattle are being smuggled from Assam to Bangladesh. The Indo-Bangladesh border is a very volatile spot where the exchange of gun fire between the Border Security Forces and Bangladesh Rifles has re-occurred almost on a regular basis thereby affecting the border villages.¹⁹

Theoretically, border trade can be of various types and can occur at various levels and spheres. It means the transactions of surplus goods particularly of agricultural and horticultural products between the people living on both sides of the international borders. Here, the international boundary becomes the meeting ground instead of dividing line. At the Indo-Myanmar border trade points at Zokhawthar- Rih sector, the main items of trade importing to India are third country products which are industrial goods that have entered the State of Mizoram through Myanmar. The products of Myanmar also entered the State but these are mainly edible items which in Mizo called *eichawp*.

The Indo Myanmar border area has also become a corridor to the eastern countries, rather than a liability, a periphery, land-locked. The place has become an opportunity for growth and development in diverse spheres. This phenomenon has occurred in a place where the Indo-

¹⁷ *Ibid.*

¹⁸ *Eastern Panorama*, Shillong, June, 20, 2009, p.28.

¹⁹ *Eastern Panorama*, Shillong, April, 2010, p.15.

Myanmar border trade point has taken place at Zokhawthar-Rih sector. Just across the river Tiau opposite to Zokhawthar, Tiau town has come up which is also border trade town in Myanmar. The population of Tiau town is culturally intertwined with different ethnic groups, speaking different languages, engaged in different occupations. Some inhabitants speak in Chin language, some Kawl and some in *Dhulian* language which is popularly known as Mizo. The border areas have become the gate-ways of development and opportunities for growth and main source of supply of goods to the region. The area also turns to be the place where people get employed in their own ways.

1.4 India's Borders with Neighbors with Special Reference to Myanmar:

India has a very extensive border with its neighbors. The length of border with Bangladesh is 4,096.70 km, Bhutan 643 km, Myanmar 1643 km, China 3440 km, Nepal 1747 km, and Pakistan 3310 km. Therefore, managing border stretching over 15,000 km,²⁰ adjoining 6 countries is a very difficult task. The border management becomes more difficult when there is a substantial ethnic affinity exists on both sides of the border. This is exactly the case with India and its neighbors. With regard to Indo-Myanmar border some discussion is relevant. Four Northeastern States such as Arunachal Pradesh, Manipur, Nagaland and Mizoram have shared their borders with Myanmar.

²⁰ *Asia Defence News*, 15 July, 2007, Vol-iii, issue-7, pp.21-22.

There are border trade points which are officially recognized by the Government of India under the border trade agreements signed between the Government of India and the Government of Myanmar. Moreh-Tamu sector, Manipur bordering Myanmar, Zokhawthar-Rih Sector, Mizoram bordering Myanmar, Longwa in Nagaland bordering Myanmar, Pangsau pass in Arunachal Pradesh bordering Myanmar are some of the important border trade points which are recognized by both the countries.

Zokhawthar is located at the extreme east of the district of Champhai at a distance of 30 kms is bounded by the international boundary with Myanmar. The river Tiau runs between Zokhawthar and Myanmar. The whole of Mizoram shares 450 km international border with Myanmar. The State capital Aizawl is situated at a distance of 228 km from the zero point, Zokhawthar. Zokhawthar is a very small village with a population of 2025 people,²¹ and most of the places are mountainous with hills and forests spread all over the areas. The smugglers mostly use hilly routes. The typical topography and difficult terrains act as a barrier to effective anti-smuggling forces to operate the areas efficiently.

As far as the Indo Myanmar border trade via the State of Mizoram is concerned, so far, only one border trade point has been officially recognized and developed at a place called Zokhawthar-Rih sector in Champhai district *vis-a-vis* Chin State in Myanmar. The development of this border trade center and its implications for the State

²¹ Based on the Author's field studies at Zokhawthar town on September 22-24, 2007.

of Mizoram are examined in this work. Vaphai border trade point is another unofficial trade point wherein cattle have found their way to Mizoram. In the southern most part of Mizoram, there is another trade point at Lawngtlai known as Hruitezawl, wherein goats and other edible things from Myanmar used to be brought. From the Chin State in Myanmar bordering the State of Mizoram, traders used to come by boat following river Kaladan to Hruitezawl in Lawngtlai district.

1.5 Literature Review:

The literature dealing with border trade has been there in abundance. In the field of economics a plethora of literature is available. Border trade in India also has been studied in large measure by trade experts. Border trade in Northeast India has also been studied to some extent by some economists. Literature on the Indo-Myanmar border trade via Mizoram, however, is scant. There are few research articles though; they are not of substantial contribution to literature. Still more important, works relating to Mizoram have been few and far between, let alone on the border trade. In this context, it is relevant here to review some representation works relating to Mizoram and border trade.

B.G. Verghese focuses on the concept of borders,²² which states that several terms are used to describe the limits of the States, boundary, frontier or border. It is stated that boundary as a limit beyond which another sovereign lies. It also explains a frontier in a wider context in a way that a frontier indicates nearness to the boundary. The book

²² B.G. Verghese 'Reorienting *India: the New Geo-Politics of Asia*' Konark Publishing House, New Delhi, 2002, pp. 47-67.

elucidates that a border is a transition zone; it states that border areas are usually bilingual, multicultural, racially mixed and share much in common, including, market and economic links. The book explains the Northeastern region as land-locked areas created by the partition of India. The book also explains the Myanmar political system and how military regime has come into being in Myanmar. Although the book is an important contribution to the study of the North-East, the implications of border trade are neglected to a great extent.

Gurudas Das and R.K Purkayastha,²³ elucidate the various aspects of border trades in the Northeast India. The book also explains border trade that has been in existence in the colonial era wherein the Northeastern States traded with neighboring countries such as Bhutan and China. The book also describes the post colonial era wherein border trade has been in existence between the North eastern States and the neighboring countries such as China, Bangladesh and Myanmar. The book also mentioned the informal trade that that has been going on along with the formal trade which has become a matter of serious concern. The book has suggested that the entire border of the Northeastern India needs urgent attention of the respective governments. There is, however, a very little mention about the Mizoram border trade.

In another book by Das, Singh and Thomas,²⁴ it is stated that even though cross border contact and movement of people has been going on

²³ Gurudas Das and R.K Purkayastha, '*Border trade in Northeast India and Neighbouring countries*' Akansha Publications, New Delhi, (n.d).

²⁴ Gurudas Das, N. Bijoy Singh and C.J Thomas, '*Indo-Myanmar Border Trade, Status, Problems and Potentials*' (edit.) Akansha Publishing House, New Delhi, 2005.

throughout, yet, they have not led to any strong economic interdependence between the regions and across the border so far. The State-Center security perception in both Myanmar and India treat these regions as vulnerable border areas; as such, the idea of shared border and border area development do not receive due attention from national power-centers. The book also stated that the geo-economic potentials of the border areas were very much outweighed by the geo-political considerations of the region.

The book stated that the situation has changed due to the end of cold war paradigm, the rise of South East Asian Nations and the rise of globalization. The globalizing forces have brought economic interests of the nations into the forefront of their foreign policies. Due to the regional trading arrangements, border areas are now viewed as economic corridors rather than far flung areas. Keeping in view of these phenomena the contributors of this book examine the status, problems and potentials of the Indo-Myanmar border trade based on resource, production and demand structure of the Indo-Myanmar border trade. The book also mentions the Look East Policy for the Northeastern regions, in which it mentioned regionalism in Asia, India's association with the east and China. It also mentioned about the border trade agreement between India and Myanmar and the opening of border trade posts.

S.N. Singh, in his book under review elucidates the various aspects of the Mizo society,²⁵ its culture and Administrative set up. The book explains the geography of the State, the economy and a wide

²⁵ S.N.Singh 'Mizoram-Historical, Geography, Social, economic, Economic Political and Administrative' Mittal Publications, New Delhi, 1995.

panorama of Mizoram from the British era onwards. It is stated that political participation in Mizoram is deeply ingrained among the Mizos. The book also mentioned that political participation of the people moved along with the economic development which is part of modernization and operation of a nation State. The book also further stated that in Mizoram political participation is primarily rural based where responsive involvement of the villagers in the political process is significant. The book also mentioned that the ethnic diversity and the nature of interaction among the tribe and sub-tribes have also influenced the nature of political participation in the remote villages of the State.

Uma Shankar Singh focuses on India's trade relation in Burma in the initial stages of their independence from the British rule,²⁶ and he further stated that Burma was a reliable friend at the time when India was facing terrible hardship during partition and communal riot. It stated that Burma supplied essential food needed in the critical hours. It further stated that India obtained most of its rice, mineral oils and teak wood from Myanmar during the period. Besides, Myanmar was an important market for Indian manufacturers. It further stated that when India became an independent country in 1947 and Burma in 1948 from the British rule, trade across the border swelled magnificently. When India got its independence, its food need was largely met by Burma. The first long time agreement between India and Burma was signed on 29th September 1951 in Rangoon by Ukyaw Mynth, the then Myanmarese Commerce minister and M.A Rauf, the then Indian ambassador to Burma.

²⁶ Uma Shankar Singh, '*Burma's Economic Relations With India 1948-1962*' *Journal of School of International Studies*, vol 14 Vikas Publications, New Delhi, 1978, Jan-Mar.

Sreeradha Datta elucidated that event after 50 years of India's independence North East India continues to draw national attentions for several reasons,²⁷ and the book examines the roots of the turmoil in the region, the inadequate economic development as one of the factors for the prolonged violence and instabilities. Sangkima, on the other hand, focuses infiltration of foreigners in Mizoram,²⁸ and his book also concentrates on the forces which encourage the infiltration into the State and its impact in Mizoram.

Suhas Chaterjee focuses on the nature of Mizoram and also gives an insight of the Mizoram Peace Accord signed on 30th June 1986 in New Delhi which stated, among other things, that the Government of India has agreed to speed up the economic development of Mizoram,²⁹ and the book also elucidates that for the development of local commerce the Mizo Accord empowers the Government of Mizoram to trade with Myanmar and Bangladesh on specific articles independently. George Thomas Kurian explains the Myanmarese political systems,³⁰ and his book stated that all Myanmar exports and imports are made by the Myanmar Export-Import Corporation. A. Appadorai and M.S. Rajan focus on India's long establishment of trade relations with Myanmar,³¹ and discuss in clear term the trade route over land and by sea which had been long established between India and Burma. From the study of this

²⁷ Sreeradha Dhatta '*The Northeast Complexities and Its Determinants*' Shipra Publications, New Delhi, 2004.

²⁸ Sangkima, '*Cross Border Migration in Mizoram*' Shipra Publications, New Delhi, 2004

²⁹ Suhas Chatterjee, '*Mizoram Encyclopaedia*' Ruskin Publications, New Delhi, 1990.

³⁰ George Thomas Kurians '*Encyclopaedia of the World*' Monsell Publications, London, 1982.

³¹ A.Apparodai and M.S Rajan '*India's Foreign Policy and Relations*' South Asian Publications,New Delhi,1985.

work we come to know that India's influence in the field of religion, culture and the arts are very profound in Myanmar from ancient times. N.Jayapalan states that historical,³² cultural and economic links further provide helpful basis for the development of Indo-Myanmar friendship and co-operation.

Lt.Col. Thomas. H. Lewin focuses on the way how the English conquered the Lushai Hills during the year between 1871-72,³³ and the book clearly stated that the Lushai chiefs often committed a series of attacks of the worst kind of character in the neighboring district of Cachar, thereby killing several Europeans and carried away off Mary Winchester, the little daughter of a tea planter along with many other British subjects into captivity. This was the reason why a punitive expedition was carried out by the British against the Lushai chiefs. The book also explains the role of the Mizo chiefs and their way of life in the Mizo society and how Mary Winchester has been rescued. This book is very valuable for research students who would like to wish to know about the Mizo society in the pre-British era. The book is the actual experiences faced by the author himself who was leading the Lushai expedition team. So this book is a very rare book and very valuable source of material indeed.

Suhas Chatterjee focuses the root of insurgency in Mizoram,³⁴ and the book mainly deals with the role played by Laldenga in the making of the present Mizoram. The book also mentioned in no uncertain

³² N.Jayapalan '*India and her Neighbours*', Atlantic Publication, New Delhi,(n.d).

³³ LT.Col.Thomas H Lewin '*A Fly On The wheel*' Tribal Research Institution Publication, Aizawl, 1977 (Reprint).

³⁴ Suhas Chatterjee '*Making of Mizoram*' M.D Publications, New Delhi, 1994.

term that B.P Chaliha the then chief minister of Assam was tricked by Laldeng by promising him to remain loyal to the constitution of India and promised to co-operate with the Assam Government. But the moment Laldenga was released from Silchar jail he resumed secessionist activities with full force by recruiting new volunteers and by sending these young volunteers to Pakistan, Burma and China.

In another book, P.S Bashu focuses the final annexation of Burma by the British which gives a critical question of the annexation of the British which annexed Burma on the pretext of French threat to be the operative cause behind the annexation,³⁵ the book makes a significant contribution calling into question the hitherto accepted point about the real British motive in the annexation of upper Burma and the extent to which the so called French threat was no more than a mere pretext in the imperialist game. R.N Prasad and A.K Agarwal give an impressive picture of the development process in Mizoram,³⁶ the study focuses on the trends and issues related with the political, administrative and economic development of the people of Mizoram. An in depth analysis has been made to ascertain the constrains, political, economic, environment and the potentials for the future of the State.

Verinder Grover focuses the Burmese political system before and after the attainment of its independence,³⁷ the political turmoil that has engulfed Burma since its independence has been explained very

³⁵ P.S Bashu '*Burma Myth of French Intrigue*' Naya Udyog Publication, Calcutta.

³⁶ R.N Prasad,A.K Agarwal '*Political and Economic Development of Mizoram*' Mittal Publication,New Delhi, 1991,pp.3-257.

³⁷ Verinder Grocer '*Myanmar Government and Politics*' Deep & Deep Publications, New Delhi, (n.d)

precisely. The book also discusses the speech of the prime minister of Burma on June 13, 1948, which stressed, among other things, that the foreign trade of the Republic Burma should be under taken directly by the Government. The book further stated that the exchange of goods between Burma and other countries had to be performed in the best interest of Burma. B. Pakem focuses the relationship between India and Myanmar in the initial stages where India and Myanmar got their independence. This book has filled the gap in our knowledge of the type of relationship between India and Myanmar in the early years. The book discusses the foreign policy relationship of India and Burma,³⁸ in the field of nonaligned movement. Giridhari Prasad Das examined about the commercial relations between India and the West Asia during the 6th Century BC to 3rd Century AD.³⁹ The book focused not only on the commercial relation between these two regions, but also other related matters, such as, social, cultural and political issues. The social attitudes of traders and the attitude of ruling classes towards foreign trade are also discussed in the book. The book stated that the Aryans and the early Iranians were two branches of a single stem. However, after the migration of the Indo-Iranians to India the old cultural links between the two lands were severed. The geographical barrier created separatism in the relationship between the two lands. But in 611 BC due to the change in the political scenario both the countries renewed their old contact. The book also discusses the concept of trade and gives the definition of trade by stating that buying and selling of goods by two or more people is considered as trade.

³⁸ B. Pakem, '*India Burma Relation*' Omsons Publications, New Delhi, 1992.

³⁹ Giridhari Prasad Das, '*India-West Asia Trade In Ancient Times*', (6th Century BC to 3rd Century AD), New Century Publication, New Delhi, 2006.

1.6 Objectives of the Study:

The broad objectives of the study are as follow:

(1) To know how the Indo-Myanmar border trade affects the economy of the State of Mizoram. As trade and economic prosperity are closely related to each other, therefore, it is essential to study their relationship.

(2) To find out whether the economic development influences in any way the political process in Mizoram. Economic prosperity enables people to play greater role in politics. The purpose of this work is to find out the Indo-Myanmar border trade and its political implications for Mizoram.

(3) To get an insight about the operation of the inner line regulation in Mizoram in the context of the Indo-Myanmar border trade.

(4) To examine the impact of Indo-Myanmar border trade on insurgency activities in Mizoram.

(5) To examine the implications of the ethnic relationship between the people living in Mizoram and Myanmar due to the border trade between them.

1.7 Methodology:

The present research adopts the following methods: Empirical, historical or, analytical methods. The study is based on data collected through interviews and sample surveys. The researcher has made field survey of the border town at Zokhawthar. The people related to the activities of the border trade have been interviewed. An empirical study of the Myanmarese migrants have been conducted through non-participant observation.

Analytical method is based on primary, secondary and tertiary sources. Analysis of official documents relating to border trade and other bilateral relations between India and Myanmar. The primary sources are supplemented by secondary sources such as books and journals and also tertiary sources such as news items from news paper clipping, etc.

1.8 Research Questions.

The present work will examine the following research questions:

1. Whether the volume of trade in Mizoram increases with the growth in Indo-Myanmar border trade?
2. Is there greater mobility of the people across the border with the increase in the volume of trade in Mizoram?

3. Whether with the increasing mobility of the people across the border the guidelines for regulating entry of Myanmarese tribals into Mizoram will decrease its relevance?

4. Is the growth in the formal trade across the border lessens the movement of illegal trade between India and Myanmar?

5. Will the Inner Line Regulation lose its significance with the growth in Indo-Myanmar border trade?

To study the first research question, the method of sample survey is used.

To examine the second research question, the researcher studies statistics of the people moving across the border.

To analyze the third research question, the researcher collects data from Government records, newspapers, radio reports and on the spot non-participant observations.

To examine the fourth and fifth research questions, the researcher adopts empirical analysis based on data collection through interview, Government records, books and a close observation of border trade.

1.9 A Brief Profile of Mizoram:

Since the study area is mainly focused on the State of Mizoram, it is pertinent to elucidate the profile of Mizoram in this chapter. To know the position of Mizoram vis-a-vis India and Myanmar, See map, at the end of this chapter.

Mizoram is located in the extreme Northeast corner of India. Its area is 21,087 Sq. km: North to South is 277 km: East to west is 121 km. Mizoram has inter-State borders with Assam 123 km with Tripura 66 km and with Manipur 95 km. The State has an international border with Myanmar 404 km and with Bangladesh 318 km,⁴⁰ and lies between Latitude 21° 56' to 24° 31' North and Longitude 92° 16' to 93° 26' East. Tropic of Cancer 23° 30' North latitude cut across the State at Aizawl District. Mizoram is neither very hot in summer nor very cold in winter. The temperature in autumn varies between 18⁰C to 25⁰C while the winter temperature varies between 11⁰C to 23⁰C. The summer temperature is usually between 21° C to 31° C.⁴¹

Before Mizoram became a Union Territory, it was known as Lushai Hills District and it was one of the districts of Assam. The Lushai Hills District was changed into Mizo District from 29th April 1954,⁴² and the same Mizo District became a Union Territory on 21st January 1972 and assumed the name Mizoram. The Constitution Amendment Bill and

⁴⁰ *Statistical Handbook*, Mizoram, Aizawl Directorate of Economics & Statistics Publication, 2004, p.xiii.

⁴¹ Rintluanga Pachuau, *Geography of Mizoram*, R.N Enterprise, Aizawl, 1994, pp.25-24.

⁴² Lianzela, '*Economic Development of Mizoram*', Guwahati, Spectrum Publications, 1994, p.2.

the State of Mizoram Bill were passed by the Parliament on 7th August 1986,⁴³ and as a result of that, Mizoram attained Statehood in February 1987. As per 2001 census, 888,573 persons are there in Mizoram, 459109 being to males and 429464 females,⁴⁴ and the density of population in Mizoram is 42 per Sq. km and the literacy rate is 88.8 per cent,⁴⁵ accordingly Mizoram occupied the second position in the matter of percentage of literacy in the whole country as per census 2001. In Mizoram the education of both boys and girls at the primary level is not a problem because parents in general do not neglect education of their children. The number of male and female children in primary classes is more or less equal. It is widely believed that the mindset of the Mizos towards education is one of the reasons for the wide spread of education in the State.

(a) Physiography:

If we look at the landscapes of Mizoram, we can very well know that it is a mountainous region with several mountain ranges running north to south with intersecting valleys ‘the middle portion is high and it tapers downwards in north–south direction’⁴⁶, and these mountain ranges are not continuous but broken into several hills with sharp and pointed hill tops. The hill tops look like Pyramids clubbed together. In general, the hill tops are steeper in the west than in the east. This is one of the reasons why we see human settlements generally concentrating more in

⁴³ *Ibid*, p.2.

⁴⁴ *Statistical Handbook*, Op.cit, p.1.

⁴⁵ *Ibid*, p.xvi.

⁴⁶ S.N .Singh ‘*Mizoram: Historical, Geographical, Social, Economic, Political and Administrative.*’ New Delhi, Mittal Publications, 1994, p.13.

the eastern slopes than in the western slopes. Even though, here and there mountain peaks to a height of 6000 feet are found in the State, the average height of these mountain ranges in Mizoram is about 3000 feet,⁴⁷ The Blue Mountain called *Phawngpui* in Mizo in the south of Mizoram rises to a height of 7100 feet.

There are a few small plains in the State located on the base of hills, narrow and steep valleys. They are covered with layer of alluvial soil deposited by the flowing rivers. These plains are surrounded by hills and mountains. The largest of these plains is located in Champhai areas in the Indo-Myanmar border, which is about 7 miles in length and 3 miles width,⁴⁸ and in these plains mainly paddy is grown. There are many rivers in the State but not all of them are flowing throughout the seasons, but some of them dry up during the year.

The important rivers in the State may be mentioned thus. The Tlawng (Dhaleswari), The Tuirial (Sonai), and the Tuivawl which drained the northern portion of the State and eventually fall into the Barrak river. Likewise the southern rivers are drained by the Chhimtuipui (Kaladan) on the east with its tributaries, the Mat, Tuichang, Tiau and Tuipui. Karnaphuli at the mouth of which stands Chittagong with its tributaries form the western drainage system. The rivers in the State are fed by the Monsoon rains, as such, they swell very rapidly and recede quickly depending upon the rainfall.

⁴⁷ Lianzela, *Op.cit*, p.4.

⁴⁸ *Ibid*, p.3.

Table.1.1
Mountains of Mizoram and their heights

Sl. No.	Name of mountains/hills	Heights/metres
1	Phawngpui(Blue Mountain)	2157
2	Lengteng	2141
3	Surtlang	1967
4	Lurhtlang	1935
5	Tantlang	1929
6	Vapartlang	1897
7	Chalfilhtlang	1866
8	Hrangturzotlang	1854
9	Zopuitlang	1850
10	Tawizo	1837
11	Mawmrangtlang	1812
12	Puruntlang	1758
13	Hmuifangtlang	1619
14	Saireptlang	1555
15	Sakawrhमितुaitlang	1535
16	Reiektlang	1485
17	Thorangtlang	1387.2

Sources: Statistical Handbook, Mizoram, 2006,

(b) Climate:

Climatic conditions in Mizoram are conducive to the establishment of different types of vegetations. The annual rainfall is 2752.3 mm at Champhai,⁴⁹ to 4364 mm at Sialsuk. Mizoram begins to

⁴⁹ Daman Singh '*The Last Frontier People And Forest In Mizoram*' Tata Energy Research Institute Publications, New Delhi, 1996, P.97.

experience South-West Monsoon from the month of May to the beginning of October and 60 to 70 per cent of the annual rainfalls occur between June and September. High rainfalls are generally associated with flash floods, landslides and disruptions in communications. Winter lasts from November to January and it is not very severe but rather mild with temperature ranging from 11 to 12 degree Celsius,⁵⁰ some rainfalls are brought by a systematic withdrawal of monsoon. The State experiences summer from March to early May, during which the temperature varies between 19 to 29 degree Celsius. Maximum day time temperature may reach up to a point of 32 degree Celsius. The beautiful sunshines and clear skies are often used to be interrupted by pre-monsoon showers towards the end of summer.

Table 1.2
Important rivers in Mizoram.

Sl.No.	Name of river	Length (in Kms)
1	2	3
1	Tlawng	185.15
2	Tiau	159.39
3	Chhimtuipui(Kolodyne)	138.46
4	Khawthlangtuipui(Karnaphuli)	128.08
5	Tuichang	120.75
6	Tuirial	117.53
7	TuiChawng	107.87
8	Mat	90.16
9	Tuipiu	86.85

⁵⁰ *Ibid*, P. 97.

10	Tuivawl	72.45
11	Teirei	70.84
12	Tuirini	59.57

Sources: Statistical Handbook, 2006, p.v

(c) The economy:

The Mizos like other hill tribes in the North-East India have practiced special type of cultivation known as jhuming cultivation or, shifting cultivation. In this type of cultivation, every year cultivation is shifted to other areas. Forests are cut and kept them dried, then in the month of March they usually burn; then cultivate for various kinds of crops. Different types of cash crops are also grown in the State of Mizoram. In the modern age, the Mizo economy has achieved some progress. However, development in Mizoram is not up to satisfaction. This has been revealed by Planning Commission's data,⁵¹ which indicated that Tripura, Sikkim, and Nagaland have scored better than Mizoram in terms of development.

However, Mizoram is now marching on the road to growth and development in diverse fields, particularly in the spheres of promotion of agro-based industries, power generation, forestation and development of human resources. Agriculture being the back-bone of Mizoram economy, the Government is giving high priority for the up-gradation of agricultural sector by introducing mechanization, supply of hybrid varieties of seeds and appropriate land use.⁵² The Government has taken steps for the

⁵¹ *The Mizoram Post*, Aizawl, November, 5, 2007, p.1

⁵² *Ibid.*

conservation of soil and water resources which are necessary for suitable land use and increased productivity of State. In this regard, a number of water-shed management projects under National Water Shed Management Projects are being taken up. Special efforts are also being made for promoting cash and plantation crops, such as, tea and coffee, in collaboration with Tea and Coffee Boards.

The Government of Mizoram is also preparing a new industrial policy in order to encourage private entrepreneurs and open up new areas of industrial activities in the State. In this process, bamboo processing is considered one of potential areas, and as such, an international agency known as an International Network for Bamboo and Rattan has been engaged to draw up schemes for bamboo processing in Mizoram.

(d) Setting up of Special Economic Zone (SEZ):

To promote economic growth in the State, the Government of Mizoram is also setting up a Special Economic Zone in the Champhai District at Khawnuam village bordering Zokhawthar, Indo-Myanmar border. Zoramthanga, the then Chief Minister of Mizoram said, ‘We have already started the process to establish the SEZ at Khawnuam village in Champhai District bordering Myanmar’.⁵³ The proposed Special Economic Zone for which a detailed project report has already submitted to the North Eastern Council, would go a long way in promoting employment in the State. One of the main purposes of setting up SEZ is

⁵³ *The Mizoram Post*, Aizawl, May, 26, 2008, p.1

to attract foreign investments and to bolster the economy of the State of Mizoram. Apart from that, it is expected to generate additional employment opportunities in Mizoram. The Government of Mizoram is hopeful that investment from countries such as Myanmar, Thailand, Bangladesh, South Korea and Malaysia will be soon be available to set up industrial projects in this SEZ,⁵⁴ and also bamboo based industries are expected to play big role in the proposed SEZ. The Confederation of Indian Industry has estimated that Mizoram has 20 bamboo species, thereby, contributing 14 per cent of all bamboo which are produced in India.⁵⁵ The State Government also signed an agreement with the Bangladeshi Paper Manufacturer to supply bamboo chips for their factory.

(e) Socio-Cultural Aspect:

The history of the Mizos can be traced back as far as when their fore fathers inhabited Kabaw valley called Khampat in Myanmar, and thus revolves around Khampat in Myanmar,⁵⁶ and all the stories that have been told before this settlement were embroiled in myths. The present Mizo culture can be traced to the era of where they settled between river Run and river Tiau after the settlement at Khampat in Myanmar. When the forefathers of the Mizos were afraid of the Shan tribe and were moving westwards, they planted a Banyan tree at Khampat Valley, and said that they would return when the branches of the Banyan Tree touch the ground. That was one of the main historical heritages for the Mizos. They have

⁵⁴ *Ibid*,p.1

⁵⁵ *Ibid*.

⁵⁶ P.C Biaksiama in '*Zalen Mizo Weekly*', Aizawl, June 10, 2007, p.5.

unwillingly vacated the place called Khampat in Myanmar, and as such, they were very home sick and promised to return to Khampat in the Kabaw Valley in Myanmar when the branches of the Banyan tree which they planted touch the ground.

In the 20th century many Mizos went back to Myanmar to find greener pastures, for better agricultural facilities and to improve their economic conditions in various spheres. As of now, in Myanmar there are one lakh Mizo speaking population, other Mizo ethnic groups more than a million, and many Mizo villages. Hence the ancestral home of the Mizo was at Khampat in Myanmar. At Khampat there was a fort, 1sq.km of a hill lock. In side the fort there were 10 sub forts, at the centre was planted Khampat Banyan Tree and there stayed the chief.

Before the British came to Mizoram, the Mizos occupied different hill locks in Mizoram,⁵⁷ each with different chiefs. They were illiterate as such they did not possess law books. The chiefs' voices were law unto themselves. Every chief was an independent entity and there were always possible dangers around as each was trying to expand his territory or, trying to protect his territory.

'The Lushais came from the Chin Hills, and entered into the Lushai Hills at the close of the eighteen century',⁵⁸ the general population of the Lushai Hills is known among themselves by the generic name known as Mizos or, the children of the hills and the language of the

⁵⁷ C.Hermana '*Zoram Politics*' Vol. 1,Aizawl, Prescum Publication,1979, P.11.

⁵⁸ Suhas Chterjee, '*Mizoram Under The British Rule*', New Delhi, Mittal Publication , 1988, p.1.

Mizos is called Dhulian language. It was since 1950 that even the term Lushai was superseded by the generic term Mizo,⁵⁹ here in the hills and valleys live the Mizos who fondly called their land in the Mizo language Mizoram which means land of the Mizos. It is popularly believed that Mizos belong to the Mongoloid race. They are one of the small branches of Mongoloid. In terms of Language Mizo is included in the Tibeto-Burman group,⁶⁰ and have settled in different parts of North-East India in such places as Mizoram, Tripura, Manipur, Meghalaya, Chittagong Hills Tracts in Bangladesh and in Myanmar.

(f) The Mizo Society:

The Mizo society is remarkably cohesive and caste barriers are practically non-existent. Community life both in villages and towns are highly organized and disciplined, founded on the principle of mutual co-operation and collective welfare. Apart from some instances of major offences, justice is administered at local level on the basis of the customary laws.

Table 1.3
Employment in public sector up to 1.4.2005

Sl.No	Sector	Male	Female	Total
1	2	3	4	5
1	Central Government	3293	398	3691
2	State Government	30519	10084	40603
3	Semi-Government	462	294	711

⁵⁹ *Ibid*, P.1

⁶⁰ B. Lalthangliana, Op.cit, p.3.

4	Banking & Insurance	595	210	805
5	Autonomous District	1503	281	1784
6	Constitutional Bodies	87	41	128
	Total	36459	11308	47722

Table 1.4
Group wise distribution of State Government employees -2005

Sl.NO				
1	2	3	4	5
1	Group "A"	2369	579	2948
2	Group "B"	677	314	991
3	Group "B" N.G	5655	2929	8584
4	Group "C"	15134	4633	19769
5	Group "D"	6684	1629	88313
	Total	30519	10084	40603

Sources: Tables 1.4 & 1.5; *Statistical Handbook of Mizoram*.

The State of Mizoram was embroiled in insurgency for a period of two decades. There was total disharmony in the society. The people were disturbed due to insurgent activities of the Mizo National Front. The Front, in fact, came into being as a result of the neglect during the famine in 1959.⁶¹ The Front served as a voluntary organization during the famine. It earned the faith and confidence of the people because of its good work during the famine. The Front, taking advantage of its popularity started for demanding succession from India. However, with the intervention of the civil society organizations like the church, YMA, MZP, the MNF agreed to shun violence and came to the mainstream of life.

⁶¹ Lalsawia 'Zoram Hming-Hmel' Aizawl, 1996, p 156.

An important point with regard to Mizoram Accord is the inclusion of border trade in the Memorandum of Settlement. Mizoram has been located in the borders of Myanmar and Bangladesh, and at the same time, the mainland trading centers are far away from the region, border trade has been very important for the State of Mizoram and all the North-Eastern states. 'Border trade in locally produced or grown agricultural commodities could be allowed under a scheme to be formulated by the Central Government, subject to international arrangements with neighboring countries',⁶² and this clause of agreement has been vital for the backward and tiny State of Mizoram because border trade could usher economic prosperity to the region. Border trade in the North-East States is not a new phenomenon, as a matter of fact; it has been in practice from time immemorial. In Mizoram the people living in both sides of Indo-Myanmar border have been constantly keeping in touch for day to day needs of life.

(g) Urbanizing Trend:

It is surprising to know that during the British era, the Government did not encourage the people of Mizoram to migrate to administrative important centers, such as, Aizawl and Lunglei. One of the reasons for doing this was that they wanted to keep the population of Mizoram at manageable level and continue their sovereignty in the State. However, when India got independence, some administrative reforms were introduced in Mizoram. In 1952 the Mizo District Council was

⁶² *Memorandum of Settlement* between the Government of Mizoram and the Government of India signed on June, 30, 1986, clause, 7.

created under the Indian constitution.⁶³ Consequent upon this administrative development, various developments began to take shape in the State of Mizoram. Along with this development the population of Mizoram also began to increase rapidly. Today, the process of urbanization is gaining momentum in Mizoram. With the growth of population, different towns have come up in different parts of the State. Today it is amazing to see the fast growing population of Mizoram. In 1966 the population of Aizawl was barely 20,000;⁶⁴ however, the population of Aizawl has now reached 325776. The growing population in the State brought along with it many social problems, such as violence, robbery etc., that were not seen and heard before.

Table 1.5
Distribution of population in social group: (2001 Census.)

Sl.No.	District	ST Population	SC Population	Other
1	2	3	4	5
1	Mamit	58950	18	3817
2	Kolasib	59221	17	6722
3	Aizawl	303641	182	21853
4	Champhai	104924	0	3468
	Serchhip	52830	5	1026
6	Lunglei	1307689	33	6422
7	Lawngtlai	70234	5	3381
8	Saiha	58742	12	2302
9	Mizoram	839310	272	48991
10	Percentage	94.46	0.03	5.51

Sources: *Statistical Handbook*, Mizoram, 2006.

⁶³ P.Lalnithanga , 'Urbanization in Mizoram' in Girindra Kumar (ed.) MIZORAM, Titagarh , Linkman Publications, 1999, p.10.

⁶⁴ *Ibid*, p.13.

1.10 Chapterization:

The Chapterization Scheme of The Thesis Is Organized As Follow:

The first chapter deals with an introductory statement and outlines the research problem. It deals with the concept of border trade and migration from across the international border. It deals with the objectives of the research, the research questions and the research methodology that are applied in the study. The chapter also deals with the profile of Mizoram and an overview of literature.

The second chapter analyzes political economy of Indo-Myanmar border trade. It also focuses on a brief political development in Myanmar. The chapter also focuses on Indo-Myanmar border trade agreement and implications for Mizoram. The chapter deals with political development in Mizoram in connection with the progress of border trade. It also focuses on some of the mechanisms of border trade. This chapter also deals with the various sectoral level meetings between India and Myanmar with regard to the development of Indo-Myanmar border trade. It examines some of the factors that contribute for the growth and development of Indo-Myanmar border trade via Zokhawthar-Rih sector in Mizoram.

The third chapter deals with the Indo-Myanmar Border Trade: Socio-Economics, Political Impact in Mizoram. The chapter deals with the evolution of informal border trade through the State of Mizoram and institutionalization of informal trade across the border. It also focuses on how border trade center transforms Zokhawthar into a

busy market center in Mizoram and the volume of informal trade. Border trade and its affects on traders and seizure achievements of Land Customs Stations, Zokhawthar-Rih Sector, are included within this chapter. The chapter deals with how informal trade operates across the Indo-Myanmar border through the State of Mizoram. It discusses on smugglings in various dimensions from across the border.

The fourth chapter deals with the implications of Inner Line Regulation (ILP) and border trade. It deals with some of the basic features of ILP. This chapter focuses on how people who enter Mizoram through the Inter Line Permit facilitate the movement of goods from across the border. The chapter briefly makes a comparison between ILP and entry rules of Myanmarese nationals in the State.

The fifth chapter examines the impact of border crossing into Mizoram. The chapter also focuses on demographic impact and the emergence of socio-political issues. This chapter deals with the manner in which the Government of Mizoram responds to these Myanmarese migrants in the State. It discusses about border trade and local political issues in the border. It also focuses on border trade and insurgency activities in the State.

The six chapter deals with the Look East Policy with Special reference to Kaladan Multi-Modal Transit Transport Project in Mizoram. The chapter focuses the role of the Kaladan Project in providing international trade route to the Northeast India in general and to the State of Mizoram in particular. The chapter examines how the people

of Mizoram look at the Look East Policy. It delves deep into the matter concerning Kaladan Multi-Modal Transit Transport Project which is meant for Indo-Myanmar trade route via Mizoram. Through this trade route Mizoram will become a gate way to the Asian countries.

The seventh chapter deals with summary of findings and conclusion.

CHAPTER-2

POLITICAL ECONOMY OF INDO-MYANMAR BORDER TRADE AGREEMENT AND MIZORAM.

2.1 Introduction:

India and Myanmar had a close socio-cultural, geographical, economic and political links. Being in the geographically contiguous and strategic location of Asia, it is only natural that the two countries should live as good neighbors. The colonial era was not helpful for economic co-operation between India and Myanmar. The agricultural oriented backward economies of the colonial era could not provide intensive cross-border economic co-operation either. It is clearly known that during the colonial era the British were very much concerned about their security perception rather than an over all development of the region,⁶⁵ and as a result, the British policy of frontier management gave little scope for local economic potential to grow across the border. Moreover, before the British era, it was unlikely that cross-border trade flourished in this region due to the fact that the region was very volatile on account of inter-tribal feuds and animosity. In the British era the Lushais often raided the tea-planters of Assam,⁶⁶ who were the British subjects which led to the invasions by the British to tame the hill wild tribes.

In the post-colonial era also, the security perception of India and Myanmar did not give room for cross-border trade between the two

⁶⁵ Gurudas Das and CJ Thomas, '*Economy of Myanmar : Trends, Structure and Implications for border trade with India's North- East*', in Gurudas Das at el , (ed.)Indo-Myanmar border trade, Status, Problems and Potentials, Akansha Publications, New Delhi,2005,p.1

⁶⁶ Lt.Col.Thomas H. Lewin, '*A Fly on the Wheel*' Tribal Research Institute Publications, Aizawl, 1977, p.156.

countries; as such, the atmosphere did not allow the regional economic potentials to grow across the border for the first three decades. India and Myanmar treated their respective borders as surrounding areas and responsible for many problems rather than a catalyst for growth. Consequent upon that the idea of shared border between the two countries to develop economic potential in either side of the border did not receive importance from the national powers of both the countries. That is to say that the geo-economic potential of the region was sacrificed at the alter of geo-political consideration in this remote part of the region of Indo-Myanmar border.⁶⁷

The situation, however, has changed due to the end of cold war and the rise of East Asian countries as well as the onset of the the process of globalization. The break down of bi-polar system has set nations free to move steadily to form new strategic partnership among them. The new pattern of globalizations that has emerged as the result of the break dawn of bi-polar system brought the economic interests in the forefronts of nation's foreign policies. As a result of all these, regional trading arrangements are increasingly on the rise, considering these phenomena border areas have begun to be viewed as economic corridors and opportunities for growth and developments. Keeping in view this situation, both India and Myanmar from the early 1990s began to seek whether there exist any potential for shared border between the two countries for growth and developments of the regions. A thorough investigations and ground work were done to chalk out the advantage of border trade between the two countries. Accordingly, Indo-Myanmar

⁶⁷ Gurudas Das and CJ Thomas, *Op.cit*, pp.1-2.

border trade agreement was signed on 21st January 1994, to usher border trade between the two countries.

2.2 Myanmar Political Consolidation:

Myanmar being located in the immediate eastern neighbor of India, occupies a strategic location, and so can not be sidelined, whatever may be its political record. In the initial stage when India and Myanmar (then Burma) became independent, the relationship between the two countries was very cordial,⁶⁸ Jawaharlal Nehru the first Prime Minister of India was instrumental in cementing the initial political and diplomatic relations between the two nations. In the initial stage, India provided Burma with economic and military assistance which was critical period for both the countries.

Pundit Jawaharlal Nehru was strongly in favor of Burma's independence. His relation with Col. Aung Sang,⁶⁹ the founding father of Burma was based on the common historical experience of colonial rule. However, Aung Sang, the father of Aung Su Kyi was assassinated on July 19, 1947 and he was succeeded by U Nu, who became the Prime Minister of Burma. A treaty for Myanmar to become an independent country was signed in London on October 17, 1947. However, the Union of Burma came into existence on 4th June 1948. The era between 1948-1962 was the period of good relationship between India and Myanmar. It was a period of sunshine relationship between the two immediate neighbors.

⁶⁸ Syed Ali Mujtaba 'India-Myanmar Relations Predicament and Prospects' in <http://www.Southasiananalysis.org/%5cpapers21%5cpapers2043html>, 13.02.2009, p. 1

⁶⁹ J.N. Dixit 'Indian Foreign Policy and its Neighbours' Gyan Publishing House, New Delhi, pp.323-324.

During this phase Myanmar was ruled by a civilian government under the leadership of U Nu as prime minister of Myanmar. The country was facing a very hard time. Apart from ethnic insurgency; political insurgent groups like Burmese Communist Party and Kuomintang also had their strong holds. The operations of various insurgent groups also had adverse impact on the efforts towards economic development of Myanmar. U Nu Government could not solve economic, political and insurgency problems in the country which created the ground for the military take over in 1962,⁷⁰ and relationship between India and Myanmar got a U-turn and nosedived due to the military take over in Myanmar. Gen. Ne Win seized power, nationalized all private enterprises and ordered the expulsion of Indians,⁷¹ which created unhealthy relationship between India and Burma.

2.3 State Law And Order Restoration Council In Myanmar (SLORC)

General Ne Win came to power on 2nd March 1962 by overthrowing General U Nu's Government in a *coup d'etat* and seized political power in Myanmar. General Ne Win ruled Myanmar till 23rd July 1988. He became an autocratic ruler in the country and formed Burma Socialist Programme Party to carry his programmes to the people. All types of political activities were prevented. Ne Win renamed the country as the Socialist Republic of the Union of Burma on 4th January 1974,⁷² and created a new constitution for Burma. But General Ne Win had to face many opponents and on the face of such strong public protest,

⁷⁰ Gurudas Das and C.J Thomas *Op.cit.* pp.5-6.

⁷¹ *Ibid.*

⁷² *Ibid.*

he resigned on 23rd July 1988. As a result of Ne Win's resignation the country returned back to political disturbance. In the event of this political turmoil, Ne Win was replaced by Sein Lwin. However, he also could not solve the political problem of the country. Consequent upon this political development, General Saw Maung who was Minister of Defence in Ne Win's last Government overthrew the Government by a *coup d'etat* and assumed power on 18th September, 1988. The new government cancelled the 1974 constitution and constituted a new military regime known as State Law and Order Restoration Council. The Armed forces of the Union of Burma, under Chief of Defence Staff General Saw Muang seized power and formed a State Law and Order Restoration Council (SLORC) with himself as Chairman and made political restructuring of the country and accordingly on 19th June 1989, the Government changed the official name of the country in English to the Union of Myanmar. Popular elections were held on May 7, 1990 and the opposition, National League for Democracy (NLD) won 397 seats out of the 487 seats of Peoples' Assembly.⁷³ The NLD won 81.51 per cent of peoples' Assembly seats. In spite of that the Military Junta refused to hand over power to the representatives of the people and continued to suppress the democracy movement with an iron hand by sending to jail the elected leaders and members of the opposition. This repression continues even today.

⁷³ *Ibid.*

2.4 Significance of Border Trade:

Myanmar's economic and trade relations with India ushered in rich advantage to Myanmar. The export to India enabled the Government of Myanmar to get the much needed resources for the pursuit of its economic aims of reconstruction and rehabilitation,⁷⁴ but that international trade could not possibly meet the needs of the people who lived in the remote areas of the international boundary. In this context, border trade across the international border has become very important.

The North-eastern region of India is one of the areas where the changing economic environment could not be available to the desired level. In the nineteen fifties and sixties the Northeastern India had very little to show in terms of economic achievements. On the other hand, today is the era where closer border economic links are being undertaken in many parts of the world. Therefore, border trade has come to be viewed with a lot of expectations to the North-Eastern Region of India. Myanmar with its geographical closeness with the prosperous economy of South East Asia and China, the prospect of Indo-Myanmar border trade assumes great importance.⁷⁵ Trade across the Indo Myanmar is regarded as not only a two countries affair but a via-media for closer economic links to the countries of the East and South East Myanmar.

All the studies of the border trade in the Northeastern region indicate that the volume of informal trade far exceeds that of formal trade

⁷⁴Uma Shankar Singh 'Burma's Economic Relations with India, 1948-1962' *International Studies*, vol,17 January-March 1978, New Delhi, p.102.

⁷⁵ M.P. Besbaruah, 'Indo-Myanmar Border Trade: The Stakes for North East India.' *Dialogue*, July-Sept, 2007vol.9.No.1, p.1.

by several times.⁷⁶ Among them the Manipur border route has been relatively better connected with Mandalay, the commercial center in the heart land of Myanmar. It continues to account for a substantial chunk of the informal trade across the Indo-Myanmar border. This trend has declined, but in the case of Mizoram, though in spite of its infrastructural disadvantage, the volume of the informal trade has greatly increased. The main reason for the increase in the informal sector in Mizoram is that the State has become peaceful State, and as such political and social stability has turned business environment conducive for economic and business activities in Mizoram. In the case of Manipur, the State has been embroiled in frequent violence, band, and communal clashes etc which are not healthy for business establishment,⁷⁷ but the significance of the Indo-Myanmar border trade can not be overemphasized in view of the fact that compared to the mainland India, the North-eastern States have disadvantageous geographical location in terms of communication, road transports air ways and industries. Moreover, the Northeastern States share 99.56 per cent of their borders with neighboring countries and only a small portion of it, i.e. only 0.44 per cent with mainland India.

2.5 Implications for Mizoram:

Due to political turmoil, hardship and authoritarian regime in Myanmar a large number of Myanmarese have arrived in India, particularly in the State of Mizoram. Chins from the Chin State have come to settle here in large numbers which have huge socio-cultural, political implications in Mizoram. The Northeastern States neighboring

⁷⁶ *Ibid*, p.3.

⁷⁷ *Ibid*.

Myanmar have become homes of illegal immigrants from Myanmar, especially in Mizoram where the State is very congenial for Myanmarese to make settlement due to its ethnic affinity and closeness with the Mizos. The largest Myanmar settlers are the Chins from the Chin State of Myanmar bordering Mizoram. The Chins are one of the ethnic tribes of the Mizos and as such easy for them to infiltrate into the State. In other words, Mizoram being one of the most peaceful States in the country has become a fertile ground for them to vent their feelings away from military control in their home land. Moreover, the Chins find Mizoram suitable for them to settle, and many have become integrated in the Mizo society. These Myanmarese migrants though many of them are refugees would not remain like refugees and are enjoying a very comfortable life in the State. The Government of Mizoram understands the positions of the Chins in Mizoram and tolerates their existence in the State, but the Government and the people of Mizoram are absolutely against the anti-social activities that often come to light in many forms among the Myanmarese migrants in Mizoram. These anti-social elements often put the Government in a precarious situation. This is well understood by the comment made by the Governor, M.M Lakhera of Mizoram in his gubernatorial address on the first day of the first budget session of the Sixth State Assembly on March 17, 2009. To quote him, 'Foreign nationals who committed crimes in Mizoram, on being apprehended, will be handed over to their respective government agencies'.⁷⁸ Nevertheless, the Myanmarese work in the State in accordance with their ability and knowledge. They are engaged in different kinds of works and earn their living. They engage in household works, such as, labor in the weaving

⁷⁸ *The Mizoram Post*, Aizawl, 18th March, 2009, p.1.

industries etc., thereby, contributing to the development of socio-cultural, economic and political development of the State of Mizoram.

2.6 Political Developments In Mizoram: A Brief History Of The Progress Of Border Trade In Mizoram:

After a long hardship, which engulfed the State by famine and MNF insurgency problem, peace has finally prevailed in Mizoram. The direct result of the Peace Accord was the formation of the Coalition Government of the MNF and the Congress (1) where on August 26, 1986, the oath of office was taken before the Lieutenant Governor Hiteswar Saikia. Laldenga become the Chief Minister and Lalthanhawla Deputy Chief Minister. The Bill to elevate Mizoram to a full fledged State was introduced in Parliament on 4th August, 1986, and consequent upon that the Bill became an Act on August 16, 1986, hence, by an Act of Indian Parliament,⁷⁹ Mizoram become the 23rd State of India with 40 members Legislative Assembly. On February 20, 1986, the Prime Minister of India, Rajive Gandhi came to inaugurate the State of Mizoram. On February 16, 1987 general election was held; as a result, Mizo National Front came to power with overwhelming majority. The new government however, could not function for long due to internal bickering inside the MNF ministry and 8 MLAs of MNF Ministry broke away from the MNF and formed MNF (D) and in collusion with the Congress tried to form an alternative government. In the meantime, Mizoram Legislative Assembly was dissolved and president's rule was promulgated in Mizoram from September, 7, 1988.

⁷⁹ P.Lalnithanga, '*Emergence of Mizoram*' Lengchhawna Press, Aizawl, 2005, p.180.

The general election was held again on January, 21, 1989, people voted Congress to power, and Lalthanhawla became the Chief Minister of Mizoram once again. During this ministry, nothing tangible could be seen in the development of Indo-Myanmar border trade, though border trade with neighboring countries was envisaged very clearly in the Government of India- MNF Peace Accord. During all these years, the informal trade was flowing to and fro across the international border and foreign goods were flowing uninterrupted across the Indo-Myanmar border through Zokhawthar-Rih sector. But the Mizoram Government did not take any step to improve the border trade facilities across Myanmar, even though most of foreign goods in Mizoram have come through Champhai-Zokhawthar sector from Myanmar. In the meantime, the 3rd Mizoram State Election took place on November 30, 1993,⁸⁰ the election result was in favor of Congress again. In this election, Congress and MJD joined together. Once again, under the Chief Ministership of Lalthanhawla, the Congress Ministry lasted a full term. Up to this stage also, the Mizoram Government was not involved in the strengthening of Indo-Myanmar border trade which is so crucial for the development of the State. That is to say that so far, one of the most vital clauses of the Peace Accord signed between the Government of India and Mizo National Front has been kept in abeyance.

A new era was ushered in the State of Mizoram when the fourth State Election was held on November 25, 1998. In this election, Congress was voted out and a new government, a coalition government of MNF

⁸⁰ *Ibid*, pp.178-179.

and MPC came to power. Zoramthanga was the Chief Minister and Lalhmingthanga was his Deputy. But the coalition could not run smoothly for long; as such, MPC MLAs left the Ministry,⁸¹ but the MNF ministry was not disturbed and could complete its full term. Unfortunately, during this time too, the development of border trade across the Indo-Myanmar border was not paid due attention. The 5th State General Election which was held on November 20, 2003 brought forth the M.N.F party to consecutive second term in succession; and that was crucial in the sense that the MNF ministry in the State was beginning to embark upon the development of Indo-Myanmar border trade and began to develop Zokhawthar Land Customs Station which has been hitherto neglected Clause of the Peace Accord for so long.

Any trade, whether domestic or international, or any other enterprise to be successful and prosperous, one of the most important factors is peace to be prevailed in the region. But with regard to the Indo-Myanmar border trade, the region is very volatile. The Northeastern region of India is infested with different types of insurgencies. In this situation a flourishing border trade could not be established. But in the case of Mizoram, the insurgency problem of such magnitude of the MNF era is over by the signing of the Mizoram Peace Accord between the MNF and the Government of India on 30th June, 1986,⁸² on account of that Mizoram has become one of the most peaceful States in India. The Peace Accord also became one of the most successful Accords ever signed in India. Considering the geographical feature of Mizoram and the

⁸¹ Vanlalhruaia, '*Mizoram MLAs and MP Election Result 1972-2003*', Lengchhawn press, Aizawl, p101.

⁸² C.Hermana '*Zoram politics*' Volume 11, Pres Com Publications, Aizawl, 1999, p.88.

natural resources, the Mizo Accord included the right of the State to have trade relationship with the neighboring countries of Myanmar and Bangladesh. The Government of Mizoram under the Chief Ministership of Zoramthanga with the co-operation of the Central Government have pursued with all seriousness the opening of the Indo-Myanmar border trade point at Zokhawthar which has a tremendous impact in the socio-cultural, economic and political dimensions of the State.

2.7 Indo-Myanmar Border Trade Agreement:

In view of the immense potential that exist between India and Myanmar in the fields of trade and economic co-operation, the Government of India and the Union of Myanmar signed border trade agreement on January 21, 1994 with the following main objectives:

The aims and objectives of the agreement are to find out ways and means to exchange locally produced commodities by the people living along the Indo-Myanmar Border. The crux of the matter concerning the Indo-Myanmar border trade is to tap the economic potentials of the two countries,⁸³ and for that the exchange of locally produced commodities by people living along the Indo-Myanmar border has been emphasized. In order to facilitate exchange of commodities in the international border, different mechanisms have been initiated. The people living in the border areas have close affinity in terms of culture and race so that they can tap their natural resources. To deal with the foreign transactions in currencies

⁸³ C Joshua Thomas '*Indo Myanmar Border Trade, An Assessment On the Moreh-Tamu Sector*' in Gurudas Das & Purkaystha (ed.) *Border Trade North-East India and Neighbouring Countries*, New Delhi, Akansha Publications, 2000, p.153.

freely convertible currencies, or, in mutually agreed upon by the two countries. Another objective of the border trade agreement is to make goods available at cheaper rate by transporting through land route and to provide scheme for employment generation by creating facilities of manufacturing activities through trade zone, or joint venture establishments on both sides of the international border. However, these agreements are not static but can be modified and even altered completely depending on the exigencies of the circumstances. This is the case with the Indo-Myanmar border trade agreement signed between India and Myanmar. The initial lists of tradable items of 22 agricultural items have been extended to other industrial goods to meet the requirement of the people.

According to the border trade agreement between India and Myanmar, the Moreh Land Customs Station was formally declared open by the then Union Minister of State for Commerce P. Chidambaram who declared the Land Customs Station open on April 12, 1995. This office is situated near Luckchow Bridge that connects India with Myanmar. On the other side of Myanmar there is a counterpart border trade town called Tamu sector. It is to be noted that as per the agreement of border trade between India and Myanmar signed on January 21, 1994,⁸⁴ Moreh in India and its counterpart Tamu in Myanmar side, and Champhai-Zokhawthar in Mizoram and its counterpart at Rih in Myanmar have been specifically notified as Indo-Myanmar border trade centers between the two countries.

⁸⁴ *Ibid*, p.155.

A close observation of Indo-Myanmar border trade agreement exposes that, the 22 items that are listed in the agreement for exchange in the barter system are not found favorable for exchange by the exporters and importers under barter system in Mizoram. That is to say that barter trade is the system of exchange of goods by means of other goods, i.e. in order to exchange a particular good the trading partner also must have goods to exchange acceptable to the trading partner. Therefore, the barter trading method in reality is not advisable in the present age at the Zokhawthar-Rih sector. The reason is that traders are business persons, as such, if there is no profit in the exchange, the traders would not like to venture in the project. If a trader in Zokhawthar (Mizoram) wants to import betal nut from his Myanmar counterpart under barter system, he has to exchange with some goods listed in the agreement as *quid pro qua* for the import of betal nut.⁸⁵

It is a matter of fact that trade across the international border in the North eastern States can be the engine of economic growth. In this respect, international trade has the potential to supplement and enlarge the size of the markets, thereby attracting business interests to the full potential of the region. For the economic development of the Northeastern regions of India,⁸⁶ which is endowed with at a disadvantageous geographical location vis-à-vis the rest of the country,

⁸⁵ In the Memorandum of Settlement between the MNF and The Govt. of India, the right of the Mizo people to conduct border trade with neighboring countries has been clearly mentioned, '*border trade in locally produced or grown agricultural commodities could be allowed under a scheme to be formulated by the Central Government, subject to International arrangements with neighboring countries*'.

⁸⁶ A Paper presented by Q,J.Naghvi,Deputy General Manager,*Foreign Exchange Department*, in a Sub-Committee Meeting on Export Promotion, held on 17.02.2009, State Guest House, Aizawl .

border trade in particular plays a very significant role. The whole region shares an international border with 4 countries viz, China, Bhutan, Bangladesh and Myanmar which account for 98 per cent of its total border. Only the remaining 2 per cent of its border is connected to the mainland India through a narrow corridor which is commonly known as Chicken Neck. Thus, we can say that the region is entirely landlocked. However, the geographical disadvantage can be turned into huge potential for growth, thereby transforming the region into huge advantage and opportunities, provided proper planning is done.

2.8 Cross-Border Movement Prior to the Introduction of the Indo-Myanmar Border Trade Agreements:

The indigenous people dwelling on either side of the Indo-Myanmar-Border were allowed to cross over the other side up to 40 km on either side of the entire stretch of the Indo-Myanmar border, covering a distance of 1643 km international border. Tribals of these areas continuously cross over to other side to meet their needs. There has been tacit understanding between the two countries that there would be free movement of people, which have been continuing for the past many years due to close economic and cultural links. The Myanmar Pass Port Rule permitted the indigenous nationals of those countries whose land boundaries are coterminous with the border of Myanmar are exempted from Pass Port requirements if they were hill tribes dwelling in the border areas and did not proceed beyond 40 km across the land border. In December 1948 this provision was modified, and as such, continuous stay

of tribals crossing over would not be beyond 30 days.⁸⁷ Nevertheless, this rule has been more honored in violation than in observance. The tribals have crossed the Indo-Myanmar border through the State of Mizoram via Champhai and reach as far as Aizawl, to Silchar and different parts of the State. Even today, people have come from Chin State across the border in Myanmar for shopping and marketing at Champhai in Mizoram. People come and go back as per their convenience, rather than the rules. The same is the case with the people living in the border in the Mizoram side. People from the State, particularly, in the border areas of Champhai District, go to the Tiau in Myanmar to fetch their needs and used to come back in the evening as per their convenience. At the same time, these days road transport communications have been fast developing which enable the people living across the international border to move quickly to and fro across the Indo-Myanmar border through Champhai - Zokhawthar-Rih sector.

The Government of India issued a notification on 25th September 1950, there by, allowing the tribal people inhabiting the Indo-Myanmar border within the radius of 40 km to travel back and forth across the border without pass port requirement, on condition that such nationals of the Union of Myanmar would not proceed beyond 40 km from the land border. The tribals from both the countries enjoyed this exemption up to June 1968,⁸⁸ and since then, the Government of India through a notification unilaterally introduced a permit system to regulate the movement of the people across the border with a view to prevent entry of undesirable elements and curbing the activities of insurgency.

⁸⁷ .J.S, R.K Khathing, *Op.cit*, p.45.

⁸⁸ *Ibid*, p.46.

This system of permit is still practiced today and as such the Indian and Myanmar tribals would have to carry permit for traveling across the border.

According to the guideline for regulating entry of Myanmarse tribals into Mizoram, the Mizoram Government has the power to give permission to stay for 30 days within the range of 40 km from the international boundary. In case if they happen to cross 40 km from the international boundary, Myanmarse have to obtain passport and valid visa,⁸⁹ and those Myanmarse who have crossed beyond 40km without passport can be dealt with as per rules and regulations enforced in the country. However, ipso facto, in the State of Mizoram these rules are more honored in violation than in observance. The State Government also knows this but choses to keep silence in most of the time. The fact of the matter is that most of the Myanmarse nationals who come over to the State of Mizoram belong to the people of Chin Hills who have a strong ethnic link with the Mizo, and as a result the Chin people consider the State of Mizoram as part of their home. The Chins of Myanmar have engaged in different types of works in the State along the Mizos. Moreover, the political situation in Myanmar being unhealthy for these people, with lot of forced labor being practiced by the Myanmar military junta, and human right violations in Myanmar make the Myanmarse sympathized by the people of Mizoram.

The movement of the people across the border in the Mizoram sector often violates the rules and procedures prescribed by the

⁸⁹ Government of Mizoram, *Home Department Notification*, No. D.32030/146/2003-HMP(BMC) dated 5.11.2003.

permit system issued by the Government of Mizoram. Here, we will explain what is going on in the Indo-Myanmar border areas in the State of Mizoram vis-à-vis Myanmar. There are two check-gates, one in Mizoram side and one in Myanmar side across the Iron Bridge of river Tiau-international boundary of India and Myanmar. The people coming from Myanmar before crossing the international boundary deposit their identity cards to the Myanmar officials at border check gate,⁹⁰ and then arrive in Mizoram. The period of their stay in Mizoram depends on their will. Most of them come for work as laborers and remain in Mizoram for most of the year. Many of them are in Mizoram for many years doing variety of works such as household works, laborers, weaver and traders etc.

2.9 Trading Mechanisms:

As per the Indo-Myanmar border trade agreement, three-tier system of trade was introduced. The first tier is the **Traditional Exchange system**. In this traditional exchange system the volume of trade in one time consignment should not cross US\$ 1000. Therefore, as per the agreement transactions should be done below US\$1000 or,⁹¹ maximum amount US\$ 1000. The Traditional System of Exchange is done by the indigenous people living within the radius of 40 km from either side of the Indo-Myanmar border. These transactions cannot take place beyond 40 km. The aim of this traditional system of exchange is to facilitate free movement of goods for the people living in the border areas of both the international boundary. This should be done through head

⁹⁰ The Researcher's field study in the Zokhawthar Indo-Myanmar border area and interview with Myanmarese settlers in Mizoram, during June 15-20, 2007.

⁹¹ Gurudas Das et al *Op.cit*, p.49.

loads only. This type of trading system is for the local people but if others like non locals have done this traditional system of exchange, then they have to do within the areas of 40 km and not beyond that radius. In this system, Guarantee Receive (GR) formality is not needed for the transaction of border trade. 'In the traditional exchange system both barter trade and transaction through money can be done',⁹² therefore, it is up to the local people whether barter or no barter but it is all for the benefit of the local people. What the the traders have to keep in mind is that the amount at one time transaction should not exceed US \$ 1000,⁹³ and the transaction should be done through head loads only. In this traditional exchange system a consignment should be done within 1 or 2 days.

2.10 The Barter Trade:

The second tier of trading mechanism is the barter trade. The initial agreement was barter trade on 22 items agreed upon exchangeable to US\$20,000 with Guarantee Receive (GR) formalities. Under this system traders should possess IEC (Import-Export Code) allotted and issued by Director General of Foreign Trade (DGFT). The items that can be traded under this system are locally produced commodities, mainly agricultural produce and minor forest products. In the barter system transactions should be balanced within a period of 6 months from the date of export/import. This is a system of exchange from goods to goods. Barter system is the exchange of commodities with another equivalent

⁹² Interview with Saingura Sailo, who had served as Customs Agent in Moreh Indo-Myanmar border for 10 years, and he was newly appointed Customs Agent of Zokhawthar Indo-Myanmar border, in Mizoram, the interview took place on 24th March 2009, at 7:30am.

⁹³ *Ibid.*

commodity from across the border. Therefore, barter trade is done through equally agreed upon items/ commodities/ goods up to \$2000 US, with Guarantee Receive formality. Under the barter system, the traders should possess Import-Export Code allotted by Director General of Foreign Trade. A discussion on the items that can be traded under barter system is in order.

Mustard / Rape Seed, Pulses and Beans, Fresh vegetable, Fruits, Garlic Onions, Chilies, Spices (excluding nut met, Mace, cloves, Cassia), Bamboo, Minor forest products excluding Teak., Betel Nuts and leaves Food items for local consumption, Tobacco, Tomato, Reed Broom, Sesame, Resin, Coriander seeds, Soya bean, Roasted Sunflower Seeds, Katha, Ginger, an any other commodities as may be mutually agreed upon between the two sides. However, the Director General of Foreign Trade include the flowing commodities,⁹⁴ in addition to the existing 22 items which were notified in 1995 when the Indo-Myanmar border trade agreement was signed for the first time. These additional items have been added to the existing 22 items for the interest of the public concerned. These 18 additional items have been made effective with effect from 7th November 2008. These additional items that have been approved are bicycle's spare parts, life saving drugs, fertilizers, insecticides, cotton fabrics, stainless steel utensils, menthols, agarbatti, spices, cosmetics, leather food wears, paints and vanishes, sugar and salt, mosquito coils, bulbs, blades, x-ray, papers and photo papers and jewelry are under the barter system. However, only tradable items that are listed

⁹⁴ M.K. Mero, *Indo-Myanmar border Trade in the Light of India's Look east Policy, in Indo-Myanmar Border Trade, Status, Problems and Potentials*, (Edit.) Gurudas Das *et al*, Akansha Publications, New Delhi, 2005, p.64.

in the border trade agreement between the two countries are allowed and no other items from the third country are supposed to be traded. With regard to barter trade, trading can be done beyond 40 km from the international boundary,⁹⁵ but transaction must be completed within 6 months.

2.11 Normal Trade:

The normal trade or, the regular trade is the third trading mechanism provided in the Indo-Myanmar border trade agreements. Normal, or, regular trade, is being done under the Letter of Credit System as per Export-Import policy guide lines,⁹⁶ but the normal trade has not picked up at the Zokhawthar-Rih sector of the Indo-Myanmar border trade point in Mizoram due to the absence of regular banking system on either side of the Indo-Myanmar border. Normal trade transactions will be through banking channels for all freely permissible items of export and imports,⁹⁷ and with licenses for restricted items as per foreign trade policy guidelines.

Normal trade to come into shape through the State of Mizoram State Bank of India Champhai branch vis-à-vis the Commercial bank in Myanmar are not yet ready to handle the Letter of Credit System. Therefore, the best option at the moment with regards to the Indo-Myanmar border trade through the State of Mizoram is to go for

⁹⁵ Government of India, Ministry of Commerce & Industry, Department of Commerce, Directorate general of Foreign Trade, Public Notification No.106(RE-2008)/2004-2009, New Delhi, Dated the 7th, November, 2009.

⁹⁶ *Ibid*, p.50.

⁹⁷ M.K. Mero, *Op.cit*, p.65.

Traditional system of exchange and the Barter system. But with regard to the barter system, the traders find difficult to adhere strictly to the rules of the barter system and they have to go off the track to make profit. And if there is no profit, traders will not go for trade and the system will collapse. However, the concerned authorities of the Indo-Myanmar border trade through the State of Mizoram have stated that border trade as per existing rules can be done via Zokhawthar - Rih sector and advise the traders in the State to begin trading activities. In this regard, the customs agent for Zokhawthar sector is already there to do his work but the Customs department wants to inaugurate, the starting of the Indo-Myanmar border trade with great pomp and shows, so as to tell the world that Indo-Myanmar border trade as per rules have been taken place at Zokhawthar. They want to invite the Central Minister to flag off the Indo-Myanmar border trade via Zokhawthar-Rih sector but due to many trivial reasons things could not start as per plan. The flagging off ceremony was supposed to start in the month of April 2009.

2.12 Memorandum of Understanding between the Banks:

The Memorandum of understanding between the banks of India and Myanmar has not been signed. To understand the reason why no Memorandum of Understanding has been signed between the two designated banks, one has to look at first the existing exchange rate mechanism in actual operation along the border. The existing rate of exchange is approximately as follows.

Official
value)

Unofficial (approximate

US \$ 1 = 6 Kyats.

US \$ 1 = 1000-1034 Kyats.

US \$ 1 = Rs.47

Rs.1 = 20-30.Kyats.

Kyat 1 = Rs.7.⁹⁸

As per the researcher's field study at the Indo-Myanmar border area of Champhai Zokhawthar-Rih sector, the exchange value of Rupee and Kyat in the black market is Rs 1=30-30.30 Kyats.⁹⁹

Without signing the Memorandum of Understanding between the State bank of India and Myanmar Commercial Bank which are designated banks to formulate the Indo- Myanmar border trade through the State of Mizoram, transaction of goods through normal trade can not take place across the international border. The Military regime in Myanmar makes the value of dollar very high and consequently traders are unwilling to transact business under regular trade,¹⁰⁰ under the Letter of Credit System. In these circumstances, informal trade continues along the border.

2.13 The schemes to promote the Indo-Myanmar Border Trade:

As a matter of fact, the Indo-Myanmar border trade was first implemented as per agreed upon at Moreh-Tamu sector way back in 1995. But in the State of Mizoram the implementation of the Indo-Myanmar border trade as per agreement signed between India and Myanmar has been delayed. It is to be noted that the Indo-Myanmar

⁹⁸ *Ibid*, p.52.

⁹⁹ This is based on the researcher's field study on border areas of Champhai-Zokhawthar on 08.10.2007.

¹⁰⁰ M.K.Mero, '*Indo-Myanmar Border Trade in the Light of India's Look East Policy*' in Gurudas Das *at el.* (ed.), *Indo-Myanmar Border Trade, Status, Problems and Potential*, New Delhi, Akansha Publications, 2005, p.67.

border trade through the State of Mizoram is in the process of take off stage only after a gap of 15 years since the signing of the Indo-Myanmar border trade agreement between the Republic of India and the Union of Myanmar. It is to be noted that border trade with neighboring countries is in the Union List of the Indian constitution,¹⁰¹ and as such the State alone can not develop to its full potentials and needs the co-operation of the Central Government. However, the Central Government undertakes this development project with the co-operation of the State Government. In the State of Mizoram, the MNF Ministry has done what it can for the development of Indo-Myanmar border trade. The MNF ministry also facilitated for the development of Indo-Myanmar border trade in their second term. In the 6th Assembly election held in 2009 in the State of Mizoram, the Congress formed the Government in the State and it is hoped that under the Congress Ministry border trade in the State will further develop. Trade and Commerce Department was created in the State of Mizoram in 1987 by the Mizo National Front Ministry for developmental process and to provide new skills of business in the State, the Government had proper vision to create and develop border trade with neighboring countries, Myanmar and Bangladesh in which Trade and Commerce department has been kept as a Nodal Department. As a matter of fact, the Trade and Commerce Department was formed to implement these vision documents of the Mizoram Government. Border trade has occupied a significant position in the State of Mizoram. The efforts made by both the Government of India and the Government of Mizoram have enabled sanctioning of the Land Customs Stations at Zokhawthar near Champhai in the extreme Indo-Myanmar border. Out of the Total project

¹⁰¹ D.D.Basu '*Introduction to the Constitution of India*' Wadhawa and Company, New Delhi, 2008. P.473.

cost of the Indo-Myanmar border trade center at Zokhawthar, amounting 7.00 crores, the Ministry of Commerce, Government of India has sanctioned 5.20 crores to Border Road Organization for the construction of Land Customs Station at Zokhawthar,¹⁰² which accommodate offices of Telecom, Bank, Postal, Immigration, Security and Trade and Commerce Department.

2.14 Export Level Promotion Committee:

State Export-Level Promotion Committee on Indo-Myanmar border trade has not yet formed as the Indo-Myanmar border trade through the State of Mizoram has not taken place formally as per the Indo-Myanmar border trade agreement. Nevertheless, Champhai Syndicate Union under the leadership of H.B Manhleia, as its president undertakes all what is possible to promote Indo-Myanmar border trade from Zokhawthar-Rih sector in Mizoram. Champhai Syndicate Union entrusted all its powers in the hands of its president H.B Manhleia, who is also a prominent trader at Champhai. He visited government officials, ministers, participated in the seminars and mobilized public opinion for the promotion of the Indo-Myanmar border trade from second border trade point of Zokhawthar-Rih Sector in Mizoram. Now almost every thing is ready for formal trade to take place at the second border trade center of Zokhawthar-Rih sector,¹⁰³ the only hindrance in the way of formal trade to function is the absence of Foreign Exchange Bank at Champhai-Zokhawthar-Rih sector. In the meanwhile, trading partners

¹⁰² Project Report of the Trade and Commerce Department, Government of Mizoram, 2008, p.8.

¹⁰³ Interview with H.B.Manhleia, President, Champhai Syndicate Union on 17th June, 2009, at 1:30 pm.

from both sides of the Mizoram and Myanmar are ready to transact goods across the international border. Also there used to be official level discussion on the development of Indo-Myanmar border Trade Center at Zokhawthar-Rih sector among the concerned officials of both Customs departments and the Mizoram Government officials. It is to be noted that Zokhawthar has been declared as a point of entry for imports of plants and plant materials and other regulated articles.

Trade and Commerce Department of Mizoram occasionally conducts seminars on promotion of Indo-Myanmar border trade in Mizoram,¹⁰⁴ however, border trade as per the agreement has not yet materialized in Mizoram. More than organizing seminars, the department can do nothing much for the over all development and progress of Indo-Myanmar border trade in the State. In the meanwhile, Trade and Commerce Department of Mizoram is actively engaged in the evolving scenario of Indo-Myanmar border trade in the State. The acquisition of Land Customs Station Composite Structure at Zokhawtar to facilitate Indo-Myanmar border trade was undertaken by the Trade and Commerce Department of Mizoram. As far as Zokhawthar –Tiau Indo-Myanmar border trade is concerned; the Land Customs Composite Structure at Zokhawthar has been completed. Various sectoral levels meeting for the development of Indo-Myanmar trade used to take place either in Myanmar or in India in which officials from trade and commerce department used to participate. As far as Indo-Myanmar border trade

¹⁰⁴ Preliminary Discussion on Development of *Indo-Myanmar Border Trade* at Zokhawthar-Rih Sector held in the office chamber of Commissioner, Trade and Commerce on 7.4.2004.

point through the State of Mizoram is concerned,¹⁰⁵ both officials in Myanmar and Mizoram sides claimed that they are ready to start the barter System as per the Border trade agreement between India and Myanmar. The Customs Department in Mizoram and the Trade and Commerce Department in Mizoram have been waiting the border trade to flag off from Zokhawthar border trade point in Mizoram.

2.15 Border Crossing:

It is to be noted that the movement of people take place through all the gates and all along the Indo-Myanmar international border. The reason is not far to seek as the boundary between India and Myanmar is porous. In the case of the Mizoram sector the gate at the entrance of Iron Bridge at Zokhawthar-Rih sector is manned by the Mizoram Armed Police, and on the Myanmar side the gate is manned by Myanmar customs and immigration personnel. The gate is kept open at 7:00. A.M and is closed at 5:00 P.M, during the time of the opening of the gate people go to and fro across the international border. As it has already been mentioned, that the boundary between India and Myanmar is porous throughout as such there are many thoroughfares in the Indo-Myanmar border. Traders also often pass through other directions other than through the main check-gate at Zokhathar-Tiau. There are also other road sides in the Indo-Myanmar border trade which are not officially recognized. Another entry point for animal husbandry to enter Mizoram is Vaphai which is 60 km from southern part of Zokhawthar -Tiau border

¹⁰⁵ *I bid.*

trade point,¹⁰⁶ and the smuggling of cow is mostly carried through this sector. Cattles arrive from this border trade point and then transport to different places in Mizoram.

2.16 Feasibility of Trading Mechanisms across the Indo-Myanmar Border Trade at Zokhawthar-Rih Sector:

Three tier system of trade was introduced so that the people residing in the border areas and the people of border States may have opportunities to develop and grow by utilizing their resources and talent and develop and harness their best potentials which are endowed with them. On account of this, the three tier systems of border trade in the Indo-Myanmar border sector have been proposed. Out of these three tier system of the Indo-Myanmar border trade, the traditional system of exchange and the barter trade system are not unfamiliar to the people of the border areas,¹⁰⁷ and hence can be practiced across the Indo-Myanmar border trade point at Zokhawthar-Rih sector provided there are mutual trading partners across the international border. But the third point with regard to the normal trade involves Letter of Credit System which required banking facilities across the border. That is one of the reasons why the normal trade has not yet picked up as per the Indo-Myanmar border trade agreement.

¹⁰⁶ Based on the researcher's field work and interview with dealers in cows at Champhai.

¹⁰⁷ The record of the Sub-Committee on Export Promotion of Indo-Myanmar border trade, held on 17.02.2009, at Conference Hall, State Guest Houst, Aizawl. The researcher was also participated in the workshop, pp.1-2.

2.17 Efforts to Develop Zokhawthar Land Customs Stations:

However, the ground reality concerning the State of Mizoram is very different, in the sense that the Indo-Myanmar border trade agreement that have been signed between the two countries with tradable items, which afterwards have been enlarged to suit the needs of time, is unworkable in toto in the State of Mizoram. In the case of barter trade across the Indo-Myanmar border through the State of Mizoram, the exchange of commodities by other commodities becomes a difficult business for the traders. The real motive of a trader is to make profit in the transactions of business. For instance, if a trader in Mizoram wants to import betel nuts from Myanmar, he has to send commodities within the list identified for exchange, and if the Myanmar partner does not want goods within the tradable items, then barter trade cannot take place as per the agreement signed by both India and Myanmar. This is the crux of the matter concerning Indo-Myanmar border trade.

The Government of Mizoram in collaboration with the State Bank of India, the Reserve Bank of India, the Customs officials and Chamber of Commerce used to hold meetings every year from the last few years for the progress and development of Indo-Myanmar border trade in Mizoram. This research scholar also participated personally in these meetings. On 18.12.2007,¹⁰⁸ there was Sub-Committee Meeting on Export Promotion at State Guest House at Aizawl. This Meeting was attended by officials from RBI, SBI, Trade and Commerce Department, Industries, Export-Import Syndicate Champhai, and officials from

¹⁰⁸ *Ibid.*

Customs department. There was a lengthy discussion on how to improve and develop Indo-Myanmar trade from Zokhawthar-Rih Sector.

In the Meeting Mr J.Meghanath, the Director General Manager, RBI, Guwahati stated clearly that the main reason behind the barter trade is to facilitate the people living in the hilly regions across the border to engage in border trade. Ngurhuzaua, Director, Trade and Commerce, Government of Mizoram pointed out that certain issues are needed to be addressed immediately. The Land Customs Station, Zokhawthar needs to be notified as Land Customs Station instead of Champhai as stipulated in the Government of India's notification. At this point, Director also reported the work of the State Government for the development of border trade at Zokhawthar-Rih Sector in Mizoram. He stated that infrastructure such as warehousing, police station except posting of staff for phytosanitary certificate have been completed. It has to be kept in mind that the Department of Trade and Commerce, Government of Mizoram is the Nodal Agency of the border trade point at Zokhawthar. At this point, D.M. Das. Superintendent of Customs clarified by stating that Champhai Land Customs Station is being relocated to Zokhawthar, this was achieved due to the efforts from the Customs Department. In this discussion, H.B.Manhleia, President Exporters-Importers syndicate, Champhai while participating in the discussion said that the traders communities in Mizoram are ready to execute the trade at any moment and further stated that talks have been finalized with their counterparts in Myanmar but infrastructural facilities like bank, etc., are yet to be completed, as the SBI has not yet completed its parts, as such, the actual trade is being delayed. Therefore, the president, Exporters-Importers

Syndicate, Champhai requested the Committee to begin for starting the Border trade immediately. Discussions were held by the Committee in various spheres like the importance of banking for handling of documents. The Committee felt the urgent need of SBI, Champhai branch to handle the trade documents like Bill of Entry, Bill of Shipping etc., Apart from that the meeting also felt that providing the necessary finance is very important for successfully executing border trade.

In the meeting, the representatives of the Reserve Banks of India, the Customs Department and the Champhai Chamber of Commerce all have expressed their readiness to start border trade with Myanmar. From the Customs side also expressed their readiness to deal with formal trade, the RBI Manager who was participating in the meeting also requested the traders to start border trade with Myanmar,¹⁰⁹ however, the president of the Champhai Chamber of Commerce told the gathering that as things stand, the banks are not yet ready to handle the border trade at Champhai. At this point, the RBI Deputy General Manager, O.V Nagvi told the gathering that he would see to it that the Champhai State bank of India is well equipped with sufficient staff to man the entire system.

¹⁰⁹ *Ibid.*

2.18 Sectoral Level Meetings between India and Myanmar For The Promotion of Border Trade and Other Related Issues:

Since the signing of the Indo-Myanmar border trade on 21st January, 1994, several sectoral level meetings between the representatives of India and Myanmar have taken place to find out ways and means for the security, growth and development of Indo-Myanmar border trade.

Here, we shall discuss briefly some important sectoral level meetings between the officials of India and Myanmar because these sectoral level meetings promote directly or indirectly Indo-Myanmar border trade. In this context, the third sectoral level meeting between India and Myanmar which was held at Aizawl, during November 22-24, 1994 was very important in the annals of the Indo-Myanmar border trade through the State of Mizoram. In this meetings, the Indian officials stated that India has been serious with regard to the activities of the insurgents, drug-smugglers and other negative elements which have been using facilities across the border for transit, sanctuary and hideouts, supply of armed ammunitions, drug trafficking etc. The meeting also felt that the principle routes of these elements could be studied,¹¹⁰ and patrolling intensified in order to control the activities of negative elements operating across the Indo-Myanmar border. In this context, the Myanmar delegate responded by stating that the locations and routes as identified by the Indian delegates were the areas under regular surveillance by Myanmar security forces and confirmed that none of such insurgent activities were detected. The meeting also resolved to prepare

¹¹⁰ *Agreed Minutes of the Third Indo-Myanmar Sectoral Level Meeting* held at Aizawl, from November 23-24, 1994, pp. 2-4.

nodal officers between the two countries. These nodal officers were authorized to meet occasionally for sharing information, view and discuss any problem that may arise within their legal power, without requiring any prior permission of their higher authorities.

Mention also must be made in this context about the third sectoral level meeting. In this meeting the issue of handing over all illegal entrants had been discussed. Myanmar side responded by stating that the details, such as, names, address and other relevant information might be given to them so as to enable them to make necessary verification. If information is found authentic, illegal entrants could be handed over to the designated places along the border. Another significant point of this sectoral level meeting was the Myanmar officials agreed to allow Indian visitors to visit Rih Lake during the day time without over-staying at night,¹¹¹ and since then Rih Lake has been regularly visited by people from Indian side. It is to be noted that Rih Lake has occupied a special place in the hearts of the Mizo people since their forefathers' time. Even today it is said in Mizo that the largest lake in Mizoram is Rih Lake which is in Myanmar.

Several sectoral level meetings have taken place ever since the signing of the Indo-Myanmar border trade agreement in either country alternately. These sectoral level meetings produce better understanding and co-operation between the two countries. It is very pertinent to elucidate at this point the sectoral level meeting between India and Myanmar held during May 29-30, 2007 to discuss the various aspects of

¹¹¹ *Ibid.*

Indo-Myanmar border and other related issues. The meeting was conducted at Gangtok, Sikkim in India. Indian delegation was led by G.K Pathak, Joint Secretary, Government of Home Affairs, and Government of India. Myanmar delegation was led by U Myat Ko, Director General Administration Department, Ministry of Home Affairs, and Government of the Union of Myanmar. The leader of the Indian delegates extended a very warm welcome to the Myanmar officials and distinguished members of Myanmar delegation. The leader of Indian delegation stated that as a result of different high level visits between the two countries in the recent past, the relationship between India and Myanmar have strengthened and have set a stage for enhancement and co-operation in various spheres, including border trade. The Indian delegates in the meeting stated that India lays great emphasis on its relationship with Myanmar for bilateral and regional development as well.

In this sectoral level meeting, the Indian delegates wanted the successful implementation of cross border projects over which the two countries agreed upon. In order to get full benefit which accrues from the projects, it is necessary that peace and tranquility must be prevailed along the Indo-Myanmar border. The Indian delegates sought the full co-operation of Myanmar in preventing insurgents, arms smugglers, drug traffickers and other negative elements in carrying their activities along the Indo-Myanmar border.¹¹² In this context, Myanmar side also expressed their appreciation of India's assistance to Myanmar in the form of projects for the development of Myanmar. They also observed that cross border projects over which the two countries have agreed to co-operate

¹¹² *Agreed Minute of the 15th Sectoral Level Meeting Between India and Myanmar*, at Gangtok, in Sikkim during May 29-30, 2007, pp.1-2.

especially in the fields of roads, science and technology, communication and information technology would benefit people living in both sides of the Indo-Myanmar border, thereby, enhancing border trade. These types of meetings are quite helpful in shaping Indo-Myanmar relations in general and Mizoram economy as well. The Indian delegates also acknowledged the co-operation extended by the Government of Myanmar in taking action against Indian insurgent groups operating in the Northeastern States of India who have used the Indo-Myanmar border as their bases.

It is strongly felt that despite the actions taken by both India and Myanmar to curb insurgent groups; still they are carrying out their activities against Northeastern States along the Indo-Myanmar border. In the meeting the Myanmar delegates told the Indian delegates that it has been the policy of Myanmar not to allow the Northeastern insurgent groups to use Myanmar territory to undertake hostile activities against India and that Myanmar has been extending co-operation with India in taking effective actions against Indian insurgents operating along the Indo-Myanmar border. In this context, Myanmar delegates stated that cleaning-up operation along the Indo-Myanmar border was launched by Myanmar security forces in January 2007 on the basis of the information received from the Government of India but no insurgents were found in these areas. Finally, the delegates felt that in order to have an effective operation,¹¹³ it is necessary to have sharing with regard to locations of insurgents and other negative elements operating across the border through the existing communication network.

¹¹³ *Ibid*, pp. 3-4.

Several Sectoral level meetings between India and Myanmar used to take place every year. Meeting among the army also used to take place with regard to border management. However, even though, different areas are used to be covered in the meeting, from Myanmar side, the real decision making body who wield power are not used to represent in the sectoral level meeting,¹¹⁴ therefore, what they used to say is that the higher authorities will be kept informed. As things stand like this, even though, many times sectoral level meetings had taken place between India and Myanmar, progress with regard to Indo-Myanmar border trade has been very slow.

2.19 The Infrastructural Projects of the Indo-Myanmar Border:

India has been helping Myanmar in developing her infrastructural projects particularly in the fields of road transport and communication. The 15th sectoral level meeting between the two countries also discussed about the detailed project report prepared by the Indian Border Road Organization for the construction of roads from Rih to Tiddim situated in the north of the Chin Hill and Rih to Falam located in the south of the Chin Hill adjacent to the State of Mizoram.¹¹⁵ The Indian delegates requested the Government of Myanmar to provide certain clarifications with regard to the projects because the Government of Myanmar felt that the estimate of the projects was high. In this regard, Myanmar delegates agreed by saying that their view points would be conveyed to the

¹¹⁴ Researcher's interview with Romawia, Under Secretary, *Home Department, Government of Mizoram*, who personally participated in the 15th sectoral level meeting held at Gangtok in Sikkim during, May 29-30, 2007.

¹¹⁵ *The 15th sectoral level meeting, op.cit.*

Government of India at the earliest possible. It is to be noted that these projects are trade routes, and if properly constructed and maintained the Indo-Myanmar border trade through the State of Mizoram will be enhanced.

Another important aspect with regard to Indo-Myanmar border trade development was the National Level Meeting held at Monywa in Myanmar. In this meeting, a discussion on Indo-Myanmar border trade took place. In the meeting both sides agreed that border trade between the two countries needs to be improved but still a lot of ground works have to be done. At this point, both delegates shared the view that the progress of border trade between the two countries has been partly hindered due to lack of security in some parts of the border and agreed that peace and serenity are essential for facilitating Indo-Myanmar border trade.¹¹⁶ An important thing to be noted in this meeting is that Myanmar officials requested the Indian delegates to lift import restrictions on meat and meat products, especially pork and chickens from Myanmar at the border trading points as bird flu has already put under control in Myanmar,¹¹⁷ at this point the Indian delegates obliged the request made by Myanmar delegates. It is to be noted that whenever there is an outbreak of bird flu in Myanmar, the Government of Mizoram used to prohibit the import of meat and other related issues from Myanmar. It is also to be noted that the State of Mizoram is not self-sufficient in meat; it depends on the neighboring States and Myanmar. Accordingly, pigs are allowed to enter

¹¹⁶ Agreed Minutes of 14th National Level Meeting Between India and Myanmar, held at Monywa in Myanmar, from 28th to May, 2006, issued by the Government of India, Ministry of Home Affairs, NE Division, North Block, New Delhi, Dated, the 8th June, 2006, p.7.

¹¹⁷ *Ibid.*

the State, thereby, bringing great relief to the people of Mizoram. Pork is one of the staple diets of the Mizos, as such; Mizoram imports its needs mainly from Myanmar.

2.20 Mizoram Consultative Forum (MCF) on Indo-Myanmar Border Trade:

This organization was formed on 20th April, 1998 by different church leaders and responsible citizens in Mizoram. This organization is an NGO with its main objective being to work for the overall progress of the State. Keeping its aim in view, the organization puts pressure to the power that be, to work sincerely. It is important here to elucidate the steps taken by the MCF for the development of Champhai District. Champhai is the commercial town located in the Indo-Myanmar border. From Champhai, the Indo-Myanmar border trade center Zokhawthar-Rih Sector is only 30 km. Goods that have come from Myanmar via Zokhawthar-Rih Sector have to pass through Champhai, hence, being located in the border areas where diverse people passed by and settled, the town plays a very significant role in contributing to the socio-cultural, economic and political dynamics in Mizoram. M.C.F. has taken measures for the development of Champhai District. Some of the areas where the MCF has taken steps may be discussed thus. The MCF influenced pressures to the government to make national high way between Seling and Zokhawthar,¹¹⁸ and the MCF influenced the authorities responsible for building the Land Customs Composite Building at Zokhawthar to complete as per plan. This has been done on the ground that the work has

¹¹⁸ *Report of the General Secretary*, Mizoram Consultative Forum, on the 9th General Conference, held at I & P.R conference hall, Aizawl, on 19.02,2009, p.3.

been temporarily stopped, as of now the work has been completed. The MCF claimed that it was due to its pressure tactic that the work has been completed sooner than later. The road between Champhai and Zokhawthar which used to be in very bad shape has been made good partly because of the pressure applied by MCF. The MCF has been demanding many times to the concerned authorities to make bridges over the rivers between Seling and Champhai into permanent ones and the works have been in progress at this time.

At present, the MCF has been working in collaboration with their counterparts across the Indo-Myanmar border to protect and preserve the natural environment as there is a scheme to preserve and protect the vast forest and natural habitats on either side of the border. This scheme they call it *Zotheihuan* and when the scheme is materialized the vast areas in and around the Indo-Myanmar border with Zokhawthar-Rih Sector as the epicenter, may become one of the most healthy environment of the international borders, thereby, attracting a large number of tourists and traders across the international border choosing this route. The MCF also is involved in repairing of the *Rih-Dil* (Rih-Lake) approach road. But in the case with Bangladesh border with Mizoram, the MCF could not make much head way. The MCF blames Bangladesh Government for the slow progress of Indo-Bangladesh border trade through the State of Mizoram.

2.21 Haimual Border Trade Meeting:

Haimual is only about 7 km away from Zokhawthar-Tiau town. It is a sub-town attached to the river Tiau that links Zokhawthar with Tiau

Bridge. At Haimual, Myanmar Trade and Commerce office is located. So, the Assistant Director of Haimual and Commandant Rihkhawdar convened border trade meeting with Champhai Syndicate on January 20, 2009. The main agenda in this meeting was to discuss the additional tradable items that have been put forward by India and Myanmar in the Indo-Myanmar Border Trade agreement. In the meeting, the assistant director trade and Commerce, Haimual stated that Myanmar has already allowed all the border trade to take place as per the rules and regulations enshrined in the Indo-Myanmar border trade agreement through Zokhawthar –Rih sector. He questioned why normal trade across the border cannot take place. Myanmar side in this meeting stated that barter trade is a system that has been practiced during the British period, and the Myanmarese do not want the system. Due to that Myanmar government is ready for normal trade. The Assistant Director of Trade and Commerce Haimual in Myanmar stated in the meeting that all the trade that has come through Haimual is normal. He said that at Haimual the goods are packed and make list of the goods and then taxes have been levied and after that they send the goods by motor to be delivered to the Rihkhawdar bank about 10 km from Tiau town,¹¹⁹ then the goods went to the Tiau immigration office to be finally delivered to Zokhawthar in Mizoram.

¹¹⁹ Interview with H.B Manhleia President Champhai Import-Export Syndicate, who had attended the Haimual border trade Meeting on January,20,2009. The interview took place on 17th February 2009 at Aizawl.

CHAPTER-3
INDO-MYANMAR BORDER TRADE: SOCIO-CULTURAL,
ECONOMIC AND POLITICAL IMPLICATIONS FOR
MIZORAM.

3.1 Introduction:

A large volume of goods have been supplied to Mizoram from across the border. This is one of the reasons why in spite of its remoteness from the national capital, there is no dearth of foreign goods in the State of Mizoram. Indeed, this is one of the advantages of the border States. This is not all, a good chunk of goods from India also find their way to Myanmar across the Indo-Myanmar border at Zokhawthar-Rih sector. These foreign goods that have entered the State of Mizoram from Myanmar through Zokhawthar-Rih sector find their way through Champhai to the State capital Aizawl and from there distributed to different parts of the State and other regions of India. These goods are being distributed to different market centers between Zokhawthar to Aizawl, the State capital and from there to different market centers in the State.

3.2 Evolution of Indo-Myanmar border trade through Mizoram. The British era:

Before the British era stable trade could not exist between Mizoram and Myanmar because the ethnic groups living in the Chin Hills and Mizoram were engulfed in tribal feud of the worst kind. The Hill tribals very often attacked the plain people of Assam. The tea-planters of

the plains who were the British subjects were not safe; the Lushais often attacked them and plundered them. The Lushais by uniting their forces committed a series of forays of the worst kind in the neighboring district of Cachar, thereby killing Europeans and in the process carried away Mary Winchester,¹²⁰ the little daughter of a tea planter along with several native subjects into captivity. This was one of the causes which spurred the British to take punitive measure against the Lushai chiefs by invading them.

It is interesting to know that when the British Government annexed the Chin Hills,¹²¹ it had to inject cash into the existing barter economy in order to make the payment of taxes possible. It seems that the early British administrators had difficulty in coping with taxes paid in the local goods such as *mithun*(a wild buffalo), pigs, chickens, as a result of that they introduced money by giving paid work to the people and then collected them again by way of taxes. Trade between the Mizos and Chins had already existed since the annexation by the British. The village of Tashion was a commercial center by the time when the the British were entering the Chin Hills, they found that the village of Tashion in Myanmar had reached its zenith. The geographical location of Tashion enabled the inhabitants to establish a strong hold on trade from east and west. Being good traders,¹²² the inhabitants of Tashion had dominated the entire east and west trades between the Lushais and the central Chin Hills and the plains. They also controlled all the salt trade, mat, blankets, wax,

¹²⁰ Lt.Col.Thomas H. Lewin, '*A Fly on The Wheel*' Tribal Research Institute Publication, Aizawl,1977,p.155.

¹²¹ H.N.C.Stevenson, '*Economics of the Central Chin Tribes*', the Tribal Research Institute Publicatioins,Mizoram, Aizawl, 1986, p.102

¹²² *Ibid*, p.103

and piece of iron and the baskets of grain that passed through the central hills.

3.3 Early Phase of Post Colonial Era Border Trade Between The Mizos and the Myanmarese:

The Burmese used to bring splints to Mizoram. The Mizos used to buy splints for the purpose of lighting fire. The Mizos used to barter them with cotton and shawl called *puantah*.¹²³ Near Falam in Myanmar there was a village called Lente in the Chin Hills. The villagers were specialized in making earthen pots. The Burmese used to come to Mizoram bringing these pots and exchange them with cotton in the State of Mizoram. Usually, a pot was exchanged with cotton full of that pot. The Burmese also used to buy bronze pots from Silchar through Mizoram. They used to carry the goods by horses. At the same time traders from Chin Hills used to fetch dogs from Mizoram. Trade in *thival* (big Burmese necklace) was carried mainly by the *Kawls* (the Burmese) people,¹²⁴ and the Mizos used to buy from them.

The informal trade continued to be the life-line of the people of the Indo-Myanmar border areas and this will continue to be so due to geographical contiguity, affinity and cultural link of the people from both sides of the regions. The informal trade has been going on as usual, and goods used to arrive from Myanmar across the border to the State of Mizoram in broad day light, carried by vehicles and head loads in the

¹²³ Researcher's interview with a Mizo historian, B Lalthangliana, the author of *History of Mizos in Myanmar*.

¹²⁴ *Ibid.*

presence of concerned authorities, custom officials and the armed forces. On the other hand, some agricultural products, such as beans, apples, vegetables etc., also used to arrive at Zokhawthar at Indo-Myanmar border by horse back, tracking the jungle roads.

3.4 Border Trade and Its Impact on the Development of Indo-Myanmar Border Trade Township:

The proposal of Border Township has come up at Melbuk village which is 8 km from Zokhawtar. The foundation has already been laid for the purpose of Border Township in the year 2002. The Government of Mizoram has acquired 125.95 acres of lands at this place for the establishment of Indo-Myanmar border trade Township. This border trade township has been planned systematically for accommodating staff quarters, office buildings, postal, bank, telecom, security, etc., also for the construction of helipad, recreational facilities, godown, etc., A detailed project report prepared by the Trade and Commerce Department, Government of Mizoram for this township costing to Rs.3.5 crores has also been submitted to the Ministry of Commerce, Government of India. Apart from this, Community hall, play ground, health center, rest house etc., have already constructed in this border trade township from the border area development fund.

3.5 Smuggling From Across Myanmar and Their Impact On The State of Mizoram:

The proximity of Zokhawthar Land Customs Station with the Golden Triangle makes it vulnerable to smuggling and transport of narcotic drugs into India which is generally carried out through the Indo-Myanmar border running along the extreme east of the State of Mizoram. The drug barons of Myanmar, who are notorious for producing narcotic drugs, take advantage of difficult terrains of the region comprising hilly tracts and dense forests smuggle such contrabands through the Indo-Myanmar border. The route to Tiddim to Melbuk is very prone to smuggling of narcotic drugs from Myanmar. A large number of drugs have entered the State of Mizoram from different directions. On 25th 2007, the Supply reduction Service, under Central YMA has seized at Aizawl Heroin No.4 *Hong* (Packet) 13 at local market worth Rs.4, 55,000.00, the owner who was presumed to be from Myanmar has run away.¹²⁵

Myanmarese Liquor known as *Bee-Ee* has been very popular in the State of Mizoram. A large volume of *Bee-Ee*, Myanmar liquor entered the State of Mizoram through Champhai-Zokhawthar. On 7 May 2007, the Aizawl SRS(Supply Reduction Service) East Zone of YMA(Young Mizo Association) has seized *Bee-Ee* 141 packets from a Tata vehicle coming from Champhai to Aizawl.¹²⁶ The owner of the contraband confessed to the SRS stating that he used to purchase for Rs 100.00 per package of *Bee-Ee* at Champhai and used to sell at Aizawl for Rs 200.00

¹²⁵ *Vanglaini, Aizawl*, February, 25&26, 2007, p.1

¹²⁶ *Ibid.*

per package. It is to be noted that 1 package of *Bee-Ee* is mixed up with 7 packages of liquid of the *Bee-Ee* package and then kept for 24 hours, and then the liquid turns into liquor ready to be sold in the local market. It is estimated that 52.27 per cent have come from Myanmar through the Zokhawthar-Rih Sector.¹²⁷ It can be said that Mizoram being located in the international border has been greatly affected its socio-cultural, economics and political dimensions.

Apart from drug scenario, occasionally arms caches are also being seized during smuggling from across the Indo-Myanmar border. Just to mention one incident is that on March 21, 2009, Bawngkawn police and CID in their joint operation seized at Zemabawk forest check gate in Aizawl, 9 grenades and 3 rocket launchers from Zokhawthar bus coming from the Indo-Myanmar border.¹²⁸

3.6 The Security Scenario in the Indo-Myanmar Border:

Champhai is located near the international border between India and Myanmar which is the main entry route from Myanmar to India through Mizoram. It is only 30 km from Zokhawthar-Rih sector of Indo-Myanmar border trade route. Zokhawthar comes under the jurisdiction of Champhai police station. The area of jurisdiction of Champhai police is infested with foreigners from Myanmar who enter Mizoram via Zokhawthar-Rih sector. Many of them are also known to have been involved in drug trafficking, as a result, the police at Champhai have to cope with crime peculiar in nature of this area. Due to shortage of

¹²⁷ *YMA record*, (central) 2008)

¹²⁸ *Evening Post*, Aizawl March 23, 2009, p.1

vehicles for quick easy and transport, there were certain instances when police were required to hire private vehicles from their pockets to respond to urgent situation arising out of commission of various crimes like murder, trafficking of drugs etc. Zokhawthar being located in the international border, the State Government and Centre Government have provided security in the area. The immigration office which is situated just to the adjacent to the customs office is manned by 4/5 armed guards and is providing adequate security to the officers of the Zokhawthar Land Customs Station, besides maintaining law and order situation of the customs area. Both Zokhawthar police out post and D.Company of Assam Rifles are situated at Zokhawthar.

3.7 Zokhawthar border trade town and the infrastructure of the Land Customs Station:

Zokhawthar border trade centre infrastructure and the Land Customs Station are constructed by the Border Road Organization. The building is designed to consist of two floors with a total plinth area of 1,562.82 Sq.m.¹²⁹ The over all cost of the construction of the building is estimated at Rs 422.08 lakhs which includes provisions of power supply and water supply to be made by the State Government.¹³⁰ A 9 meters

¹²⁹ The Fifth Legislative Assembly first report, published by the Mizoram Legislative Assembly Secretariat ,2006, p.1

¹³⁰ The construction of the Land Customs Composite Building began in June 2005 and was Taken up by 74 Company, Border Road Transport Force (BRTF). The Land Customs building is a one storied concrete¹³⁰ The Fifth Legislative Assembly first report, published by the Mizoram Legislative Assembly Secretariat ,2006, p.1

¹³⁰ The construction building with 4 toilets: 2 on the first floor and 2 on the ground floor: there are 2 stored rooms: 4 searched rooms: 6 office rooms and 2 small canteens,¹³⁰ in the first floor there are 1 kitchen and 1 canteen. The main building will contain office rooms such as, post office, bank, tele-com. Customs, fumigation chamber, immigration office, police, trade and commerce etc. Trade and commerce department acts as the nodal office.

wide road will be constructed around the building which will accommodate vehicles from both sides of the border. Besides, 2.5 meters wide pedestrian broads will also be constructed around the building.¹³¹

3.8 Government's Initiative on the Development of Indo-Myanmar Border Trade Center at Zokhawthar:

The construction of Land Customs Building was completed and handed over to the Department of Trade and Commerce, the Government of Mizoram on September 16, 2007 at 2.00 P.M. The handing over ceremony was organized by District Level Standing Committee on Border Trade and chaired by Champhai Deputy Commissioner, Mr.T.V. Fambawl. In this ceremony the Border Road Transport Force O. C. Naveen Mishra handed over the Land Customs building Composite Structure to Ngurhuzaua Director, Trade and Commerce Department, Government of Mizoram. In this hand over ceremony,¹³² Ngurhuzaua, director Trade and Commerce stated that application has been forwarded to the Centre Government along with the Government of Manipur for the expansion of tradable items of Indo-Myanmar border trade. He further stressed that in the Land Customs building there would be allocation for Land Customs, Banks, BSNL, Immigration, Agriculture Department, Legal Metrology and Post Office. 80 per cent of the expenditure of all

the length of the building is 47.16 metres; it's width is 16.46 meters; 120 metres away from the north of the main building, there is a custom ware house constructed at the cost of 13 lakhs. The length of custom ware house is 49 feet and it's width is 29 feet. Nearby, in the north east of custom ware house, there is a police security guard barrack with L shaped building,¹³⁰ length 45 feet and width 20 feet constructed at the cost of 13 lakhs. To the east of this security barrack, there is fumigation chamber constructed at the cost of 7.2 lakhs.

¹³¹Interview with Naseer Hussain, JE.74 BRTF, Zokhawthar on 2.9.2006.

¹³² *Rihlipui* (Daily), *Champhai*, September 15, 2007, p.1

these offices will be met by the Centre Government. There is Customs Office at Zokhawthar in Mizoram, bordering Myanmar. There is also Customs Office at Haimual in Myanmar which is at a distance of 3 km from river Tiau. The Government of India is planning to construct and extend road from Tiau to Falam in Myanmar, for this purpose, Rs 422 has been already sanctioned by the Government of India. As per plan, road will be constructed up to Halkha, the capital of Chin State in Myanmar. Proposal is also being made to extend the road from Tiau to Tiddim in Myanmar. When the constructions of these roads are completed, they will be very beneficial to the State of Mizoram in particular and the North-East India in general. The distance from Zokhawthar to Guwahati and the distance to Mandalay are the same. From Mandalay, China is very near as such, if trade permits are available, goods from China could be obtained via Myanmar easily. Presently, Trade and Commerce Department, Government of Mizoram is acting as a nodal department at the Land Customs composite Building at Zokhawthar. This is due to the fact that Trade and Commerce Department is the confluence of different departments, which is why the Customs Building is in their hands.¹³³ The Land Customs Composite structure has been completed and the Customs Department has already occupied the Building. The Customs Department is now ready to handle the formal trade which is finally to take place as per the Indo-Myanmar border trade agreement. But other departments have not yet been ready to cop with the formal trade.

¹³³ *Ibid*, p.1.

3.9 Border Trade and Its Impact On Transport System:

The freight charge for transportation goods between Zokhawthar and Champhai which is 30 km distance is exorbitantly high. The carriers charge Rs 8000/- per truck load of goods transported from Zokhawthar to Champhai. At the same time, a full truck load from Champhai to Aizawl a distance of 200 km is charged Rs 7000 -10000. It is further learned that truck owners of Champhai area formed an association among themselves which fixed and enforced the rate of transportation along this route,¹³⁴ as a result, the prices of these goods imported from Myanmar through this route rise considerably. This undesirable state of affair is very much detrimental to the development and progress of Indo-Myanmar Border Trade via Champhai Zokhawthar sector and these hurdles are required to be done away with immediately. This overcharged transport has become a problem for the traders in the Indo-Myanmar border trade through the State of Mizoram. The Subject Committee of the Fifth Mizoram Legislative Assembly visited Zokhawthar during 20th-22nd September 2005,¹³⁵ and recommended to look immediately into the matter and take the necessary steps to introduce a system for carriers of goods imported from Myanmar. If the need arises, the association formed by the truck owners of Champhai for the sole benefits of its members should be banned once and for all.

¹³⁴ *Ibid.*

¹³⁵ *Ibid.*

3.10 The Indo-Myanmar border trade and its impact on the Government of Mizoram:

The Government of Mizoram has attached commendable importance to the role played by the Indo-Myanmar border trade and the movement of people from across the border. Accordingly an Iron Bridge across the river Tiau was constructed in 2002,¹³⁶ by the Government of Mizoram. This motorable bridge greatly facilitated the movements of vehicles and peoples across the international border via Zokhawthar-Rih sector.

This researcher in his field study has observed the movement of vehicles and other activities across the border. It has been observed that in one day 11 vehicles move back and forth across the border.

Table 3:1

Vehicle entry to Myanmar via Zokhawthar-Rih sector as on 07.06.2007

SL.No.	Vehicle.No.	Type of Vehicles	Loads	Entry Time	Return time
1	MZ04-1616	709	Urea	6:40AM	10:00 AM
2	MZ05-1050	Truck	Urea	1:30PM	2:05PM
3	AS-24.1551	Truck	Urea	1:50PM	3.00PM
4	MZ05-3276	Truck	Urea	2:00PM	3:00PM
5	MZ0-C3600	Truck	Urea	2:00PM	4:00PM
6	MZO4-1641	909	Urea	2:00PM	3:30PM
7	MZO4-1436	909	Urea	2:00PM	4:45PM
8	MZO4-1704	909	Urea	2:00PM	4:45PM
9	MZO4-1909	909	Urea	2:00PM	4:45PM
10	MZO4-1967	Sumo	-	7:00AM	1:00PM

¹³⁶ The author's field work at Zokhawthar-Rih sector on November 14, 2007.

11	MZO4-0373	DCM	Goods	2:00PM	4:45PM
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Table3:2

Vehicles Entry to Myanmar Via Zokhawthar as on 17.06.2007

SL.No.	Vehicle No.	Type	Loads	Entry Time	Return Time
1	MZO4-1671	709	Urea	7:00AM	11:00AM
2	MZO4-1346	709	Urea	7:00AM	10:30AM
3	AS11-5171	TMB	Urea	7:00AM	2:00PM
4	MZOC-5042	TMB	Urea	8:45AM	2:00PM
5	MZO4-0308	TMB	Goods	9:10AM	1:00PM
6	MZO-0523	709	Goods	9:10AM	1:50PM
7	MZO-0435	Mitshubishi	Goods	1:30PM	3:00PM

Table3:3

Vehicles Entry to Myanmar Via Zokhawthar as on 27.06.2007

SL No.	Vehicle No.	Type of vehicle	Loads	Entry Time	Return Time
1	MZO1-B4345	1109	Goods	8:15AM	-
2	MZO4-0373	DCM	Goods	7:45AM	-
3	MZO4-0435	DCM	Goods	11:00AM	3:00PM
4	MZO4-778	DCM	Goods	9:00AM	1:40PM
5	MZO4-0435	DCM	Goods	11:00AM	-
6	MZO4-0373	DCM	Goods	12:00AM	1:35PM
7	MZO4-0435	DCM	Goods	1:10PM	-

8	MZO4-0523	DCM	Goods	2:00PM	3:00PM
9	MZO4-0975	DCM	Goods	2:50PM	4:35PM
10	MZO4-0373	DCM	Goods	3:25PM	5:15PM
11	MZO1-745	DCM	Goods	3:25PM	4:50PM

Table 3:4
Vehicles Entry to Myanmar Via Zokhawthar as on 02.07.2007

SL.No.	Vehicle. No	Type	Loads	Entry Time	Return Time
1	MZO1- A9460	407	Machines	6:50AM	8:00AM
2	MZO4- 0373	DCM	Goods	7:20AM	11:00AM
3	MZO4- 0435	DCM	Goods	8:20AM	10:10AM
4	MZO4- 083	One tone	Goods	11:00 AM	10:00AM
5	MZO4- 0308	Truck	Goods	10:20AM	1:20AM

Sources: Police check post, beside the Iron Bridge, at Zero Point-Zokhawthar-Tiau.

In the table 3:1 it is calculated that on June 07, 2007 an average each vehicle carries 70 bags of urea. Therefore, the total bags are 630. It is said that across the border in Myanmar, urea is sold at Rs 450 per bag. Therefore, if the value of one bag of urea costs Rs 450, then the total value of export of urea on the said day is Rs 285500.00

Goods items other than urea were also exported across the border through this route. Goods such as cycles, medicine, lungi, Zarda, sugar,

gas cylinder, medicines, etc are also used to include in the items of goods which are used to smuggle out to Myanmar.

Urea has been smuggled out from Mizoram to Myanmar in large quantities. But sometimes the Mizoram police and taxation department jointly seize them before these manures reach Myanmar border. These manures are taken from Silchar. In an average 1 truck carries 210 bags urea. On February 1, 2010, Mizoram Police and taxation department together seized 6 trucks full load of urea coming from Silchar and destined to Myanmar via Champhai Zokhawthar-Rih sector.¹³⁷ These trucks entered Mizoram bypassing Vairengte Check Gate via Serkhan-Bagha road. Supply of urea is strictly controlled and regulated in Mizoram. The suppliers have to get licence from agricultural department, only then taxation department will issue 'way bill'. The seized trucks were carrying urea without 'way bill'. The villagers via Serkhan-Bagha stated that urea has been carried by motor trips through this route very often. These ureas are carried by motor trips to Champhai, and then from there to Myanmar to sell them in a higher price.¹³⁸ These ureas come from Assam, manufactured by Brahmaputra valley fertilizer Corporation Ltd. Kamrup. The weight of urea bag is 50.13 kgs and as per Maximum Retailed Price (MRP) is 251.20 per bag, however, at the black market in Myanmar it costs Rs 450/- per bag.¹³⁹

¹³⁷ *Vanglaini*, Aizawl, (MizoDaily) February 1, 2010,p.1

¹³⁸ *Ibid.*

¹³⁹ Researcher's field survey at Champhai during September 20-22, 2007.

In table 3:2 there were 7 vehicles plying across the border. 4 vehicles carried urea and the rests 3 vehicles carried other goods. These vehicles went to Tiau in Myanmar and kept goods from Mizoram and when they return back they carried back foreign goods to Mizoram. If we analysis the above four tables of vehicles entry and returning, we come to know that in an average 8.5 vehicles are plying every day except Sunday. It is to be noted that on Sunday vehicles are rarely plying in the Indo-Myanmar border through Zokhawthar-Rih sector. According to the customs preventive force Zokhawthar, urea (Manure) is the most seized item from export through Zokhawthar Rih sector.¹⁴⁰

3.11 Border Trade and Its Impact on Zokhawthar Town:

The main occupation of the people of Zokhawthar has been wage labor. Even before the building of Iron Bridge in 2002, the people of Tiau engaged as laborers by escorting the traders across the international border. By doing this, they used to earn their living. The villagers used to carry the goods of the traders across the river Tiau to Mizoram. Before the construction of the bridge across the river Tiau, there were only a few houses dwelled in bamboo houses. The villagers used to escort the traders who arrived from Myanmar, carried their goods on head loads. At that time the village was called Tiau. After the building of bridge in 2002 and the opening of border trade point in 2004, Zokhawthar which is 1 km

¹⁴⁰ In the month of April 2007, the Following items have been seized from Zokhawthar Check Gate by customs department. .From export: 80 bags of urea :440 school bags :16000 Kyats. From import: 30 bottles of drum. (Wine): 28,000Kyats: Sources: Customs department, Zokhawthar.

from Tiau, the village of Zokhawthar has grown and developed very rapidly. In fact, the hamlet is developing from village to semi-town. The border trade makes the village into busy market place. Many Myanmarese and Indians walk to and fro across the Iron Bridge at Zero Point-Zokhawthar.

There are around 8 to 10 regular sumo service every day from Champhai to Zokhawthar. There are also goods carrier vehicle which are plying from Zokhawthar to Champhai and vice versa. Vegetable such as cauliflowers, apples, tomatoes, beans, fruits like hardcora, orange etc., arrive from the Chin Hills by horses and head loads. These vegetables are sold at Champhai vegetable markets.

Porter continues to occupy an important place in the economy of Zokhawthar. At present there are two types of porters which are Zokhawthar porters and Tiau porters. Foreign goods that have arrived at Tiau border town in Myanmar are unloaded from Myanmarese motor and then load again into the Indian vehicles by the Tiau porters. The Mizoram vehicles then carry the goods to the Importers-Exporters Syndicate stored room at Zokhawthar.

When the researcher visited the place on 08.10.2007, there are 28 porters at Zokhawthar. A porter gets Rs 50 for unloading and loading the goods. It is to be noted that when a truck carrying goods arrives at the godown/ stored room, the laborers used to unload for weighing, after weighing, the porters used to load again into the vehicles, those laborers engaged in loading and unloading get Rs50 per head. Likewise, when the

next goods arrive the process continues. In an average a porter earns Rs 350 per day,¹⁴¹ which indicates that 6 to 7 mini trucks arrive at the Importers-Exporters Syndicate every day during good condition of roads.

3.12 Fishermen on the Indo-Myanmar Border River:

River Tiau flows along the international boundary between India and Myanmar. The villagers of both India and Myanmar used to catch fish in the river Tiau and earn their living. Fish are being sold in the Champhai markets and at other places. Hence, river Tiau also provide a kind of border trade through the State of Mizoram.

3:13 Money Exchange:

Since Zokhawthar is located at the international border gate, informal exchange of money has become very lucrative business. A good number of people are engaged in money exchange. The exchange rate in the black market as on 08.10.2007 is Rs 1=30 Kyat at Zokhawthar and Champhai international border.¹⁴²

3:14 Socio-Cultural Implications:

The town Zokhawthar is inhabited by diverse cultures and Christianity denominations of religion. This is due to the fact that it is located in the border area, wherein people of different faiths and sub-tribes enter into the town. This is perhaps the nature of international

¹⁴¹ The researcher's interview with the porters and traders of Zokhawthar, on 01.10.2007.

¹⁴² Researcher's interview with money exchanger at Champhai and Zokhawthar.

border towns. Zokhawthar also exhibits this cultural divergence. The town of Zokhawthar has 385 houses and 7 different denominations of Christianity. The different denominations include United Pentecostal Church Mizoram, United Pentecostal Church North-east, Presbyterian Church, Revival Church, Seven day Adventist, Salvation Army, and Wesleyan Methodist Church. The reason for different denominations disproportionate to their population is that different cultures and people migrated to Zokhawthar from different parts of Mizoram and Myanmar. These migrants bring along with them various cultures and faith with them. Today we see diverse cultures at Zokhawthar in terms of languages,¹⁴³ names, and way of life, habits and faiths. This is due to the emergence of the Indo-Myanmar border trade in Mizoram.

3.15 Pig Trade and Its Impact:

Border trade in pigs has been a regular phenomenon between the Chin Hills in Myanmar and Mizoram. Since 1989, about 196 families are engaged in pig trade across the Indo-Myanmar border through Tiau-Zokhawthar. Champhai Piggery Cell and Transportation Co-operative Society was set up in 2000 AD at Zotlang which is 3 KM from Champhai. In an average 1500 pigs used to arrive per week across the river Tiau which is an international boundary. Out of 1500 pigs,¹⁴⁴ 300 are grown up pigs, salable for meat in the market. The rest are piglings to be tamed and reared in the piggery.

¹⁴³ On the spot research and interview done by the researcher on 05.08.2007.

¹⁴⁴ Interview with Lalhmuaka, president, Champhai Piggery Cell and Transportation Co-operative Society, on 11.10.2007.

This pig trade has become very profitable for both the people of Mizoram and to the Government of Mizoram. Champhai Piggery Cell and Transportation Society gave to the Veterinary Department of Mizoram Rs 24 Lakhs as examination fees during the period of 2002-2006. The pig trading business is very voluminous. As it is stated earlier that every week 1500 pigs arrive at Champhai Piggery Cell and Transportation Society based at Zotlang which means that every month 6000 pigs arrive and 72000 pigs arrive every year. However, an insignificant number of pigs also arrive from other places other than Zokhawthar-Rih sector from Myanmar but they constitute only 1 to 2 Per cent of the trade.

The pig business has run into trouble in the year 2006. From March 26, 2006 the Mizoram Government issued a ban order for importing of all domestic animals from neighboring Myanmar in view of the confirmed Avian Influenza case in Mandalay city. The Government of Mizoram issued notification to all the Deputy Commissioners of the districts adjoining Myanmar that Pigs, Chickens, Cow, Sheep and other domesticated animals should not cross the border from Myanmar, until further order. The Principal Secretary also asked DIG range of Assam Rifles to alert and instruct all his officers and jawans deployed along the Indo-Myanmar border of Mizoram,¹⁴⁵ and the Deputy Commissioners were to mobilize police, Para military personnel and Non-Governmental Organizations within their respective districts to disseminate awareness of the danger of Bird Flue. However, the system of border trade in pigs has resumed immediately after the situation in Myanmar improved.

¹⁴⁵ *The Mizoram Post*, Aizawl, March 27,2007, p.1

In spite of all the steps and precautionary measures taken by the Government and the Non-Governmental Organizations, the smuggling of pigs and other domestic animals into Mizoram continues though in a lesser degree. This is a very serious matter. This has come due to the selfishness of the traders who want only their profit and their business, other than the safety of the people. There is also lack of the awareness of the danger of the disease on the part of the people and the sluggishness of the government servants who are engaged in checking them. Whenever, the Government of Mizoram forbids the entry of pigs into Mizoram from Myanmar, pork becomes a scarce meat in Mizoram. It is to be noted that the majority of the Mizos prefer pork to other meats. In reality, pork is a Sunday morning delicious food item in Mizos, and without it the morning remains almost incomplete to the Mizos.

3.16 Trade in Bovine Cow and Its Impact in the State:

Regarding trade in cow, a good number of cows arrive from Myanmar to Mizoram via Vaphai, Khawbung, Lungdar, Mualcheng, Chekkawn, Khawlailung then through river Tuichang, then Keitum to Aizawl. These are the routes in Mizoram where cows are being brought from Myanmar and from Keitum village bovine cow are used to transport to Aizawl and to different parts of Mizoram. The government of Myanmar does not allow the export of cow, so these cows arrive to Mizoram by means of smuggling, along with this, rice also used to arrive to Mizoram by this method. Beyond the Chin Hills, Myanmar is made up of plain areas wherein rice is cultivated in large quantity, as such, for cultivation, bovine cattle are needed. For this reason, a large number of

cattle are reared in *Kawl Plain* that is in the plain of Myanmar. These cows are used to smuggle to Mizoram. A lot of cattle are also imported to the State of Mizoram from Assam via Silchar Roads. The number of cows imported through Silchar road NH-54, seems slightly higher than cows that were imported from Myanmar. A lot of meat is being consumed in the State but the State is not self-sufficient in the animal production. The missing gap has to be filled by importing from the neighboring State and Myanmar.

3.17 Melbuk Taxation Check Gate:

While the government of Mizoram is collecting taxes worth Rs5200 lakhs annually by way of Value Added Tax (VAT), it has found out that goods coming from Myanmar were exempted from VAT. For many years foreign goods from Myanmar have passed through this route. The Central Customs Department posted at Zokhawthar- Rih sector used to collect taxes from the goods coming from Myanmar via this route. When the Government of Mizoram started introducing VAT system in order to collect more taxes, it has decided to establish tax collection center at Melbuk. This Melbuk check gate was inaugurated by the then taxation minister of Mizoram on 31st May 2006. Since then, goods coming from Myanmar via Zokhawthar-Melbuk have to obtain ‘Way Bill’, permission to pass through Melbuk. This office was manned by the Superintendent of taxation, Government of Mizoram.¹⁴⁶

¹⁴⁶ *Zoram Today*, weekly, Aizawl, May 21-26, 2007, p.14.

It seems that the going was smooth with the creation of Melbuk Taxation Gate. But before even one 'way bill' was collected at Melbuk by the Government of Mizoram trouble began to develop at the spot of Melbuk. Now, the Central Customs Department which is posted at the border just beside the Iron Bridge at Zokhawthar objected the collection of taxes by the Mizoram Government at Melbuk. The Customs Department threatened to seize all the goods coming from Myanmar which arrive via Zokhawthar. The main reason for this crisis was that the border trade between India and Myanmar is not formalized. The goods that have arrived at Zokhawthar-Rih Sector are considered as smuggling goods. As per rule, it is expected that the Customs Department is to seize all these goods.

However, due to the needs of the people of Mizoram, a large volume of goods are not seized by the Customs Department. The Customs Department used to release them after extracting taxes what they feel appropriate to them. What the customs people fear is that if the Mizoram records all the goods that have arrived through Champhai-Zokhawthar sector by way of 'way Bill' at Melbuk, inconsistency and irregularity can crop up between the Government of Mizoram and the Central Custom Department. This could be harmful for the customs staff posted at Champhai-Zokhawthar. The volume of trade kept and maintained by both the departments will also be different. For this reason that the customs officials posted at Champhai-Zokhawthar sector vehemently opposed the existence of taxation check gate manned by Government of Mizoram at Melbuk. When the customs officials threatened to seize all the goods that have arrived at Zokhawthar from

Myanmar, no trader from Myanmar dared to venture to Mizoram. Due to this crisis, the border trade at Zokhawthar-Rih sector came to a grinding halt for a while, during the period from May to June 2006.¹⁴⁷ This brief period of crisis is the indicative of the importance of dependence of people on border trade with Myanmar.

When the goods are stranded at border in Myanmar, and stopped arriving to Mizoram via Zokhawthar, porters, Lorry Owners' Association who carry goods from the border, traders and middlemen began to suffer. They tried their level best to find a way out of the impasse. Traders and middlemen began to meet the officials of the Taxation Department. For a long time middlemen and Taxation Department were discussing the matter concerning the implementation of 'way bill',¹⁴⁸ and finally it was decided to allow goods to pass through Zokhawthar-Melbuk without 'way bill'. Therefore, since September 2006 foreign goods started arriving again via Zokhawthar-Melbuk. The goods which were kept in their godowns were taken back by the traders and used to distribute to different shops by the owners of the foreign goods. Middlemen get commissions from the owners of the goods for clearance from the customs and for stocking the goods and looking after them. It is a known fact that middlemen and the custom officials are in good term. The middlemen used to speak to the customs officials on behalf of the owners of goods. This is the system through which the middlemen used to earn their income. It is very lucrative business in the sense that all the middlemen are well to do families at Champhai.¹⁴⁹

¹⁴⁷ *Ibid*, p.15.

¹⁴⁸ *Ibid*, p.15

¹⁴⁹ A middleman sometimes earns more than Rs 10,000 per day, but sometimes earn

The Mizoram Government issued an order on January 17, 2007 to close Melbuk Check Gate for two months. Its staff posted at Melbuk were shifted to Champhai and Aizawl. It is stated that the Melbuk check gate should be in charge of Superintendent of taxes Champhai. Then after the lapse of two months, that is on March 17, 2007, the Government of Mizoram did not renew the Melbuk check gate. On April 10, 2007 the Government of Mizoram issued an order to close Melbuk Check Gate for another two months,¹⁵⁰ for quit long times and continues to extend the closure of Melbuk Check Gate. It is strongly believed that the Melbuk taxation check gate may be closed indefinitely. The consequence upon the closure of Melbuk check gate by the Taxation Department is that foreign goods that have arrived via Champhai-Zokhawtahr sector into Mizoram will continue to be exempted from VAT (Value Added Tax)

3.18 Champhai New Market (CHANEM):

At the centre of Champhai, a new market building was constructed at the cost of Rs 12 crores,¹⁵¹ and after the construction was completed, for a long time the building was kept unoccupied. Consequent upon this, the chief minister, Zoramthanga who was the man behind the construction of the new market was vehemently criticized by the opposition parties. Spending lot of money and not utilizing was the main

Rs 1000 to 2000 per day.

¹⁵⁰ *Ibid*, p.16.

¹⁵¹ *Vanglaini*, Aizawl, February, 16, 2007, p.1

issue before the people. In order to make use of this building,¹⁵² Champhai New Market Management Committee under the chairmanship of Champhai Deputy Commissioner was formed immediately. The committee had several schemes for the utilization of the New Market. Among other things, the New Market Committee decided that the building be utilized as godown for the goods arriving from Myanmar across the border via Zokhawthar sector. For this, they made an agreement with middlemen of the Indo-Myanmar border trade. According to the agreement, the middlemen are not supposed to keep their goods coming across the border at their respective godowns but at the New Market Building. The talks between the New Market Building Committee and the middlemen were going on smoothly. As a matter of fact, the middlemen had bargaining power over the New Market Building Committee. Hence, to keep their goods the middlemen made conditions which, among other things, were to close the Melbuk Taxation Check Gate. This matter has been intertwined with party politics. Middlemen are generally supporters of the power that be, and also they are well to do in the society as such they are very useful to the parties they used to support.¹⁵³ As on November 12, 2006, 30 shops were utilized for godowns for storing foreign goods coming across the border via Zokhawthar-Melbuk route. Except for this purpose the building has not been utilized,¹⁵⁴ but during the fag end of 2007 when the researcher visited again, the middlemen have left the building.

¹⁵² *Zoram Today*, Opcit, p.16.

¹⁵³ *Ibid.*

¹⁵⁴ The researcher visited the 'CHANEM' building on the morning of November, 12, 2007 and examined the building.

To control Melbuk Taxation Check Gate power was given to the Superintendent of taxation Champhai, government of Mizoram. But his duty to collect taxes became difficult because Champhai New Market Management Committee asked taxation department not to collect taxes on the goods coming from the Myanmar through Zokhawthar route. This has resulted in a situation whereby no tax is collected on the foreign goods coming from Myanmar.

3.19 Institutionalization of Informal Trade:

It is relevant here to discuss in detail the process of institution of smuggling at the border post. This will provide us an insight into the nature of informal trade and its impact on overall activities of the traders across the border. For example, Mrs Nutei (name changed) is a trader from Falam in Myanmar with base at Aizawl. She deals in cosmetic goods such as body lotions of various types, shampoo, hair dressers, steam cream, one minute conditioner etc., She used to take foreign goods mainly from Mandalay at a whole sale price. She used to give Rs 6.5 per cent to the customs check gate at Zokhawthar of the total goods she possesses. This trader used to bring goods worth Rs3 lakhs which is equal to 30 lakh of Kyat. She used to distribute to different shops and to individuals in Aizawl, then she used to go back to Myanmar. After collection of money only she can return to Myanmar.¹⁵⁵ In an average, she goes to and fro between Mizoram and Myanmar only three times in a year. Different traders used to bring goods from Myanmar via Champhai-Zokhawthar sector by Myanmar jeep. These Myanmar jeeps are modified

¹⁵⁵ Interview with Nutei, age 40 foreign trader, Falam in Myanmar, on 12.06.2007 at 11:30 A M at her residence at Aizawl.

vehicles. They are much bigger than the Indian jeeps. Two full loads of a Myanmar jeep are equal to a truck full load. The trader said that a truck full load of goods is charge Rs7000. Besides, Zarda and Elaichi are also exported from Zokhawthar in large quantities, as the researcher was informed by the interviewee.

Miss Mawii a foreign trade dealer in house utensil used to bring house utensil such as plate, cups, electric cookers etc. worth 30,00000 Kyat, which is worth Rs 100,000 in the black market. She used to give around Rs7 per cent at the customs station at Zokhawthar and 5 per cent to the Aizawl customs check post. She used to come three times in a year. Only when she finishes selling her goods she returns to Myanmar. Many Myanmar traders used to borrow money from their rich business peoples, buy goods and take them to Mizoram. The Myanmar traders before they enter Mizoram, they keep their identity cards with the Myanmar border check post across the river Tiau in Myanmar and get in return a slip, a kind of receipt. When they return to Myanmar they used to collect those identity cards. Usually goods are obtained from Thailand and China. Goods which are obtained from China are usually cheaper¹⁵⁶ and the goods which are obtained from Thailand are usually costlier and the qualities are also generally better compared to the goods from China. It is to be noted that foreign goods that have arrived in Mizoram across the Indo-Myanmar border through Champhai-Zokhawthar sector are mainly made from outside Myanmar. These goods have found their way to India through Myanmar.

¹⁵⁶ Interview with M/S Mawii foreign dealer in house utensil, on 12.06.2007 at 1:30 pm at Aizawl.

3.20 Tiau Town in Indo-Myanmar Border as Distribution Centre:

Small individual traders used to go to Tiau across the border to obtain goods and then sell them to different places in and around Champhai. There is an informal trade or smuggling system going on, as there are no rules and regulation of specific nature. There are at least 30-40 traders in cigarette,¹⁵⁷ who used to go and get cigarettes from Tiau and distribute to different shops at Champhai. There are 20-25 traders who used to get goods from Suihlih in China bordering Myanmar, and then bring to Mizoram. There are 25-35 electronic goods suppliers across the border. There are all together about 100 traders from small to big,¹⁵⁸ across the Indo-Myanmar border through Tiau-Rih-Zokhawthar-Champhai. As a matter of fact, all the industrial goods that have come from Indo-Myanmar border via Tiau-Zokhawthar sector which are out side the ambit of Indo-Myanmar border trade agreement are all considered to be smuggling goods, as such, they are liable for seizure. But due to the needs of the people of Mizoram and consideration by Customs officials, foreign goods are allowed to enter Mizoram via Tiau-Champhai-Zokhawthar sector,¹⁵⁹ the Customs Department levy a small per cent of taxes on the goods that pass through this sector. But the rates of taxes levied on these goods are not the same. There are lot of variations and irregularities in the process.

¹⁵⁷ Interview with m/s Hruaii age 35 on 03.2007 who used to get cigarette from Tiau and distribute in Champhai to different shops.

¹⁵⁸ *Ibid.*

¹⁵⁹ Interview with H.B Manhleia, President Champhai Chamber of Commerce, dated 14.02.2008.

3.21 Border Trade and Its Affects on Traders:

Indo-Myanmar border trade through Zokhawthar-Rih Sector can be termed as ‘flying business’ as well. The fact of the matter is that the business is not stable. They flourish and perish depending upon the circumstances. For example, those traders dealing in pigs, the business is not consistent due to the fact that occasionally the Government of Mizoram curbs the entry of pigs from Myanmar due to the out break of bird flu in Myanmar. At this point of time, the pig business across the border suffers a set back¹⁶⁰

The order issued by the Superintendent of Police Champhai on 17th August 2007,¹⁶¹ restricted the flow of foreign goods from Myanmar into Mizoram via Zokhawthar-Rih sector for that part of August. The reason for the banning of foreign goods from across Myanmar in the latter part of August was that there was an intelligence report that some smugglers were planning to smuggle weapons and drugs into Mizoram. Hence, the Champhai S.P issued an order stating that all foreign goods from Myanmar across the border were not allowed to pass through Zokhawtahr until further notice. The order was cancelled again shortly. This order does not cover the 22 items of agricultural products listed in the Indo-Myanmay border trade agreement.

¹⁶⁰ A discussion with Chhuanawma, Apex Bank Manager, Champhai on 22.06.2007

¹⁶¹ *Rihlipu*, Champhai (Daily) August 18, 2007, p.1

3.22 *Nguihluai* System of the Indo-Myanmar border trade:

The informal trade of the Indo-Myanmar border trade across the border operates through *Nguihluai* System. In this system, the traders do not bring with them money. These traders in Mizoram used to deposit their money in Aizawl, and then get a slip of paper marking their identities and number. Then the traders go to Myanmar such as Yangoon, Mandalay and Tahan as the case may be, and get the goods by showing their slips of papers.¹⁶² Every thing is done very precisely. Some traders used to deposit their money at Aizawl and then order the goods to be sent to them directly. This is usually the system of handling money. Some traders also operate without *Nguihluai* System by handling their money directly. But in *Nguihluai* system, the money is safe from under ground and other looters across the border. This is the kind of money transfer system analogous to the Hawala System.

3.23 Mizoram Legislative Assembly Resolutions on Indo-Myanmar Border Fencing: Political dimensions:

The need of fencing the Indo-Myanmar border has been felt in the minds of many Mizo people. This is due to the fact that Mizoram and Myanmar are located in a geographically contiguous and as such, migrants from across the border continually enter Mizoram by crossing the border. Smugglings are common occurrence and in the process, various negative elements penetrated the State of Mizoram. However, there are also certain opposition groups among the Mizos who

¹⁶² Interview with M/S Maliani, Trader at Zokhawthar.& and the researcher's discussion with his trader friends at Champhai border town.

vehemently oppose Indo-Myanmar border fencing on the ground that the Mizo ethnic groups living in Myanmar and Mizoram will be separated by border fence. Nevertheless, on March 16, 2007, the Mizoram Legislative Assembly passed a resolution on private member bill tabled by Lalchhandama Ralte. The motion stated that the Centre be asked to make Indo-Myanmar border fencing like the Indo-Bangladesh border fencing. The main reason for the resolution, the mover stated that the border fencing with regard to Indo-Myanmar border would curb the illegal entry of foreigners and drug trafficking across the border.¹⁶³ As the motion was tabled by the ruling party MLA, the resolution was passed without any difficulty.

Lalchhandama Ralte, who tabled the motion, comments that this is the matter to be viewed seriously by the Central Government, and as such, the border between Mizoram and Myanmar covering a distance of 404 km be fenced. This will prevent the foreigners to illegally enter Mizoram. On this point, AB Chakma spoke in favor of the motion. The Congress MLA Hiato said that the resolution was not needed to pass as it is Central Government's policy and further stated that border fencing is done about 450 metres away from the boundary, as such, vast strips of land have been lost in the process.¹⁶⁴ The Congress MLA, Lalrinliana Sailo stated that the loss of land due to border fencing is a matter of concern and this is mainly due to the contractors who construct according to their convenience to make profits.

¹⁶³ The Mizoram Assembly Budget Session, held on March 16, 2007.

¹⁶⁴ *Vanglaini*, Aizawl March 17, 2007, p. 1

Zodintluanga and H.Rohluna both Congress MLAs spoke against Indo-Myanmar border fencing. Both the MLAs were afraid that this border fencing will hinder the re-unification of the ethnic Mizos who have settled in both Myanmar and Mizoram in large number. An independent member, H.Lalsangzuala, stated that to fence our brothers and sisters who stayed in Myanmar not out of volition but due to circumstances will not be the right thing to do. ZNP leader Lalduhawma said that the resolution betrayed the people of Mizoram,¹⁶⁵ and said that the British ruled over us through divide and rule Policy and to pass this resolution tantamount to accepting that policy. Andrew Lalherliana also said that Zoram Nationalist Party (ZNP) could not accept boundary between Mizoram and Myanmar.

ZORO (Zo-Reunification Organization) did not like border fencing between Mizoram and Myanmar. The Budget Session of Mizoram Legislative Assembly March 2007 which passed a resolution concerning the fencing of border between Mizoram and Myanmar was vehemently condemned by the ZORO,¹⁶⁶ and said that it was unfortunate that while the process of Mizo ethnics' re-unification was going on, the Mizoram Assembly passed a resolution in favor of border fencing between Mizoram and Myanmar.

¹⁶⁵ *Ibid*, P.2.

¹⁶⁶ *Vanglaini*, Aizawl March 23, 2007, p.1

3.24 Impact of Myanmar entry into Mizoram- Socio-cultural and Political Dimensions:

According to the Central Young Mizo Association (CYMA) there are 60000-70000 Myanmar in Mizoram at the moment,¹⁶⁷ among them 40000-50000 Myanmar live at Aizawl. The CYMA does not want to have separate congregation for the Myanmar Mizo and they want them to join the mainstream of the Mizoram churches. In the case of social life also many expected the Myanmar to follow the system of Mizo society and to integrate into the Mizo culture.

The Myanmar migrants feel that they have no hope from Myanmar military junta as such they are constrained to seek refuge in Mizoram and other parts of the globe. They request the people of Mizoram to show leniency towards Myanmar settlers in the State. With regard to separate congregation, it is only due to the language differences that necessitate some Myanmar settlers to have a separate congregation. Concerning smuggling of drugs to the State of Mizoram, they argue, it is the work of Myanmar military regime. As the regime wanted money, they smuggled drugs into Mizoram. These smugglers were not the owners of the drugs but only the carriers. It is felt that all these problems could be solved when democracy is established in Myanmar. Zo Human Rights Global Network a civil society group, urged the Central YMA and the political parties to accept their congregation.¹⁶⁸ The three political parties, MNF, Congress and MPC are

¹⁶⁷ *Vanglaini*, Aizawl, February 18, 2008, p.1.

¹⁶⁸ *Ibid.*

silent about the request and could not give their decision, and with regard to central YMA the case is kept for further discussion.

3.25 Political unrest in Myanmar and the Chin Migrants:

In their desperate attempt to escape their country, unaccounted number of the people of Chin in Myanmar's Western province are fleeing to India since the military crack down on Buddhist monks in September, 2007,¹⁶⁹ and the sanctions imposed by the United States and European countries also hit hard the Myanmar economy. Due to this, many Myanmar people try to find an escape route from their country.¹⁷⁰ There has been illegal movement of the Myanmar migrants. Although the Government of Mizoram and the people in general are aware of this, there is no sufficient action to prevent them. On the other hand, though there is sympathy for these illegal migrants, many of them feel insecure as the governments often apprehend them. For example, Zing and her friends were afraid to come out openly as they are not recognized as refugees.¹⁷¹ 'The Indian authorities will deport us since we cannot produce any paper' said Zing, staying with a Chin family at Aizawl who agreed to provide accommodation and her friends for two weeks. Without any refugee status or identity proof 60,000 ethnic Chin Myanmar people are estimated to be settling in Mizoram. The inflow of Myanmar people began many years back but since September 2007 there have been a spurt in the

¹⁶⁹ *The Mizoram Post*, Aizawl, February 18, 2008, p.1

¹⁷⁰ *Ibid*, p.1.

¹⁷¹ Thonhlei Zing, 23 years old agricultural laborers and four of her colleagues from Hnian Lawn village in Myanmar's Chin state arrived in India on January 1, 2008. They walked three days in the jungle bare footed, crossed the river Tiau to cross the border, in Mizoram. They exchanged the Myanmar's kyat for rupees at the black market in the border town of Champhai and they came to Aizawl by bus.

in flow of Myanmarese nationals in Mizoram. In the absence of humanitarian agencies and constant refusal from Indian authority, testimonies of Myanmarese refugees pouring into Mizoram comes from local sources.

3.26 Socio-Political Issues at Rangvamual and Phunchawng In Connection with Indo-Myanmar Border Trade:

Rangvamual is located between Sairang and Aizawl, only 3 km from Aizawl. Many Myanmarese migrants have settled in this place. On March 3, 2001, 16 families of foreigners from Myanmar left the place due to tension prevailing between the Myanmarese settlers and the local people. The then VCP of Rangvamual said that bad wine sellers and liquor sellers were increasing, the people indulged in these works were mostly believed to be Myanmarese migrants,¹⁷² the then Village Defence Party secretary also stated that the multiplication of bad wine was also due to these foreigners. He further said that the art of making sub-standard wine was also learned by the Mizos from Myanmarese settlers.

During that time, the then Revenue Minister Lalrinchhana and government officials held a serious discussion at his office chamber, concerning the place of Phunchawng and how the people would continue to settle in the area. The meeting stated that Phunchawng area was created with the consent of the Government of Mizoram, so it would not

¹⁷² *Vanglaini*, Aizawl March 5, 2001, p.1.

be possible to evict all the inhabitants,¹⁷³ and the meeting passed the following resolutions for conditions to settle in Phunchawng.

1. Only those people who have Land Settlement Certificate and promise not to sell wine are allowed to settle in the area.
2. For those who have settled with their own accord, the Deputy Commissioner would find a way out to evict them.
3. The meeting also resolved to find out foreigners and to deal with them in accordance with the law of the land.

The Chaltlang Village Council urged the LAD (Local Administration Department) Minister H.Vanlalaua to abolish Phunchawng area. In this application, it mentioned that at Phunchawng a large number of wine sellers were there,¹⁷⁴ and at the same time bad wine used to come out; due to this the place should be dismantled. Phunchawng is located within the ambit of Chaltlang Village Council. In these areas, the government allotted house sites to the people and declared sub-town. The house sites are allowed to be converted to Land Settlement Certificate. Due to this fact, the government also feels difficult to dismantle the area

3.27 Government Position on Myanmarese Settlement in Mizoram:

The position of the Mizoram Government with regard to the Myanmarese migrants in Mizoram is very clear. According to the statement made by the then Chief Minister Zoramthanga, who made a

¹⁷³ *Vanglaini*, Aizawl March 1, 2001, p.1

¹⁷⁴ *Vanglaini*, February 27, 2001, p.1.

statement on the floor of the Legislative Assembly, the Myanmarese migrants are to be treated as foreigners.¹⁷⁵ The Chief Minister further stated that the Indian Migration Act is the responsibility of the Centre Government and as such, the State Government has nothing to do with it. The Chief Minister informed that although so far there is no census of the migrants from Myanmar, in the year 200-2001, the State Government apprehended 565 Myanmarese migrants in Mizoram.

On the floor of the Legislative Assembly, LN Tluanga, Congress MLA enquired the Government Policy with regard to the Mizos who belong to Myanmar. Zoramthanga the then Chief Minister stated that those foreigners who were planning to enter Mizoram like any others needed visa,¹⁷⁶ and those foreigners who were entering Mizoram without visa could be punished under Foreigner Act and Passport Act.

According to some unofficial estimates around 60,000 Myanmarese migrants are staying in Mizoram without officially being recognized as refugees.¹⁷⁷ This has been so much felt in all spheres, thereby, causing social social problems in the State of Mizoram. However, many of migrants have been absorbed into the society and many of them managed to get themselves enrolled in the electoral roll in the State. Some of these people are being accused as perpetrators of unlawful activities being perpetrated in Mizoram, such as bootlegging,¹⁷⁸ smuggling and robbery. The high crime rate in the State of Mizoram has also been attributed to Myanmarese settlement in Mizoram. When the

¹⁷⁵ *Mizoram Legislative Assembly Session*, March 26, 2001.

¹⁷⁶ *Vanglaini Aizawl*, March 27, 2001, p.1.

¹⁷⁷ *The Mizoram Post*, Aizawl, March, 5, 2009, p.1.

¹⁷⁸ *Ibid.*

newly formed Congress Ministry came to power, after January election 2009 in the State of Mizoram, the State Home Minister R.Lalzirliana stated in no uncertain term about the anti-social activities committed by the Myanmarese settlers in the State and the Home Minister stated that Myanmarese nationals who were found guilty of breaking the law of land would henceforth be handed over to the military authority in Myanmar instead of being sent to jail in Mizoram.

3.28 Myanmarese Contribution to Mizo Culture And

Economy:

Many Myanmarese migrants have crossed the border and settled in the State of Mizoram and engaged in different works. Some are engaged in weaving who work hard to make their living. Weavers from Myanmar work in the handloom units in Aizawl. The handloom products like the traditional *sarong* are being sold mostly in Mizoram,¹⁷⁹ while other handloom products are sent to other Northeastern States.

Some Myanmarese weavers used to return to Myanmar when they are financially sound. As a matter of fact, Mizoram provides good opportunities for weavers than Myanmar. According to some Myanmarese laborers, Myanmar does not provide any financial support to the weavers. However, all is not well for the Myanmarese weavers in Mizoram. The local authorities often apprehend illegal migrants,¹⁸⁰ and drive them out from Mizoram. In the meantime, many weavers joined the Myanmar Welfare Society (MWS) to help each other. Some weavers also

¹⁷⁹ *The Mizoram Post*, Aizawl March 27, 2006, p.1

¹⁸⁰ *Ibid*,p.1

enroll in the local churches as these churches take responsibilities for their welfare to some extent. The political situation and the economic condition deteriorating in Myanmar lead to the migration of some of the weavers to Mizoram.

Many Myanmarese migrants are employed by handloom owners in different parts of Mizoram. Before 1998, the employees in the handloom industries were mainly from Myanmar, though there were some from other States but they were very insignificant compared to the Myanmarese employees. But after 1998, when the MNF Government began to train B.P.L (Below poverty line) members and others in the handloom industries,¹⁸¹ the Mizos also began to engage in the handloom industries in the productions of varieties of shawls. These shawls reach to different parts of India and event to foreign countries like Malaysia, Indonesia, England, USA etc.

3.29 Myanmarese settlement and implications:

The movement of the illegal migrant workers from across the border of Myanmar has been a matter of concern for the YMA. The YMA has taken up the issue from time to time in sensitizing the government and the people about the problem. On 23rd February 2009, the YMA Central Executive passed a resolution stating that in the interest of the State, census of foreigners particularly those who have come from Myanmar be conducted in the month of March, the YMA also decided to meet different organizations from Myanmar. The reason behind the

¹⁸¹ *Interview with Thangi,*(age 54) handloom owner, Tuikual C, on 12th April, 2008.

decision of having census is that in the Human Right Watch Website some of the Myanmarese settlers have tarnished the image of the YMA in particular and the Mizo people in general. The Myanmarese settlers in Mizoram have lodged a complaint in their web site and stated that the Myanmarese settlers in Mizoram were not safe. In the website 'life for Chins' stated that the military regime in Myanmar had persecuted the Chins like slaves, and for this reason they had crossed the Indo-Myanmar border through the State of Mizoram and made a settlement in the State. In Mizoram too, they are not safe, they have encountered all sorts of social boycott and torture, even though, Mizoram is a Christian State, yet, the people contrary to their faith have acted diversely by persecuting the Chins who have come from Myanmar. They further complained in the Website that the Chins in Mizoram have no liberty to worship according to their belief and are not allowed to establish their own churches.¹⁸² It further said 'we are like forgotten people, unsafe in Burma and unsafe in India'.¹⁸³ According to the resolution of the YMA Executive Meeting, it has been said that the census of the foreigners be conducted by the branches of YMA in their own respective areas. The meeting also stressed that these Myanmarese migrants are refugees in the State; as such, the Government should make refugee camp for them and treat them accordingly. According to this Website, up to March 2008,¹⁸⁴ there are 60,000 to 80,000 Chins from Chin State of Myanmar in Mizoram. Soon after this the Central Y.M.A had a meeting with leaders of different Chin organizations and their church leaders at the Y.M.A office at Aizawl.

¹⁸² <http://www.hrw.org/en/node/79892/section/8>. Accessed on 29 .4.2010.

¹⁸³ *Ibid.*

¹⁸⁴ *Ibid.*

The migrants stated that when they die in Mizoram, the Mizos do not co-operate in the funeral disposal of the dead bodies. In Mizoram they are not allowed to have proper settlement and children are used as forced labors and the Chins work in Mizoram with lower pay than the rest of the people. However, the YMA in Mizoram counters the information and says that they are enjoying the benefits of the bonafide citizens. Some of them become church leaders and leaders of youths and Y.M.A. In this context, the representatives of Chins say that they feel sorry for the wrong information that have been spread out in the website, tarnishing the image of the State of Mizoram. The Chin leaders also admitted that amidst those who come from Myanmar to Mizoram there are many anti-social elements, such as robberies etc. According to them these anti-social elements have partners from the local residents. The Chin leaders also say that they are extremely against these anti-social elements,¹⁸⁵ and in this matter the representatives of Chins praised the YMA for their patience. The Chin representatives say that Myanmar Military Junta is jealous of their status in Mizoram and as such, they used to push to Mizoram anti-social elements and their associates like drugs etc.

The leaders of the Chin refugees who fled the military atrocities and economic hardship in Myanmar to take refuge in Mizoram expressed gratitude for the hospitalities shown to them by the Mizos. This has come on the ground that the Young Mizo Association, in the State voiced its concern over the report in the US based Human Rights Watch (HRW) which posted a report in its website regarding the plight of the Chin refugees in Mizoram in which the report portrayed the Mizos and its

¹⁸⁵ *Vanglaini*, Aizawl, February, 25, 2009, p.1.

organization, YMA in particular as rude and abusive to the Chin refugees. It is strongly felt that the Human Rights Watch has been fed baseless information by the some unscrupulous Chin communities here in the State so as to get world sympathy. Consequent upon that, the YMA leaders met the representatives of the Chin communities to take measures so that in the future such issues may not emanate again. Myanmarese Chins in Mizoram, however, appreciate the hospitality available in Mizoram. They strongly condemned such baseless information provided to the global Human Rights Group that tarnished the image of the Mizos. With the Indian Government refusing to give refugee status to the thousands of Chin refugees staying in Mizoram, the Chins will have no place to go if Mizos are hostile to them.

3.30 An Estimated of Indo-Myanmar Informal Border Trade In Champhai District:

The researcher has conducted a sample survey at Champhai Shopping mall and selected 20 shops as the universe. Therefore, by looking at the table 3:5 below, one can estimate that at one shopping mall at Champhai, out of 31 items of goods, 22.16 per cent of goods are foreign goods that come from Myanmar. However, there is no official statistics with regard to the volume of trade as formal trade across the border has not yet taken place.

Champhai Shopping Mall: Volume of informal trade.

Table:3:5

Foreign goods from Myanmar:

Indian Goods: August 7, 2007

Sl. No.	Items	Quantities	Values in Rs.	Sl. No.	Items	Quantities	Values in Rs
1.	Air bags	16	13000.00	1.	Suitcase	276	1,38,000.00
2.	Under pants	300	1200.00	2.	socks	1250	37500.00
3.	Blankets	300	1,20,000.00	3.	towels	600	45,000.00
4.	umbrella	375	21,000.00	4.	Gamcha	750	15,000.00
5	Shawls	630	32300.00	5.	Trunk, box	90	28,800.00
6.	track pants	95	13000.00	6	shawls	105	36,650.00
7.	calculators	270	5425.00	7			
8.	Electric randa	25	21200.00	8	Istiris	11	4950.00
9.	Folding wardrobe.	90	20200.00	9	tube lights	300	18,000.00
10	Ironing boards	30	5000.00	10	radios	25	7500.00
11.	Drowers(plasti	40	11,000.00	11.	fans	62	58900.00
12.	Torchlight.	135	433.00	12	Camera	65	455000.00
13.	Hanger stands.	30	5200.00	13.	Car tapes	62	46,500.00
14.	Camera.	45	220000.00	14.	Iron istiri	55	19250.00
15.	Knifes sets	75	11220.00	15.	Electric wires	-	-150000.00
16.	Inverters	25	90000.00	16.	Shawls	225	27,000.00
17.	Vanda(bawls,spoons,plates	450s	180000.00	17.	Smart shoes.	295	147500.00

	tes)						
18.	CD,DVD players.	36	21,000.00	18.	Ladies shoes	225	1,17,000.00
19.	Bed sheets sets.	450	112500.00	19.	School shoes.	750 pairs	90000.00
20.	Slippers.	650	33,000.00	20.	rice	105	89250.00
21.	Cigarettes.	55ca ses	46750.00	21.	Everyda y milks.	720 kgs	45,000.00
22.	Sops.	895	5320.00	22.	Sugar.	25 qntls	6,2500.00
23.	Fishing nets	45	11200.00	23.	dal	35qntls	297000.00
24.	CD cassettes.	1125	42131.00	24.	Cerelac	175 packs.	6150.00
25.	Biscutes.	850 pack s.	6220.00	25	Nutrila.	1000pac kages	25000.00
26.	Jackets.	1500	322000.00	26.	Battery.	445cases	65520.00
27.	Watches.	455	341200.00	27.	medicin es	-	25,90,000.00
28.	Water filters	25	5120.00	28.	Cold drinks	150	3750.00
29.	Umbrella.	200	12000.00	29.	clothes	-	900000.00
30.	Cosmetics.	-	320000.00	30.	Tea leaves	6500	39,000.00
31	Gas lighter, Small battery. nail cutters, scissors.	500	5000.00	31.	Gas stoves	34	85,000.00
	Total		1634050.00		Total		56,88220.00

Source: Survey by the researcher through questionnaires:

By analyzing the above table 3:5, we come to the conclusion that out of 20 shops under study, a sizeable number of foreign goods that have passed through Zokhawthar-Rih sector from Myanmar find their place at Champhai market centers.

However, apart from the items of goods that listed in the above table, there are miscellaneous goods that are coming continuously from across the Indo-Myanmar border to the State of Mizoram. These goods also constitute a sizeable volume. (Such as hair dye, Lapheto (edible items), pen, small scissors. etc.)

The industrial goods and animal husbandry such as pigs and cows when entered the State of Mizoram a good number of them are sold in the district of Champai and the rest are exported out side Champhai district to different parts of Mizoram and even out side to the State of Mizoram. But agricultural goods are mainly sold in the district of Champhai which is located in the Indo-Myanmar border. These agricultural products like cauliflower have mainly arrived from the Chin State which is located in the Indo-Myanmar border, touching the State of Mizoram. Apart from this, fruits such as apple also find their way through the border and enter the State of Mizoram via Zokhawthar-Rih sector. The flow of foreign goods from Myanmar to the State of Mizoram remains consistent throughout the year except on certain occasions where there used to ensue occasional misunderstanding between the local people, sometimes, between the Customs Department and the Taxation Department, Government of Mizoram, and between the Zokhawthar local people and

the Champhai Transport Union. But these incidents are only temporary hiccups that evolve in the in the socio-cultural and political setting. This situation makes the Champhai Zokhawthar –Rih Sector very volatile in its own way. But this type of unhealthy environment is undesirable to every section in the society.

Almost every family is affected by the flow of Indo-Myanmar border trade at the town of Zokhawthar. Whenever, the Indo-Myanmar border trade comes to a halt in this sector, the development of the whole village comes to a grinding halt. This is due to the fact that many people earn their living through the international border trade. It is a fact that due to the coming of foreign goods from Myanmar, foreign goods are plenty in the State of Mizoram. It has to be noted also that all the foreign goods that are found in the State are not from Myanmar. Many traders from Mizoram also go to Bangkok, and other places in the south eastern countries to fetch goods to be sold in the State of Mizoram. They import items in the informal trade that have been evolved. Some of the traders also go to Katmandu via Assam to fetch foreign goods for selling in Mizoram. But a large volume of foreign goods have arrived via Zokhawthar with diverse implications in the State.

The fact about the informal trade through the State of Mizoram is that foreign goods that have made their entry via Zokhawthar-Rih sector are goods that have come from Myanmar are controlled by the Customs Department and the local middlemen. The middle men who intercede to the customs department on behalf of the traders, and share profit in the process of negotiations. If the Indo-Myanmar Border Trade Agreement is

implemented through the State of Mizoram, then these middlemen will have to give up their jobs. This probably may create problem at least in the initial.

On the other hand, from the State of Mizoram traders smuggle out from the State to Myanmar, items such Medicines, Lungi, Fertilizers, test makers (*aginomoto*), tobacco (*Zarda*) etc., to Myanmar. However, the items of import from Myanmar far out weight the export to Myanmar from the State of Mizoram. Orchids from Mizoram have been exported to Myanmar in large quantities. This orchid has its name in Mizo as *Nauban*. These orchids are further exported to China through Sino-Myanmar border. Orchids from Mizoram are greatly valued in China.

It has to be noted that apart from the above mentioned goods, a large number of goods for consumption are imported from Myanmar. Other items like, medicines, particularly multi-vitamins have found their ways to the State of Mizoram through the Indo-Myanmar border.¹⁸⁶

3.31 Seizure Achievements of Land Customs Station-Zokhawthar-Rih Sector, Mizoram:

The Customs Department may at times be little lax in checking goods coming across the border. But there are also some attempts where

¹⁸⁶ Some of the medicines which come from Myanmar are such as, Orogen-G, the medicine which gives strength to elderly people, Appeto for teen growth, cog-vitamin, Pyatho-3, for elderly people, Pluvimin of multi-vitamins, cod liver oil Emulsion, etc.

it is vigilant in checking goods. The Land Customs Station at Zokhawthar seizes the contrabands that are forbidden for trade in this sector.

The following table 3:5 reveals the seizure achievement of the Zokhawthar Land Customs Station for the years 2004-2005 from Imports and Exports. The number of cases registered from the import of goods is 8 and from that of export are 15. Seizure value from April 2004-March 2005 from import is Rs 763530.00. The seizure value from the export of the same year is Rs 539944.00 and the auction sale proceed is Rs280900.00 whereas, from the import there was no auction sale proceed. The total value from import and export for the same period, table 3:5 is Rs1303474.00 and the auction sale proceed for the year is Rs280900.00

Table 3:6 indicates that the period between 2005-2006 shows a sharp increase in the number of cases from import. The total number of cases from import is 29 and that of from export being 23. The total seizure value from import is Rs 6722835.00 and the total seizure value from export is Rs 838632.00. Hence, the total seizure value from both export and import is Rs 7561467.00. The total auction sale proceed from import is Rs 38100.00 and from that of export is Rs 465700.

When we compare table 3:5 and table 3:6, we come to know that the number of cases in 2005-06 is much higher than 2004-05. The total value of goods was also increased. In the table 3:6 the total value of goods is Rs 7561467.00 and that of table 5:7 is Rs 10100791.00. The difference is Rs 2539324.00. But the total number of cases in 2006-07 has come down

CHAPTER-4

IMPLICATIONS OF INNER LINE REGULATION AND BORDER TRADE.

4.1 Introduction:

The Inner-Line Regulation (ILR) was created during the British era to protect the British interests from the marauding hill tribals who used to invade the British subjects which in turn created insecurities in the plains and neighboring hills. For the best interests of both the parties an imaginary line known as the inner-line was created to divide between the two communities so that neither party could go beyond the line without a permit from appropriate authorities. This Inner-line Regulation continues in the State of Mizoram even today. The inner-line regulation has been further safeguarded in the MNF-Government of India Accord which stated among other things, ‘the Inner Line Regulation as now in force in Mizoram would not be amended or repealed without consulting the State Government’.¹⁸⁷ The Inner-Line Permit (ILP) is considered by the Mizos as a protective shield from the assimilation of the non-tribals and put their best effort to protect it from being repealed by the Government of India.

During the British period the Lushai Hills district was a non regulated district. This was a scheme to protect the simple hill people from the exploitation by the speculators, pleaders, police, traders etc. There was no attempt in any case to lift this Inner Line Regulation during the British period. This has been clearly manifested in the Government of

¹⁸⁷ Mizoram Accord, 1986.

India Act 1935,¹⁸⁸ which made the Lushai Hills District excluded area and kept the hill areas beyond the jurisdiction of the Assam Legislative Council.

The British were neither interested in the exploitation of the Lushai Hills nor were attracted to the natural resources of the Lushai Hills but they were interested in protecting the commercial interests of the British planters. The good prospects of the British tea industry constrained the British administration to set them free from the Lushai raids. After the British left the country, however, the Inner Line Regulation system continued to be maintained in the reverse direction in the sense that the Mizos are protected from the economically superior neighbors of the non tribal people. However, on March 19, 1933, the British Government issued notification by stating that foreigners who had been allowed to stay in the Lushai Hills and the indigenous inhabitants were to be exempted from the regulation imposed under the Inner Line Regulation. Nevertheless, the term indigenous was not defined anywhere.¹⁸⁹

This Inner Line Permit was introduced by the British rulers for the eastern frontier areas of Bengal in order to safeguard and protect the indigenous tribes of the regions. It is not to be noted that till the year 1850, many tribes in these areas did not have well-defined ethnical identity nor had socio-geographical recognition.¹⁹⁰ The Governor

¹⁸⁸ Suhas Chaterjee, *'Making of Mizoram'* Volume 1, M.D.Publications.New Delhi, 1994, pp.3-4.

¹⁸⁹ P. Chakraborty, Op.cit, p.22.

¹⁹⁰ S.N Singh *'Mizoram Historical, Social, Economis, Political and Administrative'* Mittal Publications, New Delhi, 1994, p.114.

General-in-Council had a serious concern over the pathetic conditions of the hill tribes and had investigated the circumstances leading to such conditions, and accordingly decided to introduce special packages for the tribes of these areas and to adopt adequate measures to exempt these tribes from all types of dependence from the plainsmen, especially zamindars of the British Provinces. The hill tribes of these regions were constantly involved in fighting with the British subjects of tea and rubber planters. In this process, there had been a number of reasons to exclude these areas from the interference of the British subjects. After the Lushai expedition by the British,¹⁹¹ the boundaries of all the plain districts of Assam with neighboring hill areas inhabited by the tribes were determined by a line popularly known by the name Inner Line Regulations. This was done through the Bengal Eastern Frontier Regulation of 1873, whereby, this regulation introduced the inner-line concept and was applicable on the southern parts of the Cachar district.¹⁹²

¹⁹¹ P.Chakraborty, '*The Inner-Line Regulation of the North-East India*', Linkman Publication, Titagarh, 1995, pp.1-3

¹⁹²The British government was very much concerned about the safeguarding of its frontier which came under its direct governance. Because of that, the British Government had decided to create a line called inner-line to separate the hill tribes of Assam with the plain people of eastern frontier people. Hence, under the provision of the inner-line the Lt.Governor was empowered to draw a line to be called the inner-line in each of the tribal areas beyond which the British subjects and certain classes of foreigners were not allowed to penetrate without a pass. As per the Eastern Bengal Regulation of 1873, an inner-line regulation was created for peace, tranquility and good administration of the frontier districts on the eastern Frontiers of Bengal. Accordingly, the Governor-General- in council notified the inner-line on the southern frontier of Cachar District. The inner-line regulation laid down various conditions to which the non-tribals could carry trade and other activities. The restrictions of the entry of non-tribals into the Lushai Hills and all the hill areas of Assam were reinforced by the enforcement of the Chin Hills Regulation of 1896, and in a modified form inner-line regulation was extended to all the hill areas of Assam. Since the introduction of the inner-line

4.2 Modifications of Inner-Line Regulations to Suit the Changing Circumstances:

This Inner Line Regulation has been modified and regulates periodically to suit the circumstances. This inner-line regulation has been continued to enforce in the State of Mizoram. When the Mizo District was formed under the State of Assam, the inner-line regulation was continued in the Mizo District, and when the District was upgraded into a Union Territory, the inner-line, still continued to prevail in the State of Mizoram. Again, when Mizoram was upgraded to the Statehood after the signing of the agreement between MNF and the Government of India on 30th June 1986, it was agreed to continue the inner-line as it existed.¹⁹³ There has been criticism leveled on the inner-line clause of the Mizo Accord on the ground that the inner-line clause embedded in the Accord was not strong enough because there is a room for the Central Government to lift the Inner Line Regulation in the State. In this context, the Central Government may just consult the State Government and then abrogate the Inner Line Regulation that has been in force in the State. However, such situation is unlikely to occur in the State of Mizoram considering the political implications that may result in such event.

When Mizoram became a Union Territory, the Government servants and their immediate members have been exempted from the requirement of pass under the regulation. Prior to that, in September

regulation, several notifications have been issued to suit the circumstances within the basic structure.

¹⁹³ Memorandum of Understanding Between the Mizo National Front and the Government of India signed in Dew Delhi on 30th June, 1986, Clause, 8.

1972, by the notification dated 28.09.1972,¹⁹⁴ the Government of Mizoram has declared that they had agreed for the Border Road Task Force, Public works Department and civilian contractors to import non-tribal laborers from other States on the condition that the Border Road Task Force should register the laborers imported by them and issue identity cards and that the other contractors if they were to import laborers should obtain permission from the Deputy Commissioner, Aizawl District and register the names of the laborers imported.

4.3 Categories of persons who are outside the purview of the Inner-Line Pass:

There are certain categories of people who are outside the ambit of the Inner Line Regulations. These categories are members of security forces and the families of such non-indigenous and permanent government servants, employees of government undertakings and corporations, retired government employees settled in Mizoram by virtue of his or her marriage to an indigenous tribal of Mizoram.¹⁹⁵ Government advocates as well as advocates of defence personals of Government all shall be exempted from the purview of Inner Line Permit.

¹⁹⁴ *Ibid*, p.22.

¹⁹⁵ The Mizoram Gazette Extra Ordinary Published by authority, vol-xxxv, Aizawl, 8.9.2006, p.2

4.4 Regular and Temporary Inner Line Permit:

Regular Inner Line Permits are issued by the competent authorities for a period not exceeding six months on the condition of availability of a sponsor who is a bonafide indigenous resident. On the other hand, temporary Inner Line Permit may be also issued to bonafied visitors or business representatives by giving information to the concerned Deputy Commissioners for a period not exceeding 15 days.¹⁹⁶ Renewal Inner Line Permit (ILP) shall be on the condition of good conduct of the ILP holders that he / she does not involve in any criminal activities in the State.

4.5 Merits and Demerits of the Inner-Line Regulation:

However, some critics have observed that the Inner Line has kept the people of Mizoram separate,¹⁹⁷ from the mainstream of the country. It is true that the segregation protects the hill tribals from assimilations from plain people but it also hampers cultural contact with the mainland India to a great extent. However, the Inner-line regulation is useful in so far as it safeguards the hill tribals from cultural assimilation and economic exploitation from the surrounding plain people. These are the reasons for which even after 1987 and after the Mizoram attained Statehood, the Inner Line continued to maintain ethnic and cultural identity.

¹⁹⁶ *Ibid*

¹⁹⁷ *Ibid*, p.47.

4.6 The Inner-Line Regulation In Connection With the Development of Indo-Myanmar Border Trade:

On the surface, it may be difficult to find the exact linkage between the Indo-Myanmar border trade and the Inner Line Regulation which is still enforced in Mizoram. One of the reasons may be cited is that in the Indo-Myanmar border trade, foreigner issue and foreign goods are involved which is outside the purview of the so called Inner Line Permit. The main principle involves the Inner Line Permit today is to curb the influx of the non-tribals into the State of Mizoram in order to safeguard the people of Mizoram from the assimilation of the plain people. However, with regard to Indo-Myanmar border trade, both the Myanmar and the Mizos are involved. But when we delve deep into the Inner Line Regulation and the Indo-Myanmar border trade, we came to know that there is a fine line of connection between the two. It is a matter of fact that the Border Road Transport Force which imports many of their work forces through the Inner Line Pass have been facilitating cross border movements across the Indo-Myanmar border. The BRTF has constructed roads in the border areas which actually promotes border trade facilities. In this way, the Border Road Transport Organization indirectly promotes border trade across the international borders. However, These days, the Border Road Task Force,¹⁹⁸ are employing more and more local people to meet the requirement of labor. They are also dependent on labors from outside Mizoram and there is substantial visibility of non Mizo laborers in Mizoram. This has also implication for the ILP.

¹⁹⁸ The author's interview with BRTF officials in their Headquarters at Aizawl on 25.07.2009

In this context, it will be pertinent to note that the Deputy commissioner of Aizawl District, Lunglei District, Kolasib District, Mamit District, Serchhip District, Lawngtlai District and Saiha District or, any officer authorized by them may issue provisional passes for laborers with validity for fifteen days, on the recommendation of the Chief Engineer, Pushpak, Engineer-in-Chief, Public works Department and the Zonal Chief Engineers below him, as the case may be. Before submission of such recommendation to the Deputy Commissioner, Aizawl, the sponsoring department or, authorities shall obtain no objection certificate from the Labor and Employment Department, Government of Mizoram.¹⁹⁹

Once the laborers are recruited from outside the inner-line area, it has become the responsibility of the concerned recruiting agency to first produce the laborers along with their list to the inner-line check-gate through which they will enter. It is also the responsibility of the department or, the contractor of the Government undertaking or, corporation concerned to see that all laborers recruited under inner-line regulation to get their inner-line pass regularized from the concerned Deputy Commissioner within fifteen days of entering the inner-line areas. Keeping in view of the rules and regulations that have been issued with regard to the inner-line permit a large number of inner-line passes are often issued in the State of Mizoram.

¹⁹⁹ The Mizoram Gazette, 2006, Op.cit, p.8.

Other companies such as airtel, BSNL etc., also import labors through the inner-line regulation which facilitate communication in the State,²⁰⁰ and the labors imported by the above mentioned companies facilitate and improve transport roads and communication in Mizoram, thereby, enhancing the movement of people from one place to another in border areas as well. In this way the Inner Line Permit also indirectly influences the Indo-Myanmar border trade. Due to the development of tele-communications Indo-Myanmar border trade improves remarkably because traders reap the benefits of transport, road and communication. The improvement in communication is very vital for the quick transfer of money in the Indo-Myanmar border trade,²⁰¹ the money transaction from Mizoram to Myanmar is usually done through telephonic communication.

The Inner Line Regulation also will be extremely useful when the Indo-Myanmar border trade, as per agreement develop in full swing, because the non tribals from other States by utilizing the Inner Line Regulation will engage in border trade activities. The fact that the non tribals are not allowed to do business in Mizoram without proper inner-line permit will highlight, the importance of the Inner Line Regulation for greater development of the Indo-Myanmar border trade to take place in Mizoram.

²⁰⁰ The author's survey at the Inner-line Cell, Office of the Deputy Commissioner, Aizawl.

²⁰¹ The author's interview with traders who are engaged in Indo-Myanmar border trade.

4.7 Guwahati High Court Interim Order on Inner Line Permit:

However, of late, Inner Line Permit has become a burning issue in Mizoram. North Eastern Plains People Traders and Youth Federation filed a court case against the Government of Mizoram in the Guwahati High Court on June 2, 2008. Meanwhile, the same petitioner filed additional affidavit in the same High Court stating that while the case was pending in the High Court, the Government of Mizoram sent back 90 to 100 non Mizos from Mizoram who did not possess pass permit. Consequent upon that the Guwahati High Court issued an Interim Order on June 13, 2008, informing the Government of Mizoram not to apprehend and send them back those who do not possess Inner Line Permit. This evoked strong reaction amongst the Mizos. On July 3, 2008,²⁰² the Mizo people organized total band through out Mizoram to register their protest against the High Court order. The Mizo people were determined to get back their rights under the Inner Line Regulation. The same Interim Order has been challenged by the Government of Mizoram in the same Guwahati High Court.

In order to show their dislike and abhorrence the act of Public Interest Litigation (PIL) submitted to the Guwahati High Court by the North East Plain Peoples Traders and Youth Federation and the issue of the interim order by the High Court on the same issue, the Mizos under the guidance of the Mizo Zirlai Pawl,²⁰³ organized sitting demonstration in front of Raj Bhavan Gate on July 21, 2008. Due to the Interim Order of the High Court, the Mizoram Government was trying to summon

²⁰² *The Aizawl Post*, Aizawl, June 19, 2008, p.1.

²⁰³ *Vaqnglaini*, Aizawl, July, 22, 2008, p.1

Mizoram Legislative Special Assembly on July 8, 2008, to discuss the matter concerning inner-line permit. In the meantime, the Guwahati High Court has decided to deliver its final decision on July 22, 2008. The Government of Mizoram also cancelled its Special Assemble Session slated to be held on July, 8, 2008.²⁰⁴

The Guwahati High Court has made a decision setting aside the Public Interest Litigation (PIL) submitted by the North East Plain Peoples Traders and Youth Federation,²⁰⁵ and accepted the present practice of the State Government concerning Trading Regulation. It is to be noted once again that the Mizo Peace Accord puts a safeguard on the inner-line regulation in Mizoram.

4.8 Latest Guidelines for the Enforcement of the Inner-Line

Regulations:

The latest guidelines for the enforcement of inner-line regulation in Mizoram have been issued by the Government of Mizoram on September 1, 2006 in supercession of the existing guidelines for the enforcement of inner-line regulation in the State. In pursuance of the Council of Ministers meeting held on 11th August 2006,²⁰⁶ and in the interest of the people of Mizoram, the Governor of Mizoram has issued fresh guidelines for regulating the entry of non-indigenous persons within the Inner Line of Mizoram.

²⁰⁴ *Vanglaini*, Aizawl, July, 7, 2008, p.1

²⁰⁵ *Vanglaini*, Aizawl, August, 28, 2008, p.1

²⁰⁶ The Mizoram Gazette, Op.cit, pp.1-3.

As per the new guidelines, the authorities for issue of regular inner-line pass are the Deputy Commissioner of Aizawl, Lunglei District, Kolasib District, Mamit District, Serchhip District, Champhai District, Lawngtlai District and Saiha District, or any other concerned subordinate officers authorized by them on their behalf shall be competent to issue the inner-line permit for a period of not exceeding six months, on the condition of the availability of a sponsor who is a bonafide indigenous resident.

Temporary inner-line regulation also can be issued by the Resident Commissioner, Government of Mizoram at New Delhi, the Liaison Officer, Silchar, Shillong, Guwahati, Kolkata, the Deputy Superintendent of Police, in charge of Airport Security, officer in charge of Kanmun Police Station, Administrative officer, Bairabi and Sub Divisional Officer(C) Ngopa are authorized to issue temporary inner-line permit.

It is also important to note the types of persons of non-indigenous residents who are exempted from the inner-line permit are such as the Security Forces and the families of such non-indigenous or, regular or permanent government servants and employees of government undertakings and corporations are also be exempted from the purview of the inner-line permit. The retired government employees are also exempted by virtue of his or, her marriage to indigenous tribals of Mizoram.

4.9 Comparison of Guidelines for Regulating Entry of Myanmarese Migrants into Mizoram and Guidelines for the Enforcement of The Inner-Line Regulation In Mizoram:

Inner Line Permit was born out of the ashes of struggle and war between neighboring plain people of the British subjects and the savage hill tribes who used to attack each others. It was the handiwork of the British administration to protect their economy and to create peace in the region. The Mizo people were also not allowed to cross the line demarcated by the British without a valid pass. The British subjects also were not allowed to cross the inner-line without a valid pass. The inner-line was framed in order to maintain peace and tranquility in the region. But with regard to Indo-Myanmar border crossing by both sides of the indigenous people residing in the border areas, the Government of India and the Government Myanmar agreed to provide free movement of people within the radius of 40 km. The reasons cited for this free movement were to facilitate trade across the border and people to people contact. These things were done considering ethnic cultural affinities of the Myanmarese tribals and the Mizos. But after July 31, 1968 the Government of India unilaterally introduced permit system for the Myanmarese entry into India due to security reason.²⁰⁷ But these ethnic Chins from the Chin State of Myanmar continue to enter Mizoram in large scale and permit system remains virtually non existent which have far reaching repercussion in socio-cultural and political spheres in the State of Mizoram.

²⁰⁷ *Ibid.*

Guidelines for the entry of Myanmarese nationals in the State of Mizoram have their roots in the ethnical links between the Mizos and the Myanmarese tribals. The Myanmarese tribals from the Chin State have entered the State of Mizoram in large number in violation of rules and many of them integrated in the Mizo society. In this sphere, rules are more honor in violation than in observance.

According to the guidelines every sponsor of Myanmarese nationals shall be responsible for the peaceful and bonafide stay of the persons sponsored by him or by her and shall also responsible for the good conduct of the person so sponsored during his or her stay in Mizoram. A temporary stay or residential permit shall remain valid normally for three months from the date of its issue,²⁰⁸ and the same may be renewed or a further period of three months at a time, but in any case, not exceeding eight months. These are the rules framed by the Government of Mizoram. But whatever are the rules and the regulations put forwards by the government, to implement them in letter and in spirit in the Myanmar front will always be a difficult task because of cultural and ethnic similarities between the Mizos and the Chins of Myanmar.

When comparisons are made between the inner-line regulations and the guidelines for Myanmarese entry in the State of Mizoram, there are some similarities in their mode of operations, like the enforcement of permit system, sponsorship and fines etc. But there are vast differences in the implementation of rules by the authorities and support given by the public in the State because many Myanmarese migrants have been

²⁰⁸ *Ibid.*

absorbed into the Mizo society whereas people entering through the inner-line permit mostly keep themselves apart from the Mizo society.

Table.4.1

Entry of people to the State of Mizoram through the Inner Line Regulation (IRL) for the year from 1.4. 2008 to 1.3.2009. (Fresh entry)

No. of months	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb.	Mar.
No. of people	620	443	261	256	174	534	417	179	289	394	389	637
Total no. of entry = 4593												

Source: Inner Line Division, office of the Deputy Commissioner, Aizawl.

CHAPTER-5 IMPACT OF BORDER CROSSING AND THE ENTRY OF MYANMARESE NATIONALS.

5.1 Introduction:

Cross-border movement of the Myanmar people from across the Indo-Myanmar border through Mizoram has been a continual affair. When India and Myanmar became parts of the British Empire in 1858 and 1885 respectively,²⁰⁹ there was no international boundary between the two countries. However, the situation altered when the two countries became sovereign states. Since then the two countries began to observe international norms by curtailing the free movement of people from across the international border.

People who have migrated to the State of Mizoram are classified into three groups. The first group belongs to the Mizo speaking people. The second group is the Chin group, whose dialects are different from the Mizo speaking people, but they are ethnically belong to the Mizos. The third category belongs to Myanmar people whom the Mizos call them as *Kawl*. The reasons for these groups to come to Mizoram are due to the difficult condition in Myanmar. The Government of Myanmar economic policy, political turmoil in Myanmar and some personal reasons such as trade and family reasons contribute to the migration of people. This is well understood that 10 -15 per cent,²¹⁰ of hawkers and vendors within Aizawl city are Myanmar migrants. States locating on the international border have their advantages and disadvantages. Mizoram being situated

²⁰⁹ Sangkima, '*Cross-Border Migration, Mizoram*', Shipra Publication, New Delhi, 2004, pp. 84-88.

²¹⁰ *Ibid*, p.117

on the Indo-Myanmar border has been significantly influenced by its position on the international border. The truth is that Mizoram has benefited in many ways from its proximity to Myanmar, at the same time, the Indo-Myanmar border which is porous and movement by people from either side without proper document can pose security problems to the State.

Drug smuggling is a regular phenomenon from this Indo-Myanmar border which is porous and a lot of smugglings taking place throughout the year. It has to be noted that in the Indo-Myanmar border, drug concerning heroin better known in the locality as No.4 is the most seized,²¹¹ that have been imported from Myanmar to the State of Mizoram. In this regard, the Mizoram police and the excise department put serious efforts to check the flow of drugs into the State of Mizoram. Heroin No.4 has been seized coming from Myanmar via –Champhai Zokhawthar route.²¹² At Champhai district and Khawzawl district there are so many drugs coming from Myanmar.

Communal disturbance between the Myanmarese migrants and the people of Mizoram in 2003 was the greatest violence ever occurred between the two communities. The reason for such communal flare-up was that a Mizo girl was allegedly raped by Myanmarese migrants at Vancy Hotel in Aizawl on July 17, 2003. Soon the news spread like a wild fire and the movement against Myanmarese settlers in the State ensued in full swing. The hotel managed by the Myanmarese had

²¹¹ *Vanglaini*, Aizawl, August 25, 2003, p.1

²¹² The author's interview with social activist, Julie Fambol, Director Center for Development through Net Work Education and Research Resource Mobilization and Capacity Building, on 27th April 2009.

destroyed. The people of Chanmari gathered at YMA hall and passed a resolution stating that foreigners from Myanmar who stayed illegally at Chanmari locality to leave their locality immediately. The resolution further stated that from Myanmar, various negative elements such as drugs, smuggling of heroin and other anti-social elements have entered the State of Mizoram,²¹³ and demanded their immediate exit from their locality, this was the trend throughout the State of Mizoram at that time. In fact, July- September 2003 was the time of anti-foreigners, particularly Myanmarese migrants. During this time, in the whole of Mizoram there was anti-foreigners movements, as a result, thousands of Myanmarese migrants who have settled in the State were sent back across the international border. The forceful exit of Myanmarese migrants from the State of Mizoram too had certain oppositions. On the question of the Myanmarese nationals leaving the State of Mizoram en masse, the Mizoram Journalist Association in its general body meeting on 28, 2003 at 12:00 noon at Information and Public Relation Auditorium Hall at Aizawl passed a resolution stating that though the Mizoram Journalists Association (MJA) felt it appropriate to apprehend illegal migrants from Myanmar, yet, it would like to stop the process of expelling them en masse.²¹⁴ In this regard, the organization urged some associations who unflaggingly worked for the expulsion of the Myanmar brethren to be restrained. The Mizoram Journalist Association (MJA) also expressed its concern, by stating that while the Mizo ethnics were in great agony the churches and different political parties were keeping their fingers crossed.

²¹³ *Vanglaini*, Aizawl, July 29, 2003, p.1

²¹⁴ *Ibid.*

5.2 Impact on Government:

The Government of Mizoram has been seriously monitoring the movement of Myanmarese migrants carefully and for this matter even convened a meeting with different NGOs in the State. In this respect, the Government of Mizoram urged the people to remain calm and not to take things in their own hands,²¹⁵ in the meantime, the Government was making sincere effort to solve social problems arising out of Myanmarese settlement as per the laws of the land. Further, on 28th July 2003, at 12:30 noon at Home Minister's Chamber under the chairmanship of R.Tlanghmingthanga the then Home Minister of Mizoram, a meeting to discuss foreigners issue was convened. The meeting was attended by important government officials such as Chief Secretary, DGP, Addl. Secretary Home, and SP (CID). The meeting discussed about the expulsion of the Myanmarese settlers from the State of Mizoram, the meeting discussed whether the extradition of Myanmarese settlers en masse from the State of Mizoram violated the constitution of India and chalked out plan to deal with the matter. Accordingly, the Home Minister of Mizoram R. Tlanghmingthanga gave a statement on 29th July 2003 in the Mizoram State Assembly. The statement stated that from different places in the State of Mizoram a dislike for Myanmarese settlers have been growing and many of them fixed a dead line for Myanmarese nationals. The Minister further stated that in some places the dead lines for Myanmarese to leave Mizoram were July 31st and in some places August 10th 2003. The Minister said that under the military regime in Myanmar, people lacked freedom and came to the State of Mizoram. It

²¹⁵ *Ibid.*

seemed that amongst them, there were some people who were involved in anti-social elements, due to that the selling of drugs and liquor also rampant, and many of them landed in the jail. However, the events have put the government of Mizoram in a very precarious position. The government at least indirectly wanted to defend the Myanmarese migrants at this juncture but at the same time wanted to placate the minds of the people of Mizoram. After a series of discussions and meetings,²¹⁶ the Government of Mizoram had decided to create the following schemes to check infiltrators from Myanmar to the State of Mizoram.

- 1) For the purpose of checking the infiltrators from across the border, the Police Check Gate at Zokhawthar was asked to remain vigil 24 hours so as to detect the infiltrators from across the border.
- 2) The Deputy Commissioners and Superintendence of polices are asked to inform the Government those unlawful infiltrators from across the border.
- 3) The government of Mizoram has decided to establish check gates, apart from Zokhawthar, at places like North East Khawdungsei, Bairabi and Kanhmun.
- 4) Border Management Cell was created under Home Department. In order to look after that cell a police officer known as Officer on Special Duty (OSD) was posted.

The Zoram Nationalist Party a right wing political party of the State condemned the attitude of the Government of Mizoram stating that the Government of Mizoram was issuing orders only after some NGOs voiced their concern on Myanmarese migrants. In this regard, on August 8, 2003, the representatives of NGOs, Village Councils and the Churches

²¹⁶ *Vanglaini, Aizawl*, July 30, 2003, p.1

in their meetings urged the people of Mizoram to follow the decisions of the Government and not to take things in their own hands. In the meanwhile, in some places local people took things in their own hands and forcefully evicted the foreigners (Myanmarese) from their localities. The Zoram Nationalist Party voiced its concern for the Myanmarese migrants and remarked that it was unethical to retaliate the whole Myanmarese settlers in Mizoram because of the misdeeds of a few individual settlers. The ZNP supported the Myanmarese cause, as a reciprocal gesture for the support the Mizo people got during insurgency.

The situation during the mass exodus of the Myanmarese migrants was being monitored by the Government at that time. On 25th August 2003 under the chairmanship of the Home Minister R.Tlanghmingthang with government officials discussed the Myanmarese issues in the State of Mizoram. In this meeting the then chief Secretary Lalringa stated that Border management Cell (BMC) has already been created to look into the matter concerning those who cross over the border. This cell would bear responsibility concerning the management of the people who cross over the borders. In this meeting the Home Minister said that since the anti-foreigner movement, up to August 25, 2003,²¹⁷ the Myanmarese migrants, numbering 5724 have left Mizoram by crossing the river Tiau.

On 25th July 2003, leaders of the big NGOs such as Central YMA, MZP General Headquarters, MUP Gen.Headquarters and MHIP Gen. Headquarters, had a meeting at the MHIP.Gen.Hqrs. Office at Aizawl and

²¹⁷ *Vanglaini*, Aizawl August, 26, 2003, p.1

unanimously passed the following resolutions.²¹⁸ The resolution demanded that in the important places in international boundaries, check gates were to be kept by the Government of Mizoram as soon as possible. The purpose of these check gates were to check negative elements from entering the State of Mizoram. The resolution also urged the government of Mizoram stating that all foreigners who stayed illegally in the State should be traced out. The resolution also further requested political parties not to put foreigners in the electoral roll. The resolution also demanded the State Government to delete all the foreigners from the lists of Mizoram electoral roll.

5.3 Rules for Entry of Myanmarese in Mizoram:

The Government of Mizoram has put forth certain rules and regulations to be used in the Indo-Myanmar border through the State of Mizoram. Since 27th March 2004 the Government of Mizoram imposed entry fee from Myanmarese at Zokhawthar out post. The system was done like that of Inner Line Permit (ILP), and hence, as per the rule the Myanmarese also must have sponsors residing in the State of Mizoram. This order has been made as per the direction issued by the Home Department, Government of Mizoram on 13th February 2004.²¹⁹ As per the guideline, a Myanmarese nationals coming from across the border through Zokhawthar is charged Rs 100/- as entry fee. Temporary permit for staying in Mizoram is Rs20/- and application form is Rs 20/-. Myanmarese migrants who enter the State of Mizoram are not allowed to stay in the State for more than 30 days continuously. If they are to stay

²¹⁸ *Vanglaini*, Aizawl July 26, 2003, p.1.

²¹⁹ *Vanglaini*, Aizawl, March 30, 2004, p.1.

for more than 30 days, they have to renew their permits to the District Superintendent of Police by giving renewal fee of Rs100/- per head. However, under any circumstance they cannot stay for more than 8 months in succession.²²⁰ The guidelines that have been made by the Government of Mizoram at this juncture seemed to be the result of the 2003 anti-Myanmarese movement that had generated. But as time moved on when the surcharged atmosphere between the Myanmarese migrants and the Mizos subsided, and their relationship between the two communities became good, then all these rules are honored more in violation than in observance. Today, these rules are not followed in the true sense of the term.

The entry of Myanmarese nationals in the State of Mizoram cannot be viewed merely in term of foreigner issue. As a matter of fact, The Myanmarese nationals come over to the State for trade, business, labors etc. Of late, the acceptance level by the people of Mizoram is also getting improved. The tolerance level by the Mizo people has also become very high at the moment. There are many people in Mizoram who try to promote emotional integrity of the Mizo ethnic groups which play their parts for the unity of the Chins in Myanmar and the Mizos of the Mizoram. Even though, Myanmar and India became separate countries, the people of Chin Hills and the Mizo people continued to remain close as ever. In fact, the biological linkage continued to keep them together. Moreover, their geographical contiguity also helps them to keep them together

²²⁰ *Ibid.*

5.4 The new Congress Government:

When the new government was formed in January 2009 under Congress Ministry,²²¹ the Home Minister of Mizoram, R. Lalzirliana said that Burmese people involved in illegal and criminal activities were to be deported. The local police have begun once again arresting illegal wine settlers and who are involved in criminal activities. In this connection, 40 Myanmar people including Chin people were arrested on May 16, 2009,²²² and then 38 people were deported to the Indo-Myanmar border. The majority of people who were apprehended were engaged in various works and criminal activities.

On June 13, 2009 also the Mizoram police arrested 4 Burmese Chins in a restaurant, near Aizawl market and other 50 Burmese nationals who were engaged in handloom factories in Aizawl city. The police arrested them from their work place and at their residence. They paid Rs 500 /- per head as penalty,²²³ and then they were released on the same day. Due to the arrest of the Burmese people in the State most weavers and laborers are afraid to come out even on market days/weekend. Mizoram State is mainly dependent on Myanmar weavers for weaving and handloom products, however, the concerned authorities often arrest them under Foreigner's Act and push them back from the Indo-Myanmar border to their country.

²²¹ *The Mizoram Post*, June, 16, 2009, p.1.

²²² *Ibid.*

²²³ *Ibid.*

5.5 Insurgency problems: Indo-Myanmar border through the State of Mizoram:

Mizoram became an island of peace since the signing of the Mizoram Accord in 30th June 1986 between the Government of India and the Mizo National Front. Even though, there were some incidents of violence in some corners with regard to the problems of Hmars and the Brus /Riangs who have some grievances concerning over their demands to the State Government, the State of Mizoram is very peaceful today. The Mizo-Accord was one of the most successful accords that have ever been signed between the Government of India and the insurgent groups. In fact, the peaceful environment of the State has been taken for granted and has become a route to various smuggling elements from across the international border from either side. Another interesting thing with regard to Indo-Myanmar border trade is that during the insurgency period for 20 years the MNF volunteers had been criss-crossing Indo-Myanmar border and Bangladesh border, but there were no incidents of MNF volunteers interfering or, harassing the traders through the Indo-Myanmar border. However, the MNF insurgents of those days did not encourage the entry of cigarette from any direction into Mizoram,²²⁴ the reason cited in favor of this policy was that the MNF was trying to promote the Mizoram products like tobacco etc., and advocated self reliance and independence. The Mizo National Front insurgents also encouraged the import of hunter boots from across the Indo-Myanmar border. These hunter boots were extremely useful for the insurgents operating in

²²⁴ Interview with Lalnghenga, former Superintendence of Police MNF on 12.05.2008 at 7:30 AM.

Mizoram. The MNF used to buy these hunter boots from the traders,²²⁵ and genuinely purchased them from the traders. The MNF insurgents were very fair in their dealing with the local traders.

Before the outbreak of MNF insurgency, border trade across the Indo-Myanmar border through the State of Mizoram was brisk. Diesel and tin were also imported from Myanmar across the border by the traders in large quantity. These tin were very good quality and were used by the Mizos for roofing their houses. Diesel was also very good quality smuggled into Mizoram. However, during the MNF insurgency period, smuggling activities were greatly reduced because of the danger of trading activities in this area.²²⁶ Today Mizoram is safer than ever for investors. The era of turmoil of M.N.F. insurgency is over. The porous nature of Indo-Myanmar border has made Myanmar a safe heaven for many anti-social elements. Many insurgent camps have sprung up in the Indo-Myanmar border in Myanmar side taking advantage of the inaction of the Myanmar army,²²⁷ and there is an insurgent camp at Chikka,²²⁸ in Indo-Myanmar border in Myanmar side opposite to Manipur-Mizoram border. From there the rebels could cross the Indo-Myanmar border and enter the State of Mizoram where security forces are not present and used it as a transit route to reach the State of Manipur. The positive point of the Indo-Myanmar border trade, however, is that the different insurgent groups operating in the Indo-Myanmar border trade do not interfere in the Indo-Myanmar border trade through the State of Mizoram. The traders who actually involved in the Indo-Myanmar border trade through the

²²⁵ *Ibid.*

²²⁶ Interview with Chalzika, Operation Commander MNF, 1966-1972, on 20, 07, 2008.

²²⁷ *The Mizoram Post*, Aizawl, May 1, 2009, p.3.

²²⁸ *Ibid.*

State of Mizoram never experienced harassment from the insurgent groups. However, arms and ammunitions have been smuggled to India from Myanmar through the State of Mizoram; this has been corroborated by the fact that police used to seize smuggled arms coming from across the Indo-Myanmar border.²²⁹

5. 6 Local Political Issues:

Champhai Transport Union (CTU) has its rules and regulations which controls the Indo-Myanmar border trade operations via Zokhawthar. Their system is that the goods coming from Myanmar via Zokhawthar-Champhai have to be necessarily transported by the members of Champhai Transport Union. No other transport is allowed out side this system. There used to be other mode of transports emanating clandestinely without the knowledge of CTU. As a result of this, often friction within the local community used to take place. Goods that have arrived from Myanmar across the border are stocked at Zokhawthar and from Zokhawthar are transported to different parts of Mizoram through Champhai. Usually, the relations between Champhai Transport Union and the people of Zokhawthar used to be bitter and unhealthy. The reason is that both the parties are dependent on the Indo-Myanmar border trade for their economy. They want to get maximum profit from the border trade. The extent of bitterness between the people of Zokhawthar and CTU could be understood from the following incident.

²²⁹ In the month of July 2008 Excise and Narcotic Department seized 7 AK 47, ammunition 10, rocket launcher 1, live cell and booster , coming from across the Indo-Myanmar border trade route.

B. Remmawia, the president of CTU issued a press release on November 17, 2007 stating that on 6th November 2007, Zohmahruaia s/o H.Chhunga of Zokhawthar has broken the rules and regulations of Champhai Transport Union by transporting in his private sumo 20 cases of cigarettes,²³⁰ after that on November 7, 2007 he transported 8 cases of cigarettes and 10 bags of poeathyne by bus. He further said that earlier also Zohmahruai used to transport many times by breaking the rules and regulations of Champhai Transport Union.

At this point of time, Zohmahruaia has been apprehended by the Champhai Transport Union and was beaten up. This unpleasant incident was followed by the filing of First Information Report (FIR) by Zohmahruaia in the name of his own driver on his behalf. Consequent upon that FIR, Champhai police nabbed 5 office bearers of Champhai Transport Union. After a short while the police released them but on November 14, 2007 remanded them again in the police custody and then on November 15, 2007 they were sent to the court and then were released on bail. The standpoint of Champhai Transport Union was that while 20 vehicle owners were queuing to transport goods from Zokhawthar across Champhai in order of seniority, it was untenable for a private individual to transport goods violating the rules of the organization. The Champhai Transport Union was of the opinion that there has been some illegal connection with the officials at Champhai,²³¹ and Zohmahruaia who violated the rules of Champhai Transport Union.

²³⁰ *Rihlipui*, (Champhai Daily) 17th November 2007, p.1.

²³¹ *Ibid*, p.1.

The transport Union to carry foreign goods from Zokhawthar across Champhai has been functioning for many years now. Truck owners, Light vehicle owners, vehicle owners from Zokhawthar, Melbuk and Champhai are connected with this organization. The Champhai Transport Union is not merely profit making organization but it has given lot of social service to the society by way of donations. Champhai Transport Union also gave from the profit of the Indo-Myanmar border trade a sum of money to the victims of Tsunami and Kargil war.²³². Champhai Transport Union stated that there were no other better systems than the present system of conveyance of transport through seniority and claimed that there has been understanding between civil, police and customs,²³³ and says that they together function smoothly to avail the benefit of the Indo-Myanmar border trade.

The Champhai Transport Union is monopolizing goods transporting from Zokhawthar to Champhai. There is also Zokhawthar Welfare Association which is actively engaged in the transportation of goods from Zokhawthar to Melbuk. Therefore, the transporting of foreign goods from Zokhawthar to Champhai is in the hands of these two associations. As thing stand, others are not allowed to operate in the transport of foreign goods coming from Myanmar via this route. This is extremely serious matter concerning the transport system from Zokhawthar because other individuals could not take part in the transporting of goods. Whatever is the matter concerning the transport of

²³² The Champhai Transport Union gave away by way of donation a sum of Rs 3, 82,200.00 in 2006 and Rs 2,19,650.00 in 2007

²³³ *Ibid*, p.1

goods, it often creates some unrest between CTU, ZWA and some individuals who transport foreign goods from Zokhawthar.²³⁴

The responsibility of transporting goods from Zokhawthar to Melbuk lies in the hands of Zokhawthar Welfare Committee. And from Melbuk to Champhai foreign goods are transported by Champhai Transport Union. The transport charge is Rs.1 per kg from Zokhawthar to Melbuk and from Melbuk to Champhai which is 20 km, the transport charge of goods is Rs 1.30 per kg. However, this area has also become tension area in the Indo-Myanmar border trade route. Those individuals who are transporting foreign goods without the permission of these two associations are seized by the associations. And as such, when the victims report to the police, then the police usually takes action by apprehending the members who are involved in the operation.²³⁵

Even though the Indo-Myanmar border trade as per agreement between the two countries has not yet developed in full swing, the informal trade has been carried on across the border. This is possible because the people and the localities have accepted the informal trade and it is through the understanding of the local people that the informal trade has been carried in broad day light in the in the presence of the officials of both the Center and the State. But this border trade has created implications and dynamics in its own spheres and makes the region volatile. The Champhai Transport Union and the Zokhawthar Welfare

²³⁴ On April 20, 2009 at Melbuk, Champhai Trade Union members who were on duty at the check gate unloaded foreign goods from the bus coming from Zokhawthar. The owner of the bus has submitted First Information Report to the to the Champhai police station who apprehended them.

²³⁵ *Vanglaini*, Aizawl, April 24, 2009, p.1

Association want to get maximum benefit from this border trade which often results in interruption of the flow of border trade across Zokhawthar-Rih sector. In this regard, Champhai Transport Union and Zokhawthar Welfare Association compete with each other to transport goods that have arrived from Myanmar to Zokhawthar-Rih sector. So, there used to be often crises between these two organizations to scramble for monopoly of goods from Zokhawthar-Rih to Champhai. In the month of June, 2009 also, Zokhawthar Welfare Association and Champhai Transport Union could not come to terms on the transport of goods from Zokhawthar-Rih to Champhai, as a result, the arrival of foreign goods were banned for one month. The matter was settled only when an agreement was signed between Zokhawthar Welfare Associations and Champhai Transport Union for transportation of goods from Rih-to Champhai. Agreement was made under the aegis of Champhai Deputy Commissioner and Superintendent of Police. As per the agreement, from Myanmar side across the border the goods are to be transported by the Zokhawthar Welfare Association, goods are to be kept at Zokhawthar godown/warehouse,²³⁶ and from Zokhawthar warehouse, Zokhawthar Welfare Association is to load the goods. But regarding transportations of goods from Zokhawthar to Champhai, the transportation is to be in the hands of Champhai Transport Union. Another important agreement in this regard is that transport charge of goods has been fixed at Rs 1.00 per kg.²³⁷

²³⁶ *Vanglaini*, June, 22, 2009, p.1.

²³⁷ *Vanglaini*, 18,June, 2009, p.1.

CHAPTER-6

LOOK EAST POLICY WITH SPECIAL REFERENCE TO KALADAN MULTI-MODAL TRANSIT TRANSPORT PROJECT.

6.1 Introduction:

The region of Northeast India is rich in natural resources but its potential is never explored to satisfaction. Lack of road transport communication facilities in the remote region is hindering the development process in the region. In fact, these rich natural resources provide base for co-operation with immediate neighbors with Bhutan, Nepal, China, Myanmar and Bangladesh in the eastern sectors. Moreover, through Myanmar further sub-regional co-operation can be extended to Thailand, Laos, Cambodia, and all these regions mentioned above have geographical contiguities, as such, can be linked with roads and railways connection and for that cross-border investment should be encouraged in order to tap untapped resources of the regions.

In the back drop of this, the Look East Policy of the Government of India is an important land mark in the annals of India's North East Region, and it has special significance to the State of Mizoram.²³⁸ The

²³⁸ The birth of India's Look East Policy can be traced from the result of from the result of a joint Australia-South Korean proposal which resulted in the meeting of Economic Ministers of 12 Pacific Rim countries at Canberra during November 6-7, 1989 and the meeting proposed to constitute Asia Pacific Economic Co-operation (APEC) grouping which attracted world wide attention, but the Government of India initially dismissed it as having as an ulterior motive by the US to wield economic influence in the Pacific regions. However, the Indian Embassy in South Korea came to know that the joint proposal had been made during the visit of Bob Hob, the then Australian Prime Minister, to South Korea in early 1998. The Indian Embassy in South Korea was convinced that the proposed grouping was a serious initiative for long term regional co-operation, and further learned that the initiators of the ideas, the South Koreans and Australians had not event included had not included the USA in their original lists of the proposed participants. The

Government of India's Look East Policy is necessary due to the land-locked nature of the Northeastern region and as well as India's increased interest in trade with the Association of South East Asian Nations. Other reasons for the Look East Policy are, India's search for energy security,²³⁹ and increased Chinese involvement in Myanmar. The Northeastern regions being far away from the national capital, couple with underdevelopment of infrastructural facilities such as transport, roads and communications, intertwining with insurgencies in various spheres need serious attentions. The truth of the matter is that India is culturally connected with the eastern nations and as such, the Look east policy seems to be developed.²⁴⁰

India's growing interest to maintain good relations with the eastern countries of Asia is considered to be an important development in the annals of India's international relations. Over the years, India has come closer to the ASEAN markets and also to individual member countries, such as Cambodia, Laos, Myanmar, Vietnam and Thailand.²⁴¹ The year 2003, was significant because in that year India has bilateral initiative with regard to Free Trade Agreement with Nepal, Thailand and the Frame Work Agreement for comprehensive economic co-operation with Association of South East Asian Nations. India also introduced

Indian Embassy in South Korea reported their findings and proposed to the Government of India stating that India should bid for an active association with the group right from the time when its organizational structure and objectives were still being processed.

²³⁹ Marie Lall, '*India's Myanmar relations –Geo-politics and Energy in light of the New Balance of Power in Asia*' www.isas.nus.edu.sg. Accessed on 26.02.2010,p.2

²⁴⁰ for example China has offered to build a port at Kyawk Pyin, road, a crude oil pipeline to Yunnan Province.

²⁴¹ Prabir De '*India's Look East Policy: Implications for Northeast India*' in Guru Das Das et. al, in *Indo-Myanmar Border Trade: Status, Problems and potentials*, Akansha Publications, New Delhi,2005,p.99.

Frame Work Agreement for opening Free Trade Areas with Bangladesh, Myanmar, Sri Lanka, and Thailand in July 2004, and also extended tariff concession with China,²⁴² but these Asian countries are very volatile politically and as such, bilateral agreements and co-operations are not to the fullest satisfaction especially in the case with Myanmar and Thailand. It has to be noted that the trip of the then Prime Minister of India Atal Bihari Vajpayee to China in June 2003, has produced important results in improving economic relations between the two countries.²⁴³ Apart from that, there have been proposals for bilateral free trade agreements with Bangladesh and Myanmar. Therefore, India's relation with Eastern countries is gaining strength as a part of its deliberate Look East Policy.

The sincere effort of the Government of India to have good relationship and better co-operation with the eastern neighbors, especially with Myanmar for the growth of the Northeastern States in particular and the rest of the country in general have been generating lot of interests in the minds of the Northeastern people. Consequent upon the Look East Policy, the Government of India has opened two corridors with eastern neighbor of Myanmar, and other corridors are also on the anvil to be opened. As the result of the signing of border trade agreement between India and Myanmar in 1994, their relationship between the two countries has undergone a dynamic change. The two countries began to realize the benefits of co-operation, friendship and understanding between the two countries. Moreh-Tamu in Manipur State and Champhai -Rih Sector in Mizoram were designated as trade routes between the two countries.

²⁴² *Ibid.*

²⁴³ <http://www.siliconindia.com/shownews/india-to-offertrade-tariff-concession-china-nid19938.html> accessed on 18.03.2010

These trade routes have been proposed with the intention of creating a friendly co-operation with Myanmar and better management of the Indo-Myanmar border in order to bring about economic development in the region. India also provided assistance to upgrade 160-km high way along the Kabaw valley. This road runs from Tamu to the Chindwin valley crossing at Kalewa, through the Chin Hills district and the regional military headquarters at Kalemio. The cost of the project amounting to 36 million US Dollar was provided by India. The construction of the road was carried by the Border Roads Organization. As the work began to progress many local laborers were employed. At the height of the work in progress, about 4000 local laborers were working in the construction of roads. The outcome of this effort was that traffic from Tamu to Kalewa and Kalemio began to ply in 2000.²⁴⁴ Plans are also already completed to construct road through Tamu-Kalewa/ Kalemio high way with possible extensions to Tiddim, or Falam,²⁴⁵ and to connect them with Champhai-Rih road. In fact, with the signing of Kaladan Multi Modal Transport Project, between India and Myanmar, the Southern most part of Mizoram bordering Myanmar is likely to become the main gate-way of India's eastern corridor.

6.2 Myanmar A Gate Way to the Look East Vision:

The Indo-Myanmar formal border trade through Zokhawthar-Rih sector is about to take off with all the infrastructural arrangements on the completion stage. The roads from Rih-Zokhawthar to Aizawl are manned

²⁴⁴ B.G. Verghese 'Reorienting *India: the New Geo Politics of Asia*' Konark Publications, Delhi, 2002, pp.185-187.

²⁴⁵ *Ibid.*

by the Border Roads Transport Organization and are planning to make double lanes and the works are in progress. Concrete bridges are being constructed across the rivers between Champhai and Seling, connecting National High Way 54 that links with the mainland India and in the south, connects the southern parts of the State of Mizoram which ultimately links with the Kaladan Multimodal Transport Project. This will connect the route to South East Asian countries via Kaletwa-Sittwee port in Myanmar.

Myanmar is a gate way to India's Look East Policy. India has vigorously engaged in pursuing good relationship with its immediate neighbor. In order to achieve its objective of strengthening relationship with Myanmar, the Government of India has undertaken various measures to upswing the bilateral relations between the two countries. India has engaged in several river and land based projects in Myanmar. The constructions of Tamu-Kalewa-Kalemyo road, Sittwee port, Kaladan Multi-Modal Projects are some of the cases in point. The Indo-Myanmar gas pipe line project is another area where India is deeply involved in Myanmar. India also signed other important agreements with Myanmar,²⁴⁶ such as, exploration of natural gas, satellite based remote sensing, promotion of Buddhist studies in Myanmar. Again New Delhi is looking for joint co-operation with Myanmar in the fields like, IT, automobile, textiles and agro-based industries. The outcome of this is that today India stands Myanmar's 4th largest trading partner after Thailand, China and Singapore.

²⁴⁶ <http://www.globalpolitician.com/?3140=Myanmar>, accessed on 23.02,2009.

6.3 Pipe Line Diplomacy:

India has been planning to meet its shortage of gas by importing gas from Myanmar. India has been trying to obtain gas from Myanmar through the laying of pipe-lines across the border. This process was accelerated due to the negative attitude of the Bangladesh Government which did not give enough co-operation to allow the laying of pipes through its territory. The issue of buying gas was initiated during the BJP Government when the then External Affairs Minister Jaswant singh visited Myanmar in 2001. During his visit oil and gas exploration and supplies were discussed with Myanmar officials.²⁴⁷ The visit to India by U Win Aung, the Minister for Foreign Affairs of the Union of Myanmar, in January 2003 further strengthened the cooperation between the two countries in the areas of hydrocarbon, power and energy sector, especially with regard to India's role in the exploration of Myanmar's offshore oil and gas reserve.²⁴⁸

India has a good relationship with Myanmar starting from colonial times. As a result of India's economic reform and liberalization, its annual economic growth rate has attained 7 per cent. However, to sustain such growth level, India has to take care several issues such as, regional peace and a constant reliable energy supply. These objectives can be achieved by remaining friendly with the immediate eastern neighbor, Myanmar. This is one of the reasons why India tries its best to maintain good relationship with Myanmar and does not like to join the

²⁴⁷ Dr Marie Lall, Op.cit

²⁴⁸ www.aseansec.org/4134.htm accessed on 15th.03.2010.

western bandwagon in condemning Myanmar for trampling democracy in the country.

It is interesting to note that geo-politics of energy has become increasingly important for India in order to sustain its economic growth and development. For that matter, India has planned to import natural gas from an offshore block close to the Arrakan coast of Myanmar. Since India and Bangladesh are not in a good rapport over the issue of Pipeline,²⁴⁹ India has decided to bypass Bangladesh through India's Northeastern States. Interestingly, the Kaladan Multi-Modal Transport Project from Mizoram to Sittwe in Myanmar could provide an alternative out let to the sea for Northeast India.

As of now, Myanmar is regarded as world's tenth biggest gas reserves estimated to be more than 90 trillion cubic feet. India has shown keen interest in obtaining natural gas from Myanmar and engages in exploration activities in Myanmar. In this regard, ONGC Videsh Limited and Gas Authority of India Limited hold 30 per cent stakes,²⁵⁰ in the exploration and production of gas in Myanmar at A1 and A3 off shore blocks located in Sittwe area of Arakan State of Myanmar. As the process to bring gas from Myanmar via neighboring Bangladesh became a problem, India has decided to create another alternative route for gas pipeline. The latest proposal route is through 1575 km pipeline from Sittwe port in the Arakan State of Myanmar through Aizawl-Silchar-Guahati-Siliguri and thereby linking with Haldia-Jagadispur oil pipeline

²⁴⁹ <http://findarticles.com/p/articles/mi-hb6479/is-3-28/ni-n29411620>.accessed on 24th February, 2009.

²⁵⁰ C.S.Kupaswamy, 'Indo-Myanmar Relations', [http://www.Southasiananalysis.org/%5Cpapers 21%5Cpaper2043.html](http://www.Southasiananalysis.org/%5Cpapers%2043.html) accessed on 13.02.2009

at Gaya in Bihar. India is also considered buying Myanmar gas and importing it through ship till the completion of the proposed pipeline.

6.4 Infrastructural projects in western Myanmar facilitating

Movement of goods across the Indo-Myanmar border:

India and Myanmar have co-operated in the fields of communication and infrastructure. In this regard, the *Myanmar–India Optical Fiber link Project* was signed between the State run Myanmar Posts and Telecommunications and the Telecommunications Consultants India Limited during the visit of the president of India, APJ Apdul Kalam to Myanmar in March 2006. This historic agreement was an important development in the annals of Indo-Myanmar relations. The project is under the Indian Government's loan, which is worth 7 millions US Dollars, and the project has started in December 2006. The 640 km stretch of India-Myanmar optical fiber link connects Indian Northeastern border town of Moreh and Mandalay,²⁵¹ which is Myanmar's second largest city, that passes through six cities of Myanmar, such as, Tamu, Kampatwa, Kyigone, Shwebo, Monywa and Sagaing. Other important areas wherein developments took place during the visit of the Indian president were the signing of agreements with regard to natural gas, satellite based remote sensing and promotion of Buddhist Studies.²⁵² During Kalam's visit to Myanmar, new vistas of co-operation in IT, automobile, textiles, agro-based industries, river and land based transportation system were also explored.

²⁵¹ *The Hindu*, December, 17, 2008, p.1

²⁵² *Ibid.*

6.5 Kaladan Multi-Modal Transit Transport Project of the Look East Policy:

The Look East Policy envisaged by the Government of India will be beneficial to the geographically land-locked Northeastern region of India. The region with rich untapped natural resources and huge potential human resources must have an outlet to generate economic growth of the region. The Northeastern region is located in a strategically important region which touches in the north China, and south Myanmar and in the west, Bangladesh, becomes a potential gateway to the most developed Asian regions. The opening of eastern border trade points with Myanmar are all part and parcel of the India's Look east Policy. The fact of the matter is that without a close rapport and co-operation with Myanmar, the Look East Policy will not be successful because Myanmar is located at the gate of our immediate and distant eastern neighbors. The people of Mizoram watch the Look east Policy with great enthusiasm, some of them expressed their doubts about the utilities to be reaped by the Mizos. In the Look East Policy, Zokhawthar-Rih sector border trade center and Kaladan Multi Modal Transit Transport project occupy important place in Mizoram.

The reasons of signing the historical agreement on Kaladan Multi-Modal Transit Transport Project between India and Myanmar are many. Both of them want to develop good neighborly relations. Both countries want to strengthen bilateral relation and promote greater economic integration. Both countries want people to people contact for mutual benefit. Both India and Myanmar want to explore possibility of

constructing commercial route which connects the port of Sitwe in Myanmar with the State of Mizoram.²⁵³ By keeping in view of all these things, the Indian Government and the Myanmarese Military Junta chalked out this historic project that will link the Eastern sea port of Kolkata with Sittwe port in Arakan State of Myanmar. The transport project will be the combination of a system of inland water-way and highway. Both India and Myanmar after carefully examining the detailed project report prepared and submitted by Rail India Technical Economic Services (RITES) in December 2003, signed an agreement on April 2, 2008,²⁵⁴ for the construction of Kaladan Multi-Modal Transit Transport Project (KMMTTP). See trade route map at the end of this chapter.

The backwardness of the Northeastern States in general and the State of Mizoram in particular will immensely benefit from KMMTTP. The project aims to link the Northeast States with the sea via this route. The State of Mizoram is very far from sea ports. Even though Kolkata sea port is very near from the air, it is very far by land route, as such, people need to pass through Siligury in West Bengal by road. Another way through short route is through Bangladesh but that is not possible. In this context, goods in bulk cannot reach Mizoram easily. Fortunately, one of the biggest rivers in Mizoram, river Kaladan in Mizo called *Chhimtuipui* flows through Myanmar Sittwe port in Bay of Bengal. Sittwe is a big sea port in Bay of Bengal in Myanmar.

²⁵³ Frame work agreement between the Republic of India and the Government of the Union of Myanmar for the construction and operation of the Multi-Modal Transit Transport facility of the Kaladan river connecting the Sitwe port in Myanmar with the State of Mizoram in India. The agreement was signed on 2nd April 2008.

²⁵⁴ *Ibid.*

After surveying Kaladan River from different angles, it has been found out that the river Kaladan from Kaletwa to Sittwe which is about 225 km can be made navigable. The distance from Mizoram border to Kaletwa in Myanmar is 62 km which is not navigable, therefore, land route is to be constructed along the river Kaladan. All expenditures in the project are to be incurred by the Government of India. After investigations by the groups of experts India and Myanmar have made the following agreements,²⁵⁵ firstly, expenditures for the project are to be borne by India, secondly, Myanmar Government will levy taxes to those who utilize the transport facilities of these projects. Thirdly, from Kaletwa to Sittwe port is to be made navigable. Fourthly, from Kaletwa in Myanmar to Lawngtlai in Mizoram is to be made motorable. Apart from that, from Kaletwa in Myanmar up to river Zochaw in Mizoram–Myanmar border is to be made doubled land-motorable road.

Therefore, when Kaladan Multi-Modal Project is completed, the route of Kolkata-Sittwe-Lawngtlai-Aizawl will be shorter by several kilometers. The routes will be immensely benefited by Mizoram, Tripura, Manipur and southern region such as Barak valley of Assam. It is expected that Mizoram and those States that make use of these roads,²⁵⁶ for them, business corridors will be open to Singapore and other eastern Asian countries through this project.

²⁵⁵ Zosangliana Zote 'kaladan Multi Modal Transport Project' in Evening Post, Aizawl, January, 28, 2009, p.3. (Zosangliana an Executive Engineer, Public Work Department, Kaladan Division, Govt. of Mizoram.)

²⁵⁶ *Ibid*, p.3

The Kaladan Multi Modal Transit Transit Project (KMMTTP) as envisaged by the Government of India and Myanmar has been classified into three phases. A brief explanation of each phase is made in the following so as to give a clear picture of the project.

6.6 First Phase of KMMTTP:

The First Phase is the reconstruction and development of Sittwe port so as to accommodate bigger vessels. The widening of the approach river channel in order to accommodate 6000 ton ships is also included in this phase. The current size of Sittwe port will be expanded by constructing landing facilities. Loading and storage facilities will also be extended so as to increase the capacity of the port. After the completion of the project, the port landing stages will be expanded by 219 x 15m that will facilitate the handling of 20,000 cargo-carrying ships. There is also another scheme of Inland Waterway Terminal (IWT) with the area of 54 x 15m port jetty which will provide for smaller vessels plying on the river. The present Sittwe port composes of 78 x 15m landing stage, and as such, it is suitable for handling only for vessels of 2000-3000 tons.²⁵⁷

6.7 Second Phase of KMMTTP:

The Second Phase of the KMMTTP is the river Kaladan transport extending from Sittwe port to Kaletwa in Chin State. The total length of the Second Phase is estimated to be 225km which passes through Paletwa

²⁵⁷ <http://www.arakanrivers.net/?page-id=135>. Accessed May 7, 2010.

located between Sittwe port and kaletwa. In the process of the construction and widening of river Kaladan in the Second Phase of KMMTTP more than 2 million cubic meters of materials are needed to be taken away from the river.²⁵⁸ This will make the river navigable. Another Inland Waterway Terminal also will be built at Kaletwa. This will facilitate the movements of cargo from the river to the road transport which means movements of goods and people from Second Phase to the Third Phase.

6.8 The Third Phase of KMMTTP:

The Phase 3 of the KMMTTP is the land transport that extends from Kaletwa to river Zocha of Mizoram-Myanmar border. The distance between Kaletwa to river Zocha in Mizoram is 62 km. From river Zocha at Indo-Myanmar border upto Lawngtlai National Highway covers a distance of 99.830 km.²⁵⁹ The distance between Kaletwa and Lawngtlai NH-54 encompasses the Third Phase of Kaladan Multi Modal Transit Transport Project. Therefore, one can say that the Third Phase consists of two parts, Myanmar section and Mizoram section. Feasibility studies for the land route were carried out by the Indian authorities. The study has found out that in order to implement the project successfully, the work has to be carried out by an experienced construction firms, but in June 2009 the Myanmar military government has decided to take up the highway construction inside Myanmar.²⁶⁰

²⁵⁸ *Ibid.*

²⁵⁹ Detailed Project Report for construction of Kaladan Multi Modal Transit Transport Route in Mizoram, Public Works Department, Government of Mizoram, p.1

²⁶⁰ <http://www.arakanrivers.net/:page-id=135>. Access May 9, 2010.

The Kaladan Multi-Modal Transit Transport Project (KMMTTP) Lawngtlai to Myanmar border Highway Project is to be manned by Public Works Department (PWD), Mizoram. Rail India Technology and Economic Services (RITES) have conducted survey of the stretch between Lawngtlai to Myanmar. It mainly involves improvement and widening of existing Border Road Organization roads, such as, Lawngtlai-Dingtlang-Parva (LDP) and NCV-Nalkawn-Chamdur valley(NCV), and about 30 km of new alignment is made by PWD, Government of Mizoram. The Mizoram Public Work Department (PWD) rejected the Rail India Technical and Economic Services (RITES) survey and prepared a new alignment. The Government of India has accepted the detailed Project report,²⁶¹ prepared by Mizoram Public Work Department (PWD) in principle and is expected to begin their work by the year 2010.

The Sittwe port project which has been planned at the cost of US\$120 is a system of build transfer and use project to be funded by a grant from the Government of India. Berth users will be charged for services offered by the port once it has been upgraded and operated.²⁶² When the project is completed, it will be handed over to the Burmese Government. This project involves development of a trade route between India and Myanmar along the river Kaladan. River Kaladan is navigable from the point where it merges with the Bay of Bengal of Sittwee port up to Kaletwa (Setpyitpyin) in Myanmar and then from Kaletwa (Setpyitpyin) and beyond the river is not navigable. As per the report

²⁶¹ Detailed Project Report on KMMTTP by PWD, Op.c,t, p.2..

²⁶² <http://www.nenanews.com/ANE%20April%201-15,%2008/mj3.htm> accessed on 15.02.2009.

prepared by the Ministry Development of Northeastern Region (DoNER),²⁶³ Kolkata port is at a distance of 539 km from Sittwee by sea, while the distance from Sittwee to Kaletwa (Setpyitpyin) via river Kaladan is another 225 km, and from there to the Indian border of Mizoram is **62** km by road. Again, as per the project report of the PWD, the Government of Mizoram, from Mizoram-Myanmar border to Lawngtlai NH-54 is 99.830 km.

From Kaletwa, Kaladan Multi-Modal Transport Project runs parallel to the river Kaladan linking the District Headquarters of Lawngtlai. The road is to be made in double land of 12 metres wide and out of these 8 meters to be black topped. This project connects the NH-54 from Lawngtlai which in turn connects the entire mainland of India. The Kaladan Multi-Modal Transport Project will link the NH-54 from Lawngtlai to Sittwe port in Arakan via kaletwa in Myanmar into the India Ocean. From the Sittwe port the trade route links up to Haldia in Kolkata then to Vishakapatnam (Vizag) in Andhra Pradesh and to different ports.

With regard to the KMMTTP Third Phase, Chief Minister Lalthanhawla informed the Assembly House stating that under Kaladan Multi-Modal Transit Transport Project Rs 680 crores has been sanctioned by the Centre Government for the construction of road from Lawngtlai (Mizoram) to Myanmar border. For this purpose issuing of tender is in the process and the work is to be completed within 4 years.²⁶⁴ This project will run through the State of Mizoram and will boost the economy. The cost of transportation of goods and people of Mizoram via

²⁶³ *Ibid*

²⁶⁴ Questions and answer session, Mizoram Legislative Assembly, 1.4.2010.

Sittwe port in Bay of Bengal will decrease as it takes only eight hours from Sittwe to Kolkata.²⁶⁵ The Kaladan Multi-Modal Transit Transport Route will run right through the State of Mizoram. This development will lead to economic prosperity to the land-locked Mizoram. The transport of goods and movement of people via Sittwe will reduce travel time and cost as it takes only eight hours from Sittwe to Calcutta by sea.²⁶⁶

6.9 Mizoram as One of the Economic Gate Ways of the Country:

The people of Mizoram will reap many benefits from the international highways between Myanmar and Mizoram. The Mizos have to prepare for this great event,²⁶⁷ so that they may not be left behind when opportunities open to them through the Government of India's Look East Policy. New Delhi wants to connect the North-east with commercial sea routes. Moreover, with the development of Sittwe port and the Kaladan River as navigable,²⁶⁸ the river is expected to have another viable excess to the association of South East Asian nations.

Talking to Media persons on January 29, 2007, the then Chief Secretary of Mizoram, Haukhum Hauzel has highlighted India's plan to connect the North- East Region to the sea through Mizoram under Kaladan Multi-Modal Transit Transport Project (KMTTP). He said that the Government of India has agreed to spend a huge amount of money for the project costs for the development of the Sittwee port and the terminal

²⁶⁵ *The North East Window*, Vol- VI, issue 7, April, 2010, p.12

²⁶⁶ *The North Window*, Vol-vi, issue-7, April, 2010, p.1.

²⁶⁷ *Vanglaini*, Aizawl,(Mizo Daily) 28.04.2007, p.1.

²⁶⁸ Venugopal, '*Sittwe Port Project On The Anvil*' in North-East Window, Dimapur, 15.06.2007, p.40.

at Kaletwa, the up-gradation of the water way between Kaletwa and Sittwee and the construction of road from Kaletwa to Mizoram.²⁶⁹

India has decided to spend a huge amount of money for connecting the Northeastern States to the outside world. In order to fulfil its vision, she has extended to Myanmar a soft loan of US \$10 million at an annual interest rate of 2.5 per cent to cover the expenses of its share of the Kaladan Multi-Modal Transport Project. The reason for doing this is that the Myanmarese Junta Known as State Peace and Development Council has shown reluctant to invest but assured free land for the Project. As it has been mentioned earlier, the detailed project report has been prepared by the Rail India Technical and Engineering Services (RITES). The total cost for the Kaladan Multi-Modal Transport project has been estimated at Rs 860.95 crores. ‘The Ministry of Finance has confirmed the amount being sanctioned’²⁷⁰ and this project will link Mizoram with Myanmar. The proposed project begins from Sittwe port and enters the State of Mizoram through Kaladan River in the southern tip of Mizoram.

As it has been stated earlier that Kaladan Project with a budget of \$120 million is a system of ‘Build Transfer and Use (BTU)’²⁷¹ and the Government of India will finance the project by way of grant. The arrangement would allow the movement of cargo from Sittwe to Indian ports. This project has been conceived by the Indian External Affairs

²⁶⁹ *Ibid*, p.1.

²⁷⁰ Mazzima, <http://www.indoburmanews.net/archives-/2007/February/No-ml>. Accessed on 13.03.2009.

²⁷¹ C.J.Nava Thakur, [m/catFull.JSParticleID=129516](http://www.merineews.co). Accessed on 5.03.2009.

Ministry in 2003, the project also received its approval from the Planning Commission of India. In addition to that the Government of Myanmar has also given a green signal to this project.²⁷²

6.10 Skepticism on India's Look East Policy:

For some political leaders in the Northeast, the Look East Policy seems very skeptical and this can be understood by the fact of the statement issued by them. Meghalaya chief minister Donkupar Roy on 25.06.08 stated that the Centre's proposed Look East Policy would not benefit Meghalaya and suggested the necessity to improve economic links with Bangladesh instead of the Look East Policy. He told the reporters that Bangladesh is very close to Meghalaya,²⁷³ instead of following the broad look East Policy; the North-Eastern States should

²⁷² The coastal region in western Myanmar is separated from the mainland by the Rakhin Yama mountain range. Sittwe is port at the mouth of the Kaladan on the Rakhin coast that emerged as an important harbor as a center for rice export after British occupation of 1826, and New Delhi's move to invest in a Myanmarese port assumes importance due to the fact that Dhaka's reluctance to give access to the Chittagong port which is nearer to the Northeastern region. Nevertheless, Bangladesh Government is showing unwillingness to provide space to run a gas pipeline from Myanmar to mainland India-Kolkata through its territory for fear of losing revenue. It is pertinent to elucidate in brief the about Rakhin State. It is located in the western part of Myanmar bordering the Chin State and the State of Mizoram and Bangladesh. The region is being separated from the mainland by the Rakhi Yama mountain range. Rice is the main crop, occupying 85%, of the total agricultural land. Fishing is also major industry and most of its catch are transported to Yangoon. Wood products such as, timber, bamboo, and fuel wood are extracted from the mountain. A very significant thing is that, there is unexplored potential of petroleum and natural gas production in Rakhin province.

²⁷³ *The Telegraph* Guwahti, June 26, 2008, p.6

explore possibilities of expansion of trade with Bangladesh. He further said that as far as his view on Look East Policy is concerned, other Chief Ministers of Northeastern States also share his opinion. The chief minister added that before the partition there was flourishing trade between the Northeastern sectors and erstwhile East Bengal, even the traditional border markets which run along Meghalaya border with Bangladesh had improved the living situations of the people dwelling in the border areas.

The critics say that the present policy is likely to benefit mainland India more than the Northeastern States. So they advocate improvement of economic ties with Bangladesh. The chief ministers of Assam, Tripura and Mizoram are interested to visit Bangladesh,²⁷⁴ to explore the trade and business opportunities. The matter concerning this has been conveyed to the then union minister for Development of Northeastern Region (DoNER) Mani Shankar Aiyar. The reason for speaking in this direction seems that Myanmar is ruled by military junta, and is not very open to the outside world. Nevertheless, the Look East Policy has been viewed with a mixed response by the people of Mizoram also. Some consider it as a designed to assimilate the people of Mizoram, and on the other hands, some of the Mizos welcome the Look East Policy as a panacea for all the drawbacks in the State of Mizoram. Both these views can be studied carefully. Nevertheless, the Look East Policy is pushing forwards the North-Eastern States, particularly the State of Mizoram towards better development in transport and communication which in turn will have far reaching implications.

²⁷⁴ *Ibid*, p.6.

6.11 Mizoram has become a region of good hope:

It is interesting to know that Sittwe port on the Myanmarese coast which was not long ago a small village of fishing communities and farmers,²⁷⁵ is now could very well serve as a commercial sea route to the Northeastern States through the Myanmarese territory. The port has attained immense strategic significance as a result of the signing of agreement between India and Myanmar with regard to the re-construction of the Sittwe port. As per the agreement, the port will be enlarged to accommodate ships, cargo, goods etc., plying across the ocean. To improve the road connectivity within Mizoram, the Government of India has sanctioned Rs 120 crores,²⁷⁶ to the State for the development of national highway during 2008-2009, as part of steps to develop the kaladan Multi-Modal Transit Transport project.

It is felt that the initial agreement between India and Myanmar on Kaladan Multi-Modal Transit Transport Project should be implemented if prosperity in the Northeastern Region as a whole and the food deficit of the State of Mizoram are to be met. Mani Shankar Aiyar the then, Union Minister for Development of Northeastern Region was very interested in the development of Northeastern region through Kaladan Multi-Modal Transit Transport Project. On return from a boat ride and aerial survey of the Kaladan river in Mizoram,²⁷⁷ he says that there are potentials to move 75,000 of tones of cargoes between Haldia in India and Sittwe in Myanmar annually through monthly sailings and stated that

²⁷⁵ *The Mizoram Post*, Aizawl, November 20, 2008, p.1

²⁷⁶ *Ibid*, p.1

²⁷⁷ <http://www.thehindubusinessline.com/2008/02/17stories/2008021751140500.htm> accessed on March, 6, 2009.

as development remains in progress, the State could well emerge as one of the the economic gate-ways of India.

It is hoped that once the sea port becomes fully operational, food starved of southern Mizoram will get sufficient quantities of rice from Myanmar. It is to be noted that paddy cultivation, double cropping on the Mizoram plain of Chambur and Phura on the Indo-Myanmar in southern Mizoram have been selected to handle to overcome food deficit of Mizoram. The project activities of up-gradation of Sittwee port and water way and construction of the 62 km stretch of road from Kaletwa to the Indo-Myanmar border are expected to be completed by 2011-2012.²⁷⁸ The proposed cargo handling points along the Indo-Myanmar border are Hmawngbu in Mizoram and Myeikwa in Myanmar; both the places are in the Indo-Myanmar border. When the project is completed Indo-Myanmar border trade from the southern part of the State of Mizoram and the south western part of Myanmar through Arakan State and the southern part of Chin State will get a big boost, thereby, turning the land-locked corner of south Mizoram to *special economic zone*.

In this context, it is relevant to discuss about Ho chi min conference which took place during February 12-14, 2009 under the co-ordination of DoNER Ministry, Government of India. This meeting was a successful march towards the Government of India's Look East Policy. This conference was attended by the representatives from Vietnam, Indonesia, Korea, Cambodia, Lao, Thailand, Singapore, Taiwan, Australia, Canada and Asian Development Bank. In this conference,

²⁷⁸ *Ibid.*

Lalrinliana Sailo, Minister of Trade and Commerce who represented the State of Mizoram stated that the Northeastern States were struggling very hard to attract these East Asian countries in their own States. The Minister also briefed the participants about the State of Mizoram,²⁷⁹ its peaceful nature, thereby, inviting the Asian countries for socio-cultural and economic co-operation with the State of Mizoram. The representatives from the State of Mizoram had a discussion with different entrepreneurs from Asian countries,²⁸⁰ and it is learned that they are willing to come to Mizoram. In this conference, the Government of Mizoram was represented by Secretary, Trade and Commerce, Secretary Mizoram entrepreneurship Network and the Minister, Trade and Commerce. Esther Lalruatkimi, Secretary, Trade and Commerce, speaking in the meeting welcome and invited tourists and investors of the Asian countries to come Mizoram so that socio-cultural and economic co-operation may be promoted between Mizoram and Asian countries.

6.12 Ministry of Road Transport and Kaladan project:

Since, this chapter is about the Look East Policy and Kaladan Multi-Modal Transit Transport Project, it will be pertinent to discuss briefly about the Ministry of Road Transport and KMMTTP. The construction of highway road from Indo-Myanmar border up to Lawngtlai-Nalkawn NH-54 stretching about 117 km, though it was not included in the initial agreement between India and Myanmar on Kaladan Multi-Modal Transit Transport Project is a part and parcel of Kaladan Multi-Modal Transit Transport Project. However, the highway project

²⁷⁹ *Evening Post*, Aizawl, February 19, 2009, p.1

²⁸⁰ *Ibid*,p.1

inside India is kept under the Ministry of Road Transport and Highway, Government of India. In June 2007, the Ministry of Road Transport and Highway, Government of India instructed Mizoram State Public Work Department(PWD) to make detailed project report for the Highway road along the river Kaladan. The Ministry of Road Transport Highway has handed over this road way project to the Public Works Department of Mizoram. This detailed project report, has been already made by the Public Works Department,²⁸¹ Government of Mizoram, and has submitted to the Central Government in April 2009. The work is expected to start by 2010.

The KMMTTP is a big project so more time is needed to complete the project. Investigation was initiated in 1994 by Rail India Technical Economic Services (RITES) and was able to complete in 2003. As a result of this investigation, a Framework Agreement was signed on 2nd April 2008. This is to say that after a great deal of hard work and investigation, agreement of KMMTTP was signed. Since kaladan Multi-Modal Transit Transport Project is a project directly taken up by the Government of India and as such, the State Government is not consulted during its conceptual stages. However, on few occasions the Government of Mizoram has been asked to comment and make suggestions concerning location of cargo handling trade point within Mizoram. Except this, the State Government is not given much information about the project; only a few information can be collected from the State Government of Mizoram. The researcher was visiting different State Government offices, such as State Planning Commission, Public Works

²⁸¹Chhuanawma, 'KaladanProjectThuthlung' <http://zawlbuk.net/index.php?mmodul=352>, accessed on 05.03.2009.

Department, Trade and Commerce. However, and could hardly get sufficient materials for his work project.

The proposed trade route of river Kaladan which the Mizos called it *Chhimtuipui* emanates from the Chin Hills in Myanmar. River Kaladan enters the State of Mizoram by following the Indo-Myanmar boundary, and then flows to the interior part, in the southern region of Mizoram. Then gargually, Kaladan River flows outward to the south along the boundary between Autonomous District of Saiha and Autonomous District of Lawngtlai. Then, the river flows back to Myanmar via Chin State-Arakan State where the kaladan river finally joined Sittwe Port in Bay of Bengal (Myanmar). This trade route is planned for multiple mode of transport such as highways, inland water ways and sea route. In view of the fact that Bangladesh has refused to allow India's use of Chittagong ports for international trading. Fortunately, this trade route provides, the land locked Northeast States an opportunity to link with Asian countries. Consequent upon this project, The Northern States could export goods to Kolkata, Vishakapatnam bypassing Bangladesh and the chicken- neck Siliguri corridor.

It is very important and urgent to complete this project because this will provide fillips to the economic growth for the whole Northeast India by offering trade routes which are so essential for the over all development of the region. This project is also expected to tap the economic potential of India's eastern neighbors.

The Government of India has placed great importance in the fields of road transport and communication. The reason is that without improvement of road, transport and communication no region can grow and develop. Therefore, for the growth and prosperity of this remote North East Region, road, transport and communication must be developed. The Government of India has done a lot of works for transforming this region and converts its handicap into opportunity. Moreover, India has been establishing good relations with its eastern countries so that through the co-operation of these eastern neighbors, development may be also brought to the North East Region. It is India's vision to have good neighborly relation with our immediate and far countries. With this aim in view and globalization trend the Government of India has set up Look East Policy as one of the vision documents to integrate with eastern countries of Asia. Therefore, trade routes via Northeastern region are proposed to link with the eastern countries.

The State of Mizoram has been prepared to become a launching pad to the eastern neighbors. Northeastern region, as a whole is rich in natural resources. The region is also rich in diverse areas and lot of opportunities to tap, at the same time, the region has its own problems. However, all these are if tackled and handled in the right way, the region will bring rich dividends not only to the region but also for the whole country. The truth of the matter is that almost all the consumer items are imported from out side the region, it is therefore essential to have ways and means to have long time solutions.²⁸² The location of the region provides a unique opportunity for the development of trade with

²⁸² Prabir De, *Op.cit.*

neighboring countries. Therefore, development of trade with neighboring countries and beyond will boost the economy of the Northeastern States. For that development of Multi-modal transport Project will act as a catalyst,²⁸³ The State of Mizoram which is also located in the extreme corner of the Northeast States bordering Myanmar provides a unique opportunity for growth. From Mizoram through Myanmar sub-regional cooperation can be extended to Thailand, Lao, Cambodia and Vietnam.

It is expected that the project will bring development in trade and other related activities in the State.²⁸⁴ Through this trade route, the products of Mizoram could be easily exported to the neighboring countries. The rich natural resources of Mizoram, such as bamboo, teaks and other products like gingers, Chilies, cottons, fruits, etc., could be exported easily. Moreover, foreign goods will be easily available with cheaper price. The people of Mizoram will have an opportunity to contact with business partners from Thailand, Malaysia, Singapore, etc. The port of Haldia in West Bengal can be reached within 12 hours,²⁸⁵ and Vishakapatnam in Andhra Pradesh could be reached within 24 hours. The State of Mizoram will become eastern corridor for the North-Eastern States. Another advantage for the State of Mizoram is that more tourists will visit the State of Mizoram.

The critics of the Look East Policy in the State of Mizoram fear that due to the Look East Policy of Government of India, they are of the view that the Mizo identity may be lost in the long run. That is to say that

²⁸³ *Ibid.*

²⁸⁴ K.Sapdanga, *Op.cit.*

²⁸⁵ *Ibid.*

the Mizos may no longer be patriotic, in the sense that globalization will lessen the spirit of Mizo identity and that may not be good. However, one should not feel pessimistic. It is to be noted that many nations and countries are located in the international corridors and do not lose their identities, and why should the Mizos lose their identity just because of the Look East Policy. Let the people of Mizoram welcome the Look East Policy and face squarely and avail the vast opportunities that are unfolding right before their eyes.

There is proposal to link South East Asia with the North Eastern States through the Look East Vision. India wants roads and rail links via Myanmar. There is a vision to create Eurasian lands and rail corridors that links Singapore to Istanbul to Europe via both India and China. This is one of the main focal points of India's Look East Policy.²⁸⁶ India wants to develop the North-eastern States by using Myanmar as a bridge to connect the rest of Asian countries. By taking an advantage of Myanmar's connection with other ASEAN countries, India hopes to give a new face to the violent northeastern States to a land of prosperity. It seems that the decision to re-open Stillwell Road is also keeping in view with these goals.²⁸⁷

²⁸⁶ M.K. Mero, '*Indo-Myanmar border Trade in the Light of Look East Policy*' in Gurudas Das, et.al, *Indo-Myanmar Border trade, status, Problems and Potentials*, (Edit.) Akansh Publications, New Delhi, 2005, p.65.

²⁸⁷ *Ibid.*

6.13 Socio-Environmental Impact of Kaladan Multi-Modal Transit Transport Project (KMMTTP):

It is relevant to discuss briefly the socio-environmental impact of Kaladan Project. The KMTTP is basically meant for opening up of trade route to Southeast Asian countries via river Kaladan which flows through Mizoram, Chin State and Arakan region in the western Myanmar. This commercial project of India's Look East policy is bound to generate far reaching implications on the local people of riparian States. Most of the people in the region are living in poverty and have nothing input for the project, but the project passes through their regions. The truth is that in the name of development, very often the inhabitants and environment are being destroyed all over the world. With regard to the riparian States of KMMTTP also, it is widely believed that the local people will not reap much, the economic benefits that will bring by the project.²⁸⁸ The study reveals that more than 90 per cent of the local people are depending on the river for fishing and other activities, and if the project goes ahead, some experts believe that people of the areas will suffer. The inhabitants in Myanmar side fear that the military regime will seize their farmlands for military use. The people feel that the presence of military regimes in the regions will increase human right violation in their areas. Not only that the execution of the project means the destruction of the ecosystem, biodiversity and migratory path of important species.²⁸⁹ As a matter of

²⁸⁸ <http://burmadigest.info/2009/11/11/report-on-the-kalaladan-mlti-modal-transit-transport-project>. Accessed on May 9, 2020.

²⁸⁹ *Ibid*

fact, KMMTTP creates fear psychosis in the minds of the people inhabiting the region.

While the communities inhabiting the Kaladan river basins in Myanmar are feeling uneasy with the KMMTTP, on the other side of the border in Mizoram in India, nothing such commotion is heard. In fact, most of the people in Mizoram welcome KMMTTP because, for them, the project means a path to economic prosperity, an outlet to the wider international fields. In Mizoram it is widely believed that the project will serve as one of the intra-regional trade routes. With regard to Mizoram, the Department of PWD, Government of Mizoram has carefully made environmental assessment on the impact of Kaladan Multimodal Transit Transport Project. The Government of Mizoram is trying to make right investment in land, man power and technology and take several measures to make the Kaladan project the minimum possible adverse impact on the environment in the State.²⁹⁰

The beneficial implications for the Highway Project in the State are many. The project will generate employment opportunities for skill and unskilled workers. With the improvement in road, transports and communications, local industries, agriculture and handicraft in the State will grow. It is also felt that there will be time saving due to improvement in road and communications in Mizoram.²⁹¹

²⁹⁰ Detailed project report on KMMTTP by PWD, Govt of Mizoram. 2009, *Op.cit*, p.1.

²⁹¹ *Ibid*, p.7

CHAPTER-7

SUMMARY AND CONCLUSION

Introduction:

Border trade has come to occupy an important place for the State of Mizoram. Considering the significance of border trade between the State of Mizoram and neighboring countries namely Bangladesh and Myanmar, the establishment of border trade between Mizoram and neighboring countries is included in the Mizoram Accord signed between the Government of India and the Mizo National Front. As border trade plays a vital role in this part of the region, India and Myanmar signed border trade agreement on January 21, 1994, thereby, making Zokhawthar-Rih sector in Mizoram a second border trade point between the two countries.

This second border trade point, however, has been neglected in the first decade until the Government of Mizoram built a bailey bridge across the river Tiau at Zokhawthar in 2002 to facilitate the movement of people across the Indo-Myanmar border. The Indo-Myanmar border trade at Zokhawthar was officially inaugurated on 30th January 2004 by Tawnluia, the then Home Minister of Mizoram. This was a step in the right direction towards the implementation of Indo-Myanmar border trade agreement. With the help of Central financial assistance the construction of the Composite Land Custom Station at Zokhawthar has been completed. But transaction of goods as per border trade agreement has not yet taken place due to the non completion of the infrastructural facilities. Nevertheless, the informal trade has been going on in full swing across the border.

The State of Mizoram has benefited immensely from the peace it has experienced since the signing of the Mizoram Accord. The Indo-Myanmar border trade is one such peace dividend. It is seen that over the two decades of its Statehood the State Government has tried to implement almost all aspects of the Accord. A typical case is the provision of allowing the State Government to have border trade in local produced or grown agriculture commodities with its neighboring countries. The interaction between the State and Centre has been in consonance with the federal structure of the Indian Constitution. Mizoram enjoys the special status under Art. 371(1) and yet Mizoram Government complies with all the Central rules. With regard to collection of taxes also, the Government of Mizoram follows as per the general norms of Indian system.

The following paragraphs in the chapter will attempt to summarize the findings of the research on the Indo-Myanmar border trade in the Zokhawthar-Rih sector. We will also attempt to provide some suggestions for policy orientations by the policy makers.

Summary Of Findings And Conclusion:

In this section we will attempt to examine and summarize our findings in the light of the five important research questions that we broached in the first chapter.

1. Although the people of Mizoram are dependent on border trade for various kinds of goods for their day to day use, there is no substantial impact on the growth in the volume of trade. As it has

been seen that the bulk of transaction has been mainly informal in nature, this does not help in increase in the trade activity in the either side of the border. There are avenues for increase in the volume of trade subject to the condition that a full fledged trade activity in the formal sense takes place along with the improvement in the basic infrastructure. The people of Mizoram are quite aware of the economic benefits accruing from formal border trade. There are efforts in the direction though, due to bureaucratic and political reasons, the pace of economic transaction in the Zokhawthar-Rih sector seems to go very slowly.

The above conclusion was arrived at from the investigation made by the scholar during various field trips to the border post. There is no official statistics to prove the point though, the unofficial estimates and the personal observation by the scholar bring home the point that there is no visible change in the volume of trade in this border point. In fact, this issue is related to **the first research question** we raised in the first chapter of this thesis.

A peculiar phenomenon, however, that has been practiced in the Indo-Myanmar border trade is the barter system. Barter system was practiced by the people before the invention of money. But the Indo-Myanmar border trade agreement includes the barter system in the agreement clause. This is possibly done for the convenience of the people living across the Indo-Myanmar border. But in actual practice it is very difficult to avoid the involvement of money in

modern age. In this type of system the element of money is also involved in the process of barter trade.

2. The Indo-Myanmar border being porous, permit rules for the movement of the people across the border seem to be more honored in violation than in observance. In fact, when India and Myanmar became independent in 1947 and 1948 respectively, they permitted the hill tribes of the border areas to travel back and forth across the border and to buy and sell goods within a radius of 40 km from the Indo-Myanmar border. The reason for this practice was that the people inhabiting this region have a close cultural link and as such, both the governments felt it essential to have free movement across the border for the people of border areas. But this free movement across the border was objected by India, citing security reason. Therefore, from July 31, 1968, the Government of India unilaterally introduced permit system for people entering India. However, this permit system also does not seem to work to the extent desired.

There is no doubt that the Myanmarese migrants have been contributing to the economy of Mizoram in various ways. Many of the Myanmarese migrants have been working as domestic helps and wage labors in Mizoram. Some of them have also been working in the handloom sectors. In fact, some of them have integrated into the Mizo society. Some have been even holding some respectable position in Mizo society.

Border trade between Mizoram and Myanmar is largely determined by the ethnic closeness of the Chin State and Mizoram. The traders are mostly Mizos and Chin groups, who are ethnically the same group, but speaking slightly different dialects. Informal border trade has been flourishing between India and Myanmar continually through Zokhawthar-Rih sector in Mizoram. Though the process of formal trade has been going on in full swing, the informal trade is the main trading activity in this route. The reason for the growth of informal trade across the Indo-Myanmar border is the cumbersome process of the formal trade in which the traders have to fulfill all the requirements in order to do formal trade. Most of the traders across the border are uneducated and prefer informal to formal trade. Nevertheless, the Indo-Myanmar border is porous as such, traders are criss-crossing the international border to buy and sell. Wage labor has become the main occupation of the people of Zokhawthar border town. It is indeed the main livelihood of the people of Zokhawthar. As development in transport and communication improved and trade began to progress, the people of this border region find it difficult to survive without the flow of goods from across the border. This can be felt whenever the flow of goods are interrupted from across the international border.

The above point deliberates **the second research question** we raised in the first chapter. With the increase in the mobility of people across the border there was an assumption that there would be increase in the volume of trade in Mizoram. This assumption does not seem to be holding true. As we have already mentioned in

the previous point that there is no substantial visible increase in the volume of trade.

Of the three types of trade in the border between India and Myanmar, the third tier; i.e. normal trade, has not picked up in this sector. In the Indo-Myanmar border trade agreement, there was agreement to have a three-tier system of trade. The first tier is the traditional exchange system in which the volume of trade in one time consignment should not cross US \$ 1000. The traditional trading system is done by the indigenous people living within a radius of 40 km. The aim is to facilitate the people living in the border areas of both international boundaries. Transaction should be done only through head load. If non local people want to involve in traditional system of exchange, then they have to do within 40km. In the traditional exchange system both barter trade and transaction through money can be done but the amount at one time transaction should not exceed US\$1000, and consignment should be done within 1 or 2 days. The second tier is the barter system of agreed tradable items and one time consignment should not cross US\$ 20,000. In the barter system, transaction should be balanced within a period of 6 months from the date of export or import. The third tier is the normal trade which is done under the letter of credit system. The normal trade between India and Myanmar border in the Mizoram sector has not yet picked up due to the absence of regular banking system on either side of the border.

Barter trade as per Indo-Myanmar border trade agreement may be difficult to practice through Champhai-Zokhawthar sector in Mizoram. The reason is that barter system is inconvenient for the traders because if the trader in Mizoram wants to import betal nut from Myanmar, he has to send items equivalent to that of betal nut which is a very difficult process. Traders are profit seekers. If there is no profit in the exchange of goods, there will be no traders.

The reason for such lack of normal trade is that the Memorandum of Understanding between the banks of India and Myanmar has not yet been signed for the transaction of border trade. Without signing of the Memorandum of Understanding between the State Bank of India and Myanmar Commercial Bank which are designated banks for the formulation of Indo-Myanmar border trade through the State of Mizoram, transaction of goods through normal trade cannot take place across the border. The reason, it has been pointed out, for not signing the Memorandum of Understanding is that the Myanmar military junta makes the value of Kyat very high in response to US Dollar. The official exchange rate is not consistent with the real market value of Kyat vis-à-vis Dollar. Presently, for example, the official exchange rate of US \$ 1= 6 Kyat. This is an unrealistic exchange rate. Consequently; traders are unwilling to transact business under regular trade.

The Indo-Myanmar border trade in the Mizoram sector has been totally neglected until the year 2003 when the MNF Ministry in the second term paid special attention to it. The infrastructural facilities

for the conduct of trade at Zokhawthar could be put in place with the construction of a composite structure for land custom station in 2007. This could be possible only with the active involvement of various civil society groups which took up the case of border trade. One group notable among them was Mizoram Consultative Forum. This organization was instrumental for the fast construction and completion of land customs station at Zokhawthar.

3. The guidelines for the entry of the Myanmarese nationals into the State of Mizoram reveal similarity with Inner Line Permit. Following direction from the Centre, the Government of Mizoram issued directions concerning the entry, exit, stay etc., of Myanmarese in Mizoram. Accordingly, entry permits are issued at various border crossing points between India and Myanmar

Consequent upon the signing of Mizoram Accord, the State of Mizoram witnessed the influx of Myanmarese migrants both legally as well as illegally. So far, however, there is no official census record on the population of Myanmarese migrants in Mizoram. Due to this reason, their exact number in the State could not be ascertained. As a result of suppression of democracy movement and the rule of military junta in Myanmar, a large number of Myanmarese made their exit across the international border with neighboring countries. Many of them have crossed the Indo-Myanmar border and have settled in Mizoram. According to one estimate, about 60,000 -10,000 Chin refugees have settled in Mizoram. These Myanmarese migrants have been engaged in

different works in the State and many of them have integrated into the Mizo society, thereby holding even respectable position in the Mizo society.

Further, the social consequences of the border trade in Mizoram have been visible with the influx of a sizeable number of Myanmarese migrants into the State of Mizoram. The reason attributed for such kind of influx into Mizoram is the internal situation obtaining in Myanmar. The suppression of democracy movement by the military junta has been hurting the people of border areas economically very hard. The supplies of basic provisions are also hard to come by in the border Chin State which is one of the provinces of Myanmar. This has resulted in movement of the people across the border, as the people of Mizoram are of Chin descent.

Although the people of Mizoram are ethnically and emotionally close to the people of Chin State on the other side of the border, the official position of the government of the Mizoram with respect to Myanmarese migrants has been that they are to be treated as foreigners. As such, any one who does not have the official papers like permits or pass ports will be deported to Myanmar. This position has been more in paper than in practice. There are numerous cases of violation of travel rules in Mizoram by the Myanmarese migrants.

The second Indo-Myanmar border trade route of Zokhawthar-Rih sector is prone to smuggling of liquor, narcotic drugs, weapons and other related issues. A large quantity of Myanmarese liquor enters Mizoram. Myanmarese liquor is further used for the multiplication of local made liquor. Heroin is smuggled through this trade route. Excise Department, Crime Investigation Department (CID) and NGOs together make joint effort to curb the smuggling of illegal drugs. Even then the flow of drugs continues. Also weapons like AK 47 rifles, grenades, rocket launchers etc., cross the border into India. Apart from these smugglings of narcotics and other related issues, a large volume of different items of goods enter Mizoram. Apart from these smugglings of narcotics and other related issues, a large volume of different items of goods enter the Mizoram. The Indo-Myanmar border is also the main supply line of pigs and Bovine cattle in Mizoram wherein meat is heavily consumed by the Mizos.

The above scenario that has been obtaining in the border State of Mizoram has to a large extent impacted on the guidelines for regulating the entry of Myanmarese tribals into Mizoram. This, in other words, highlights **the third research** question that we raised in the first chapter. With the increasing mobility of the people across the border it is very difficult on the part of the Government of Mizoram to enforce the permit system for the Myanmarese migrants very strictly.

There are social implications emanating from the Indo-Myanmar border trade with regard to the migrants. The down side of the immigration of Myanmarese into Mizoram is also glaring in the sense that many of them engage in numerous anti-social activities. There are cases of these migrants engaging in bootlegging and other such nefarious activities. So much so that there was an outbreak of communal tension in 2001 and 2003 at Phunchawng and Rangvamual which are the two most populous settlements in the vicinity of Aizawl. Timely management of the situation, however, quelled the tension on both the occasions by the government and civil society groups like YMA.

There are various factors for promoting the Second Indo-Myanmar border trade center of Zokhawthar-Rih sector in Mizoram. Trade and Commerce Department of Mizoram occasionally conduct seminars on promotion of Indo-Myanmar border trade in Mizoram. Several sectoral level meetings between India and Myanmar for the promotion of Indo-Myanmar border trade and other related issues also used to take place. The Mizoram Consultative forum which is a non governmental organization formed for the overall progress of Mizoram put pressure to the Government of Mizoram so that Indo-Myanmar border trade may function as per agreement. The organization claimed that it was through their pressure tactic that the Land Customs Composite structure at Zokhawthar was completed sooner than later. The construction of land customs station composite structure at Zokhawthar began in 2005 and was completed in 2007. These infrastructural facilities created at

Zokhawthar enable it to become a commercial center of Indo-Myanmar border in Mizoram.

4. **The fourth research question** that we have examined is about the prospects of formal trade and its impact in lessening the movement of illegal trade between India and Myanmar. This research work reveals that formal trade in the Zokhawthar-Rih sector has not come into force in full swing. However, as we have already mentioned that the bulk of trade in this sector is being conducted through informal means. In other words, illegal trade has been practiced to a large extent. This has an impact on the prospect of formal trade for which there have been a lot of efforts by the Government of India and Myanmar.

5. In the first chapter we raised the issue of Inner Line Regulation as **the fifth research question**. We will discuss in this section the impact of Indo-Myanmar border trade on the question ILR. Whether it is losing its significance?

The Inner Line Regulation (ILR) is the legacy of the British rule in India. It is also known as Inner Line Permit (ILP). The original intension was to divide the British subjects and the Mizos so that the two communities might live in peace undisturbed by each other. It was to safeguard the economic interests of the British subjects from the Mizos tribes. But as time passed, the Inner Line Permit is used as protection of the Mizos from plain people of the country. The ILP is included in the Mizo Accord which says that

the Inner Line Regulation which is in force in Mizoram will not be repealed without consulting the State Government.

On the surface, it may be difficult to find the linkage between the ILR and the Indo-Myanmar border trade in Mizoram. The reason is that the ILR is used to curb the influx of the non tribals to Mizoram, whereas, in the Indo-Myanmar border trade Mizos and the Myanmarese have been involved. The case of Myanmarese traders and migrants has come under the foreigners' Act and not ILR. But if we examine deeply the underlying phenomena of the Indo-Myanmar border trade, there are strong links between the ILR and the Border trade. The Inner Line Regulation will play more important role in the Indo-Myanmar border trade when formal Indo-Myanmar border trade takes full shape. The reason is that the non tribals who want to engage in the border trade in Mizoram have to obtain Inner Line Permit.

The internal situation in Myanmar is not good as Military Junta used to employ people as forced labor; the people have to obey the dictate of the government. In fact, life in the Chin State bordering Mizoram is harsh. As such, many people started leaving the country in search of employment across the international border. Many people in Chin State crossed over the border of eastern State of Mizoram and settle in the State. At the same time, Mizos have a strong cultural link with the people of Chin Hills and as such Chins are welcome in Mizoram, from these reasons the majority of the Myanmarese migrants come from the Chin State. The Mizos give

moral support to the democracy movement in Myanmar. They want that their brethren in Myanmar also should live in democratic country. Apart from that, there is a geographical contiguity between the State of Mizoram and the Chin State which makes people to people contact easy. Myanmarese migrants contribute for the development of Mizoram economy and enrich the socio-cultural fabrics of the Mizo society. The migrants have engaged in different occupations in Mizoram. Myanmarese contribution to the growth of handloom industry, household work and other services in Mizoram are remarkable indeed. These Myanmarese migrants must be given decent treatment as circumstances compel them to come over to Mizoram, as such, they deserve sympathy. These migrants may become leaders of their country when democracy prevails in Myanmar.

There is much opposition within the Mizo society with regard to Indo-Myanmar border fencing. Zo Re-Unification Organization strongly objected Indo-Myanmar border fencing on the ground that the border fencing will further divide the Mizo ethnics who are living in Myanmar and Mizoram. The MNF Ministry passed a resolution in the Legislative Assembly by urging the Central Government to do Indo-Myanmar border fencing like that of Indo-Bangladesh border.

6. **Look East Policy:** The thesis has also dealt with the Look East Policy in the context of Mizoram. The implication of LEP has a bearing on the State of Mizoram from the point of the infrastructural development to implement LEP. This has also a direct impact on the border trade between India and Myanmar. It is a well known fact that without trade and commerce no region can grow rich and develop. The Government of India wanted to develop good relations with her eastern neighbors in recent past. Consequent upon that it has formulated Look East Policy (LEP) as one of its foreign policy objectives. In this matter, trade relationship between India and Myanmar become an important step towards the fulfillment of LEP. The border trade agreement, the opening of border trade point at Zokhawthar-Rih sector in Mizoram and agreement on Kaladan Multimodal Transit Transport Project (KMMTTP) which is a trade route connecting Myanmar are all part and parcel of the LEP. When KMMTTP is complete Mizoram will become a gate way to the eastern neighbor and beyond. Trade between India and Myanmar will become brisk through this route in southern part of Mizoram. Moreover, the people of Mizoram will get access to Indian Ocean via Sittwe port. Border trade between India and Myanmar in the southern part of Mizoram will develop well because of Kaladan Multi-Modal Transit Transport Project. Through the second Indo-Myanmar border trade of Zokhawthar-Rih sector and KMMTTP, Mizoram is destined to become the gate way to the eastern countries. These are all part and parcel of Look East Policy which will have great impact for Mizoram.

The KMMTTP has been widely debated in the Media in Mizoram., A sizeable population in the State has pessimistic views on the KMMTTP on the ground that the Mizos will be assimilated by richer nations and the identity of the Mizos will get lost in the long run. They also fear that the economic benefits of the Kaladan Multi-Modal Transit Transport Project will go to the non Mizos. But KMMTTP will transform the face of Mizoram for good. The export and import of goods across the international boundary will become easier and more tourists will visit the State. In the process the out look of the people of the Mizos will change for good.

The Indo-Myanmar border trade through Mizoram is so significant that without this border trade many lives in Mizoram will be dislocated. Many foreign goods which are used at home are from Myanmar. These goods are available easily in the markets in Mizoram. Many people also get employment through informal Indo-Myanmar border trade, thereby, getting the benefits of black economy from across the border. Therefore, there has been a significant impact for the socio-economic fabric of the State of Mizoram of the Indian Union

Suggestions:

On the basis of our understanding of the problem of Indo-Myanmar border trade at Zokhawthar-Rih sector, we suggest the following policy prescriptions.

1. As far as the Indo-Myanmar border trade through the State of Mizoram is concerned, both the State Government and the Centre Government must pay attention more seriously than ever before to improve infrastructural facilities of roads and communication. Roads transport communications across the international border in Myanmar, roads from Tiau to Tiddim in Myanmar and roads from Tiau to Falam in Myanmar need to be improved and developed.
2. The high transport charge imposed by the Champhai Transport Union and taxes imposed by the Customs Department on the traders must be looked into and anomaly be corrected by the Government. Though foreign goods are continually entering from across Indo-Myanmar border, the prices of foreign goods are high in Mizoram. This is mainly due to high transport charges and taxes collected by the Custom Department.
3. The roads maintained and controlled by the Border Road Organization between Champhai to Aizawl should be more efficiently manned, particularly during rainy season.
4. The Land Customs Composite Structure at Zokhawthar must be equipped with all necessary means to cop with formal trade. Only

then the three tiers of border trade agreement between India and Myanmar will take shape.

5. The people of Mizoram must continue to support the pro-democracy movement in Myanmar and continue to co-exist with Myanmarese migrants in the State of Mizoram. As political situation in Myanmar is the concern of the entire democratic world, so the people of Mizoram also must sympathize the Myanmarese migrants in the State and help in whatever possible way, in a non-violent democratic spirit.
6. The Kaladan Multi Modal Transit Transport Project must be completed on time so that the natural resources of the State may be tapped and transported through this commercial route to Myanmar to the maximum level. In the process, the N.H-54 must be improved and developed so as to transport goods and services in and out side the country in a more efficient and faster pace.
7. Roads and railways links from Indo-Myanmar border to Thailand, Laos, Cambodia, Vietnam and China should be constructed so that the rich natural resources and man powers of these contiguous regions may be tapped to the fullest extent. Trans high way sub-regional grouping will go along way for the greater development of border trade in these regions.
8. The people of Mizoram must start preparation so as to have maximum benefit from the Kaladan Multimodal Transit Transport

Project. For this, the Government's Land Use Policy has to be taken seriously so that by the time Kaladan Multi Modal Transit Transport Project is completed, Mizoram may be able to reap the maximum benefit by exporting its products to the Myanmar Sittwe port in Bay of Bengal and from there to different parts of the Asian countries.

9. The Indians living in Myanmar and the Myanmar people living in India should be more involved for the promotion of trade between India and Myanmar in whatever possible way they can.

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