

Globalization and the Look East Policy: Dimensions of Connectivity in Indo-Myanmar Border Trade

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Abstract

The ushering in of globalization in India and the subsequent adoption of the Look East Policy has opened a pathway for the development of border trade between India and Myanmar. In the context of Mizoram, the Indo-Myanmar border trade via Zokhawthar-Rih route was established with the signing of the Indo-Myanmar Trade Agreement in 1994. Prior to the establishment of a formal trading mechanism, there was an existence of an informal trading mechanism. The informal trading mechanism is primarily rooted in the social and cultural interconnectedness found among the people located near the border areas. Even with the formalization of trade, the informal trading mechanism is still a dominant element that denotes the nature of connectivity found at the border areas. Based on a study conducted at the border areas of Mizoram and Myanmar, this paper offers an insight into the dimensions of connectivity i.e. economic, social, cultural dimensions prevailing in the border areas. An in-depth analysis on the role of formal and formal trade; the entwinement of the varied dimensions of connectivity and the pertaining issues located in the avenues of formal trade and societal development are also highlighted. These issues also act as road blocks in the path for attaining economic development at the border areas and needs to be addressed accordingly.

Keywords: Globalization, Look East Policy, Border Trade, Connectivity

Introduction

With the arrival of globalization in India, the economy was slowly driven towards market considerations and became entwined with the issues and developments of the global economy. India, in its new vision of attaining interconnectivity with the world economies, began to formulate policies that were aligned to the

propositions of integration and interconnectivity set forth under globalization. The nature of interconnectivity which was initiated from an economic front began to enter into the political, social and cultural realm. The economic dimension alone did not define the nature of connectivity. Other dimensions ranging from political, social, cultural dimensions were entwined with

the economic dimension. These dimensions highlighted various connotations and modes of operation that were already prevalent in the society.¹ The Look East Policy of 1991 was one such policy launched by India in the early phase of its globalized era. Under the Look East Policy, the vitality of the North Eastern Region (NER) of India in terms of geographical proximity and its South East Asian continental linkage gained prominence². The state of Mizoram enjoys physical connectivity with Myanmar and Bangladesh and shares a border of 722 km in length with these two nations. The geographical proximity alone earmarked Mizoram as a vital arena for the implementation of India's Look East Policy.³ Under the Look East Policy, the border area of Mizoram, located adjacent to Myanmar witnessed the growth or intensification of different dimensions of connectivity due to the Indo-Myanmar Border Trade Agreement. Prior to the advent of this agreement, there existed a shared history and shared cultural-ethnic roots amongst the people located at both sides of the border which promoted informal trade amongst the two communities.⁴ The multi-dimensional connectivity prevailing at the border area of Mizoram and Myanmar is dictated by the trading arrangements brought about by the Look East Policy along with the system of informal trade that had been already been in existence. The prevailing dimensions of connectivity are highlighted based on a study undertaken at the border areas of Mizoram and Myanmar. The study is conducted at two villages, Zokhawthar (in

Mizoram) and Khawmawi (in Manipur) where the Zokhawthar-Rih route is situated. Both these villages are adjacent to each other and are physically connected with each other via a bridge that is used to export and import goods across both the nations.

NER AND INDO-MYANMAR TRADE

Since the 1980s, with the intensification of globalization there has been a rise in the adoption of open trade and regional cooperation at the international arena. In the context of India, during the first decade of economic planning (1950s to 1960s), there was little to show for in terms of economic achievement. With the era of globalization ushered in due to the New Economic Policy of 1991 and the ever growing role of the World Trade Organization (WTO), the institutional framework for free movement of goods and services was strengthened and nations around the world were in a deep driven quest, the quest to secure co-operation with other nations especially in the regional front. The Look East Policy, launched by P.V. Rao in 1991 threw attention on the continental link of the North Eastern Region (NER) with the rest of Southeast Asia⁵. The NER was viewed as India's gateway for securing trading relations and cooperation with the rest of Southeast Asia. With the launch of the NER Vision 2020 Document, there was a paradigm shift of the Look East Policy towards the NER. Under the Vision 2020 Document, Myanmar was considered as a key area for the promotion of trade and economic coopera-

tion between India and the rest of South-east Asia. The relevance of NER thus gained due dominance.⁶

BORDER TRADE AGREEMENT

The Indo-Myanmar Border Trade Agreement between India and Myanmar which was signed on 21st of January 1994 became operational from 12th of April 1995.⁷ The Agreement aimed to find ways for the exchange of locally produced goods and reduction in cost of goods among people residing near the border areas. Initially, trade was permitted only in 22 agricultural items under the Agreement⁸ which was later raised to 62 items and included even non-agricultural goods. With the setting up of Land Custom Stations (LCS) at Moreh in Manipur and at Zokhawthar in Mizoram, border trade was to be put into operation.⁹

Border Trade Mechanism

There was a three stage mechanism for border trade¹⁰:

- 1) *Traditional/free exchange*: Trade was carried out among people living at a distance of up to 40 km from the international border from either side. The values of exports were to be less than 1000 US Dollars and exports were balanced through the import of goods of equivalent value within a few days. There was no custom duty imposed on these goods.¹¹
- 2) *Barter trade*: Under barter trade mechanism, exporters and importers in possession of I.E.C (Import Export Code) Certificates were allowed to carry out trade in the permitted 62 items. Customs

clearance was a necessity and the exported goods were to be balanced by importing goods of equivalent value within a period of six months. The values of the bartered goods were set at a maximum limit of 20,000 US Dollars per transaction.¹²

- 3) *Normal/Regular trade*: Under the normal/ regular trade mechanism, the export and import of goods were permissible in free flowing currencies agreed upon by the two trading countries (i.e. India and Myanmar) through the system of advanced payment. All legal goods were tradable under the system of normal trade.¹³

DIMENSIONS OF CONNECTIVITY

The field study conducted along the border areas of Mizoram and Myanmar were confined to two villages, Zokhawthar (in Mizoram) and Khawmawi (in Myanmar). With the establishment of border trade among the two nations, varied dimensions of connectivity prevailing between Zokhawthar and Khawmawi are highlighted.

Cultural connectivity: The Chin tribes located in Myanmar at Chin Hills are part and parcel of the Zo ethnic stock. They share common ancestral roots with their fellow Zo counterparts located in Mizoram and have a deep, entwined cultural linkage which is rooted in their values, lifestyle, language and societal set up. Many residents of Zokhawthar and Khawmawi have relatives living across the border i.e. at the Indian or Myanmar side.

The international border is neither a hindrance nor a blockage for promoting continued unity among the Zo tribes living across the border. It is regarded as a sort of security measure created by the state and serves only security related purposes.¹⁴

Social Connectivity: The shared ancestral roots are also evident in the social connectivity that exists at both villages.

a. Societal set up: Both villages have influential and fully functional civil society organizations (CSOs), Non-Governmental Organizations (NGOs) and local bodies. The Young Mizo Association (YMA) and the Village Council (VC) are among the most influential bodies. These bodies enjoy full support from the residents of Zokhawthar and Khawmawi and work towards the welfare and betterment of the villagers. These bodies play a key role in all avenues ranging from governance to social sector initiatives. They have strong voices and are also adhered to by the political powers due to the very nature of their influence over the villagers. With regards to YMA and VC of both villages, they have a congenial relationship with their fellow counterparts across the border. Many a times, joint meetings, consultations and joint action plans are initiated. The elected leaders from these bodies have both formal and informal consultation with each other on issues ranging from societal well-being, promotion of developmental initiatives, cross border cultural events, instances related to law and order situations.¹⁵

b. People to people contact: The residents of both villages have a deep rooted connection. They are supportive of cross border initiatives aimed at promoting greater unity. They have no issues with cross border marriages and are extremely supportive of such marriages. Cross border visits for both formal and informal purposes are also rampant where the people do not face any hardships or issues while crossing the border. The formal visits range from religious based events, societal events like marriages, funerals and so forth. The informal events include gatherings organized with relatives or friends across the border, impromptu sports related matches and other such gatherings. Many residents of these two villages frequently visit the markets located across the border for purchase of their necessities.¹⁶

Transitive Myanmar and its impact on people to people connectivity

The transitions taking place in Myanmar has had a huge impact on the nature and volume of people to people contact especially in the context of these 2 villages. The transition towards a democratic Myanmar has physically and mentally given a positive boost for the development of greater people to people connectivity and has also lead to an increase in the volume of trade. Many initiatives in this avenue have been undertaken. Citing some instances, during Independence Day 2017 and Republic Day 2018, there was a joint meeting of officials from the both Indian side (who were represented

by the Mizo leaders) and the Myanmar side at Zokhawthar Tourist Lodge. During November 2017, a 2 wheeler rally was embarked upon by the Assam Rifles (AR) from Aizawl (India) to Mandalay (Myanmar).

c. At the non-governmental level: special cases where joint cultural troupes representing both villages, joint sporting events have been witnessed. In the avenue of sports, the Zokhawthar Football League was established in 2017 where this league opened its doors to the Zo ethnic stock located at Myanmar. Educational trips/study tours especially across both sides have been embarked on from time to time. The Zo ethnic tribes from both sides are strongly rooted in Christianity and thus many religious undertakings ranging from visits by religious leaders, joint church events are organized at regular intervals.

d. Educational avenue: There is no academic institution or establishment for higher education in Zokhawthar. At the primary schools and middle schools located in this village, the enrollment of students from the neighboring village of Khawmawi, located across the border is a common trend. At the same time, there are no students from Zokhawthar enrolled in the schools located at the other side of the border.

e. Impact of media: The media has a huge impact, especially on the Zo clan located at Myanmar side. Due to a shared medium of communication technology, the Mizo channels and programmes aired in Mizoram are also viewed in Myanmar

side. Also, the serials/movies/soap operas dubbed in Mizo language telecasted in Mizoram are also viewed with high anticipation by the Zo clan located on Myanmar side. Cross border performance of local singers for numerous events also occur at regular intervals.

f. Tourism aspect: Under the Government of Mizoram, many steps have been taken for the promotion of tourism in these areas. One particular initiative been undertaken is the Stay at Home initiative, where under this project 7 houses have been selected. Funds have been given to these houses to offer adequate facilities to tourists who may opt for the stay at home packages i.e. offer the experience of staying at a typical household. Many tourist agents recognized by the Government of Mizoram also include visits to these villages under their tourist packages.

g. On the avenue of women: There is a fully functional organization for women, the Mizo Hmeichhe Insuihkhawm Pawl (MHIP) at Zokhawthar which is engaged in actions aimed at promoting the well-being of women. Even though Khawmawi village is yet to have a body dedicated towards the well-being of women, the Zokhawthar MHIP has made provisions to ensure membership is extended to the womenfolk of Khawmawi. Under the Zokhawthar MHIP, self-help groups for women entrepreneurs have been established from 2017. These self-help groups offer loans at low rates of interests to women entrepreneurs.¹⁷

Economic connectivity: The social and cultural connectivity plays a key role in the overall economic operations, especially in the context of these two villages. Due to the social and cultural linkage, petty traders hailing from either side are found in the markets across the border. The economic transactions in the form of buying and selling of wares in highly determined by the prevailing rate of exchange, price factor as well as the variety of goods being offered. In many situations, goods arriving from Myanmar do not originate from Myanmar. Myanmar is usually the middle man for the export of goods originating from China and Thailand. Many residents of these villages depend on the border trade for their source of income. While some have a direct role in the export and import of goods, many are dependent on the indirect means of employment ranging from the loading and unloading of goods, the cart or bike services needed for transportation of goods, etc.¹⁸

CONCLUSION

The nature and dimensions of connectivity has been spear headed due to the advent of a formal trade mechanism i.e. the Indo-Myanmar Border Trade Agreement. Prior to the establishment of a formal mechanism for trade at the border areas, informal trade among the people located at both sides of the border have been in operation. The informal trade was guided by the deep rooted cultural connectivity that existed between the villagers. Border trade was viewed by many as an important aspect for the progressive devel-

opment of the economy and the people located at the border areas. Based on the study undertaken, certain hindrances or bottlenecks for the development of border trade between India and Myanmar in the Zokhawthar-Rih route were identified.

1) Infrastructure wise

Bridge: The connecting path of both nations via the bridge is unable to meet the trade requirements as it is not able to carry heavy load. For goods weighing above ten tonnes, the goods are loaded and carted across the bridge using small vehicles or carts. This has reduced the volume of formal trade, has further promoted the usage of the illegal routes and has also diluted the appeal of embarking on trade between India and Myanmar via Zokhawthar LCS.

Lack of testing facilities: The absence of adequate testing facilities for food products have been the root cause of many hardships faced with regards to border trade. The edible goods upon entering Zokhawthar LCS are transported to the testing laboratory in Imphal, Manipur. The sending of the food items to another state as well as the entire logistical requirements for the entire testing process has lead to a massive delay in the mobility of goods.

Lack of advanced payment facilities at Zokhawthar: Even with the establishment of a State Bank of India (SBI) branch at Zokhawthar LCS, this bank is unable to cater to the foreign exchange needs. Under the system of normal trade, there is a need for advanced payment of goods in

foreign currency. Due to the inability of the Zokhawthar SBI to carry out such transactions, the advanced payments for carrying out trade is being provided by certain banks located in Champhai town.¹⁹

2) On Employment: Majority of employment avenues available around the border areas is temporary and based on many factors. Some are determined solely by the availability of seasonal food products at particular months of the year. The nature of relationship between the government of the two sides and the possibility of disgruntled groups due to certain governmental actions/ policies may lead to lack of employment avenues. In case of tension between the two nations, situations may arise where traders may deem trade unfavourable leading to fall in the volume of trade which may have a detrimental impact on the livelihood of the villagers.

3) Human aspect:

Unskilled labour: Majority of the labourers are unskilled i.e. lack proper skill sets for partaking on any specific task. This lack of skill set is mainly due to the lack of skill based programmes, initiatives for those located around the border areas. Skill development programmes maybe recorded at a favourable percentage for the state as a whole but the border areas are highly neglected as these programmes are mostly concentrated in and around the areas located near the state capital whereas the periphery areas are highly neglected.

Lack of involvement of the people located at border areas: Even with huge developmental initiatives being adopted for promotion of border trade, there is no involvement of people at the grassroot level. These villagers have no proper understanding or awareness on the policy measures, undertakings and lack the education needed to understand the policy implications and functioning of the LCS.

Role of community based organizations: There are many community based organizations in Mizoram. Many of these organizations have branches in different parts of the state. The ones located in Zokhawthar have a huge influence even with regards to border trade. There are instances when events that unfold in other parts of Mizoram may trigger these organizations to forcefully close the bridge for a day or even for longer period of time. Other instances may call for the prohibition of movement of people across the border or impose restrictions. Such societal based control hampers not only trade but has deeper implications on the social connectivity dimension.

Due to the interconnectedness that prevails at all the above dimensions, the above bottlenecks besides delaying the groundwork for economic development also have a detrimental impact from a societal point of view. With the formalization of border trade, the people residing in the border areas are assumed to be among the beneficiaries that this mechanism offers. In reality, the people located at the border areas are not able to reap the

full benefits that this mechanism has to offer due to the issues mentioned above. Also, for the success and full implementation of policy measures such as the Look East Policy and the subsequent Act East Policy; the Vision 2020 Document and other undertakings by both central and state government,

the glaring issues highlighted above have to be addressed. To ensure the progressive growth of the ongoing initiatives as well as development in all dimensions of connectivity, the issues highlighted above have to be taken into close consideration and deliberated at all levels of governance.

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END NOTES

- ¹ ChandranD.Suba, et al.(2011). *An Alternative Strategy towards Southeast Asia Looking through India's Northeast*.p-97
- ² Chakraborty Gory, Asok Ray Kumar.(2014). *The Look East Policy and Northeast India*.p-67

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- ⁴ ChandranD.Suba,op cit.,p-97
- ⁵ Chakraborty Gory, Asok Ray Kumar.(2014).*The Look East Policy and Northeast India*. p-66
- ⁶ Chakraborty Gory, Asok Ray Kumar.(2015). op cit., p-18
- ⁷ Ram Upendra Das.(2016).*Enhancing India-Myanmar Border Trade-Policy and Implementation Measures*.p-10
- ⁸ Chakraborty Gory, Asok Ray Kumar(2014),op cit.,p- 78
- ⁹ Ram Upendra Das, op cit.,p-10
- ¹⁰ As per records drawn from the report “*Brief Status of Land Customs Station,Zokhawthar till 28.02.2018*” obtained from the office of the Zokhawthar Land Customs Station on the 7th of March,2018
- ¹¹ Ibid.
- ¹² Ibid.
- ¹³ Ibid.
- ¹⁴ As per the findings obtained from the 13 respondents located in Zokhawthar and Khawmawi during the field study conducted from 5th March-8th March 2018
- ¹⁵ Ibid.
- ¹⁶ Ibid.
- ¹⁷ Ibid.
- ¹⁸ Ibid.
- ¹⁹ "*Brief Status of Land Customs Station,Zokhawthar till 28.02.2018*" op cit.