

Cross-Border Trade in Moreh, Manipur: A Study of Socio-Economic Transformation

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Abstract

Indo-Myanmar cross border trade has always been governed by the kind of human groups that live in the border area. The socio-economy of the border area is always of supplementary and complementary in nature and this aspect of economy should always be kept in mind while promoting the border trade. The research is intended to examine the impact on the socio-economic affairs of Moreh due to cross border trade. Statistical analysis has been applied on the data collected by the researcher to examine the impact of cross border trade on socio economic parameters i.e., education, occupation and income. Along with this, other socio-economic parameters have also been examined theoretically to analyse the impact of cross border trade.

The statistical analysis has shown a significant association among the three parameters and the positive impact that cross border trade has brought in since its formalisation. The theoretical analysis also supports the same results. The identified socio-economic and demographic variables from the present study that have been conducted in Moreh town of Tengnoupal district of Manipur will help in boosting the cross border trade between the two countries and the overall development of border towns.

Keywords: Cross border trade, Socio-Economic, Development, Moreh, Education.

INTRODUCTION

Cross-border trade is defined as the flow of goods and services across international land borders within a reach up to 30 Km. Border trade is different from trade through air, land or sea ports as trade through ports involves clearance through customs and has large volume. Border trade in contrast is "over-land trade" by way of "exchange of commodities" from a bi-laterally agreed list by people living along both sides of the international border. It plays a very integral role in the socio-economic development as well as in the livelihoods of the communities staying in the region. Cross border trade plays a crucial role of a catalyst in the development of the socio-economy of the region and in particular impacts the social-economy of the border town.

Due to historical and ethnic ties, cultural affinity and porous borders, there has always been a traditional exchange of goods between the people living in the border region of India and Myanmar. However, after gaining independence and the demarcations of boundaries by both countries, the border trade was barred by the governments which resulted in the obstruction of the free flow of trade and movement of the people.

Manipur is one of the north-eastern states of the Indian union which is still under developed due to many reasons and problems.

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Although the resource endowment is rich in the state, it has not been explored to its potential due to low level of economic development. Till date, large chunk of the state finance is depended on the central government. Prior to the beginning of formal trade between the two countries, the main occupation of the people of Moreh town were agriculture but that has changed drastically for the people living at the border area after the formal trade was opened between India and Myanmar.

TYPES OF OCCUPATION	PERCENTAGE
Primary	30
Secondary	10
Tertiary	60
Total	100

Source: Data collected by Author through Field work, 2021.

The occupation can be divided into three main sectors i.e. the primary, secondary and tertiary. The primary sectors consists of agricultural and allied sector services where the raw materials for goods and services are provided. The secondary sector is the manufacturing sector which converts a raw material to a commodity and tertiary sector is the service sector which includes trade, transport, communication etc.

An analytical glance at the present occupational profile of the present local people of Moreh, shows that major respondent, 60% claims they are engaged in border trade to support their livelihood as well as for their well beings. It is also pertinent to note that 30% are engaged in primary activities which are in turn use for sale/barter system in the border market. Other minute percentages i.e.10% in total are distributed amongst teaching, public administration, artisan, forestry, transports operators, etc. The occupational structure has changed since the opening of the border as earlier locals were majorly engaged in the agricultural activity as there was hardly any economic source. But with the formalisation of trade, people have procured a legal and additional source of employment. The dependency of the people over trade has drastically increased in the past decade.

For permitting locally produced commodities, to be traded as per prevailing customary practices on both sides of the India-Myanmar border, an agreement on border trade between India and Myanmar was signed on 21st January, 1994 and operationalized on 12th April, 1995. The Agreement envisages that the border trade will take place through Custom Posts at Moreh in Manipur and Zowkhathar in Mizoram, corresponding to Tamu and Rhi in Myanmar. 40 items are permitted for the border trade between India

and Myanmar, with 5% duty. Presently, most of the border trade takes place only through the Moreh Post.

The Trade Agreement also provides two types of movement across the border, viz. free movement from both sides in and around Namphalong Market in Myanmar and Moreh town in India for 12 hours a day and movement under simple border pass which is valid for 12 hours a day between Tamu and Moreh, although the border trade has been come to an halt since April 2020, due to covid-19 pandemic and because of military coup in Myanmar. The types of trade which are allowed under the said Agreement are:-

1. Traditional exchange of local produced items up to US \$1,000 between indigenous people residing up to 40 km on either side of the border.
2. Barter trade of 22 agreed upon exchangeable items
3. Normal or regular trade under the letter of credit system as per EXIM policy guideline.

CROSS BORDER TRADE IMPACT ON SOCIO – CULTURAL & ECONOMIC STRUCTURE OF MOREH TOWN

Education

Education is an important factor for human development. The percentage of educated population in a given society has a direct bearing on its socioeconomic development (Mashangva, 2018). It is an utmost important to acquire education before pursuing any works. The study area is well equipped with proper schools up to the higher secondary level. In Moreh, they have just one college. It was believed that being a border hub, attainment of higher education amongst the local will play a great role in their livelihood strategy and thus thought that the incidence of school going children will increase. Although the number of youngsters getting enrolled in the schools have increased and majority of the youth today in Moreh is 12TH pass, but during an interaction with the residents of Moreh, it was revealed that the majority of the children after the completion of class 12TH ceases to go to schools or college. Rather, they start earning themselves by doing business or as middlemen for the traders coming to Moreh.

Status of Education level

LEVELS	No. of people	Percentage
10 th class	44	29.33
12 th class	74	49.33
Diploma	16	10.66
Graduation	12	8
Post-Graduation	4	2.66
	150	100

Source: Data collected by author through Field Work, 2021

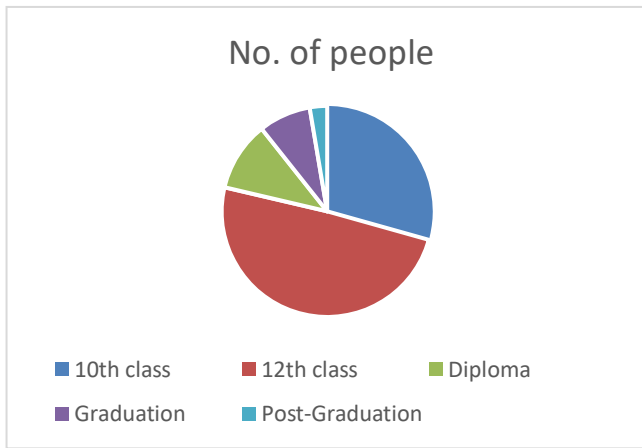


Fig1. Percentage of Status of education level

Economic Impact

As stated earlier, agriculture and cross border trade is not only the main source of economy but also a way of life. The Indo-Myanmar border trade has its impact on economy in the border town of Moreh in particular and the state as a whole. With agriculture products and trading profession as their main economic backbone, other activities like, porter, wage labourer, logging, etc. supplement their economy.

Occupational Structure of Moreh

Occupation	Frequency	Percentage
Wage Labourer/Porter	40	26.67
Traders	80	53.33
Private Employee	18	12
Govt. employee	8	5.33
Investor	4	2.67
Total	150	100

Source: Data collected by author through Field Work, 2021

Income Group	Frequency	Percentage
Below 10,000	36	24
10,001-20,000	72	48
20,001-30,000	30	20
30,001-40,000	10	6.66
Above 40,001	2	1.33

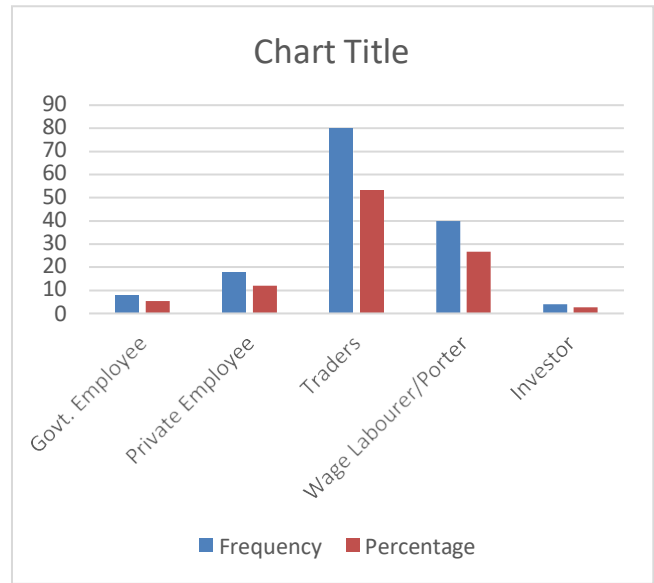


Fig 2. Graphical representation of Occupational Structure of Moreh

Income

One of the main reasons for the formalisation of trade agreement between India and Myanmar was to provide an alternate source of income to the people living in the area in a legal way and to enhance the bilateral relations between the two countries. As stated above in the paper there are seldom any resources for income, thus the centre felt that it will open a new avenue for the people residing in the region. The classification of the income group in Moreh as follows

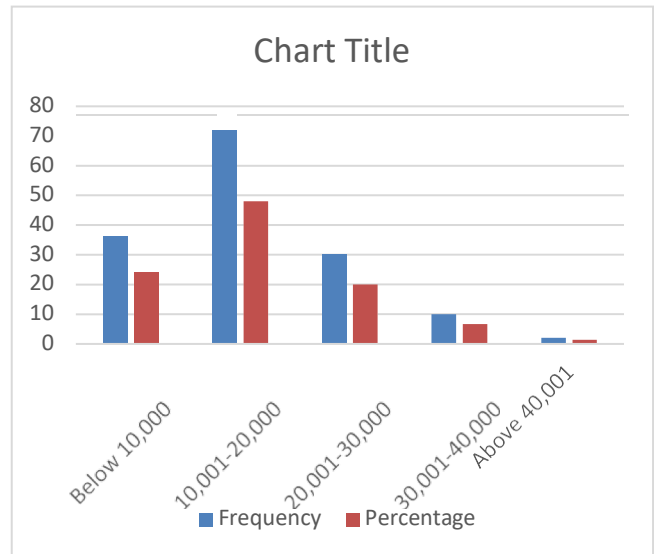


Fig 3. Graphical representation of income group

The low income group have an income below Rs. 10,000 per month. This group consists of almost 24 percent of the total population of the study area and are composed mainly of people engaged in agriculture labour, porter and in subsistence trade. The middle income group constitute of 48 percent. This group earn Rs. 10,001 – Rs, 20,000 per month and are generally who have more agricultural land and have

a wider scope of business. Household earning between Rs. 20,000-30,000 are people who are in government jobs and private sector consists of 20 percent. Out of the total population selected only 6.66 percent constitute of high income group while only 1.33 percent in group earns more than forty thousand rupees. The middle and high income group people are engaged in shop, private and government employees. Some of the subsistence traders are also included in middle and high income group due to their nature of return from trade related activities and investments.

Descriptive Analysis of the data

Metric Variables: F, F_1 and F_2

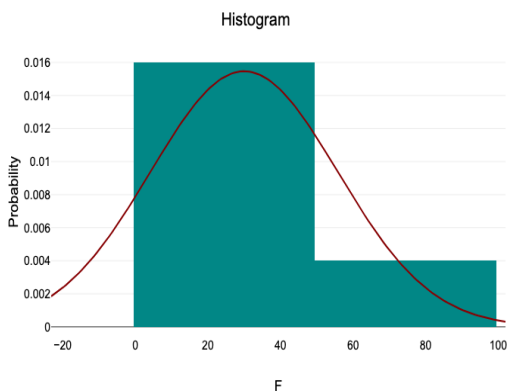
Nominal Variables: Education Level, Occupation, and Income

To Test: Pearson Correlation Analysis

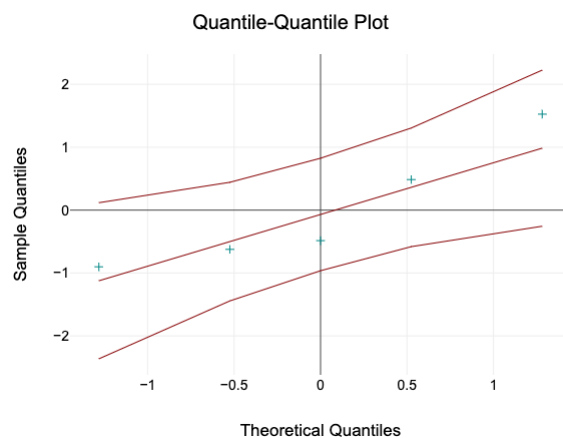
Level of Significance: 0.05

Tests for normal distribution of educational level

	Statistics	p
Kolmogorov-Smirnov	0.29	.717
Kolmogorov-Smirnov (Lilliefors Corr.)	0.29	.239
Shapiro-Wilk	0.88	.329
Anderson-Darling	0.45	.283



A



B

Fig 4(A,B). Histogram and Quantile-Quantile plot of Education level

Tests for normal distribution of occupation

	Statistics	p
Kolmogorov-Smirnov	0.25	.846
Kolmogorov-Smirnov (Lilliefors Corr.)	0.25	.515
Shapiro-Wilk	0.87	.261
Anderson-Darling	0.47	.253

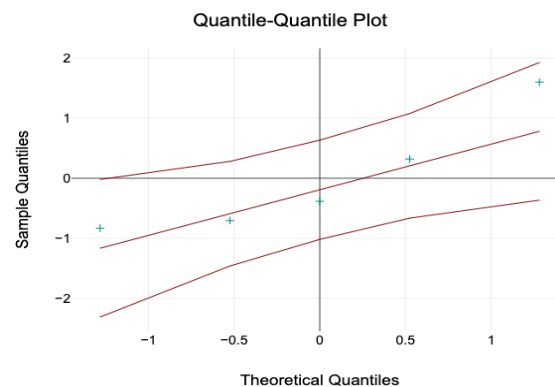
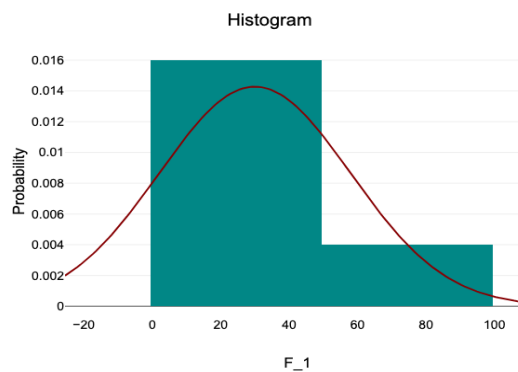


Fig 5. Histogram and Quantile-Quantile plot of occupation

Tests for normal distribution of income level

	Statistics	p
Kolmogorov-Smirnov	0.21	.939
Kolmogorov-Smirnov (Lilliefors Corr.)	0.21	.954
Shapiro-Wilk	0.93	.626
Anderson-Darling	0.32	.543

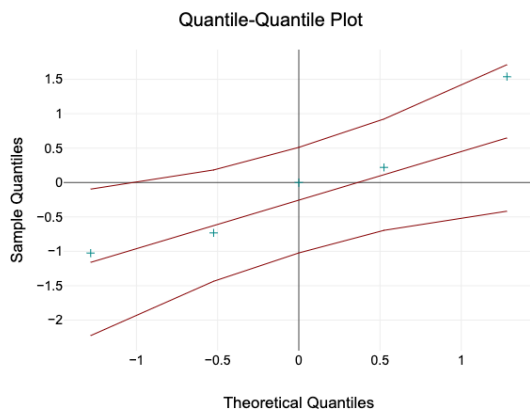
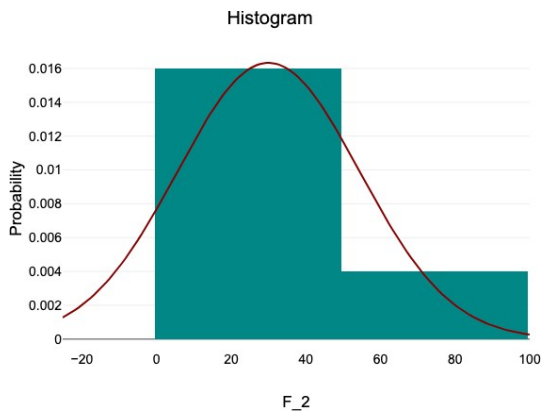


Fig 6. Histogram and Quantile-Quantile plot of Income level

Hypotheses:

Null hypothesis	Alternative hypothesis
There is no association between the Metric variables F, F_1 and F_2	There is an association between the Metric variables F, F_1 and F_2

Total Valid Cases

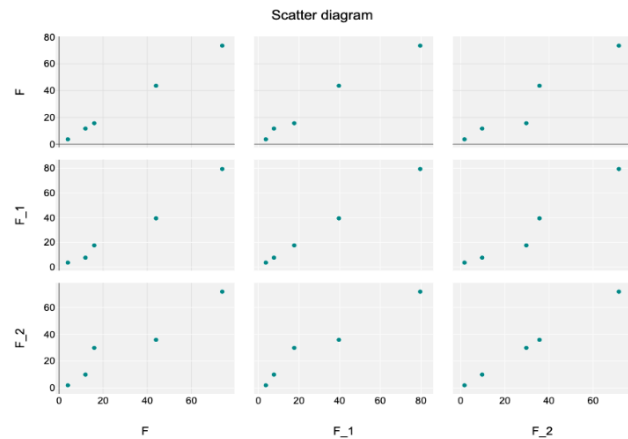
Valid cases	
Number	5

Correlation

	F	F_1	F_2
F	1	0.99	0.96
F_1	0.99	1	0.98
F_2	0.96	0.98	1

Correlation and significance

		F	F_1	F_2
F	Correlation	1	0.99	0.96
	p (2-tailed)		.001	.01
F_1	Correlation	0.99	1	0.98
	p (2-tailed)	.001		.005
F_2	Correlation	0.96	0.98	1
	p (2-tailed)	.01	.005	



Covariance

	F	F_1	F_2
F	832	895	755
F_1	895	976	832
F_2	755	832	746

Effect size F and F_1

Type	Value
r	0.99

Effect size F and F_2

Type	Value
r	0.96

Effect size F_1 and F_2

Type	Value
r	0.98

Result- As the effect size between the metric variables in all the possible cases shows r to be near 1 which proves the alternate hypothesis.

The statistical analysis prove the positive impact of cross border trade on the socio-economy of Moreh town. Aside from these socio-economic parameters, there are some other parameters which have been analysed theoretically to examine the same.

Gender

The mainstay of the livelihood of the people in Moreh after the demarcation of boundary between India and Myanmar was agriculture and illegal barter trade which was risky and dangerous. The head of the family i.e. generally the eldest male member or the male member of the family, earlier was usually the bread earner and thus, all the household expenditure was manage through his earning. As mentioned above, that agriculture was the principal source of income, so even if women in the house used to work in the fields, they were not given the wages as they were taken as helping hands and thus they didn't have any source of income.

With the formalisation of trade along the two borders and the lure by the easy money from the unorganised trade, the easy investment with little capital prompted the other family members to enter into trading profession and specially the women of the area. The border trade presented not only the men but also the women with the opportunity to sell their commodities like food item, clothes, cosmetics, imitation jewellery etc in the area. Another reason that led to the influx of women in the trading community was, that being a women helps in attaining some leniency during the cross border trade i.e. in passing through various check points. Thus, dependency towards the male members has been minimised to some extent. With the passage of time and increase in trade the participation of women has increased in trade which up till past decade was/is considered as a male dominant area. It has been found that border trade has particularly empowered the women of the region as there is increase in the numbers of women participating in daily cross border trade.

Growth in participation of gender in Cross Border Trade

GENDER	1990-2000 in %	2000-2010 in %	2010-2020 in %
Male	25-30	40-45	>60
Female	4-5	10-15	>50

Source: Data collected by author through Field Work, 2021.

The above table shows that since 1991 to 2010 there has

been increase in the percentage of the women involved in the cross-border trade and from 2010 to 2020 there has been rapid growth. With the ease in trading and due to leniency towards the women during the procedure at the check post has persuaded the women to enter this sector and earn a living out of it.

Religion/ Ethnicity

The town of Moreh is inhabited by diverse tribes, ethnic people, cultures and religion which can be attributed to the fact that it is located in the border areas whereby people from all nooks and corner with different faith, caste, region, religion and tribes entered the town with an expectation to start a living or to invest.

The locals of Moreh stated that the indigenous population of the region were Manipuri Meiteis, Nagas, Kuki tribes along with a small number of people of different ethnicities. After the emergence of nationalism in Myanmar and the gradual take-over of the government by the military in 1962, it ultimately led to the displacement of Indian diaspora residing in Myanmar which majorly composed of Tamilians. They came to settle down in Moreh which was closet to their home away from home. And after the formalisation of trade in 1995 by government of India, people from all over India came to Moreh to explore the new opportunities which it had brought in. Since trade was legalised and formalised, development in infrastructure was complimentary to it, so skilled and unskilled workers from different states of India, generally from Uttar Pradesh, Bihar and some also from Nepal came to Moreh in order to look for work. And thus the demography of today's Moreh consists of Tamilians, Punjabis, U.P., Biharis, Nepalese, Marwaris along with the indigenous people. During the interview with the respondents who are involved in trade, it was deducted that 40% of the people are not indigenous people of Moreh and had migrated to Moreh in search of work and to invest in trade and to set a business.

This is perhaps the nature of every international border towns. In Moreh, although there is significant concentration of Hindu and Muslim, but the Christian dominates the town. The different denominations of Christians include United Pentecostal Church, Presbyterian Church, American Baptist, Revival Church, Seven Day Adventist, Salvation Army, Wesleyan Methodist Church, Layman and Roman Catholic Church. The respondents are on the view that, in the early days there were only American Baptist in the region but due to opening of formal border trade people from different regions, religions and ethnicities have migrated to Moreh in order to invest and trade.

Population growth & Migration

The development of trading centre and growth of population are complimentary to each other. The trading town provides the people with various opportunities and other facilities as compared to the hinterland. Thus people from all walks of life enter the town with the expectation for better opportunities. It can be observed from the table below that after the opening of formal trade between the borders there has been a rapid

increase in the population of the town as there was influx of people from all mainland India due to the new employment opportunities and availability of a new market.

Population Growth in Moreh

MOREH		
YEAR	POPULATION	DECADAL GROWTH
1981	7,676	NA
1991	9,673	1,997
2001	14,962	5,289
2011	16,847	1,885

Source: Census of India

Migration refers to spatial mobility between geographical units, generally involving a change in residence from the place of origin to the place of destination (Raman 2017: 52). Migrations from a place takes place because of push and pull factors. Migration generates economic opportunities and improved socio-economic condition for the migrant family. There was prevalence of out migration from the study area before the formalisation of trade. Some migrated to nearby town or state capital or to mainland India for their livelihood, although it’s still prevalent but the numbers has drastically reduced due to the new and easy economic opportunities which has come up.

Determinant of outward migration.

Reasons	Before formalisation of trade (in %)	After formalisation of trade (in %)
Unemployment	40	20
Better Jobs	20	10
Poverty	20	20
Education	10	40
Better lifestyle	10	10

Source: Data collected by author through Field Work, 2021

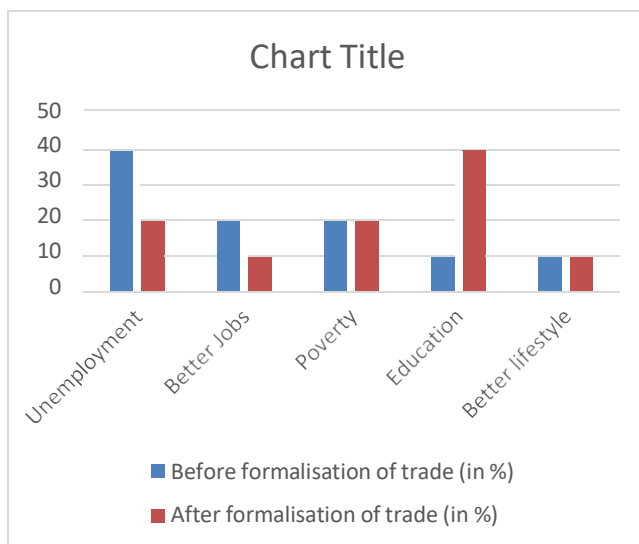


Fig 7. Graphical representation of determinant of outward migration.

It can be seen from the above table that the majority of people before the formalisation of trade were migrating outwards the study area were because of lack of employment, poverty and in search of better jobs. However a shift can be seen in this pattern after the formalisation trade. The job opportunities have increased in the area after formalisation of trade agreement but poverty still remains one of the major issue of outward migration. It is so, because cross border trade provided plenty of opportunities and thus not just people of Manipur were allured towards this but people from all over India came to grab this opportunity leading to again less resources and more individuals and competition in the market. But with passage of time, scenario is changing in Moreh.

Another notable outcome from the formalisation of trade is the reduction in the local out-migrants. Prior to 2000 there was a trend in the study area where the youth was moving out of the town because of less economic opportunities and better lifestyle. The youth was generally working as porters or wage labourers, as they lacked education as well. The formal trade provided the youth with plenitude of opportunities in their own hometown. Although the outward migration still exists in the study area but there has been sharp decline in the numbers.

Population census of Moreh

YEAR	MALE	FEMALE	TOTAL
2001	7617	7345	14962
2011	8670	8177	16847

Source: Census of India

The above table shows that there has been increase in the inward migration in Moreh, and the majority of the migrants come from the state of Tamil Nadu, Uttar Pradesh, Bihar and

Punjab in search of new economic opportunities.

Social and Economic Problems

Although the cross border trade has provided the people with plethora of economic opportunities and social well-being but with this, it has also brought in some menace. Due to porous borders and to and fro movement for trade has led to the availability of drugs which has an adverse impact on the section of population in Moreh and beyond. The ever rising seizures of drugs along the border has increased the demand for drugs. With the rise in use of drugs, the study finds that, the study area witness an alarming rise in HIV/AIDS infected person. Domestic chaos and violence to women and children were the other ultimate impact of drug users. Meth (commonly known as party drugs) and World Is Yours (WIY) is the commonly used drugs amongst the residence. The contiguity to the Golden Triangle has been the most important reason for the rapid rise in use of drugs. Along with that, due to social stigma, many infected person hesitate to disclose their HIV status.

Although, cross border trade was started officially two decade back with great enthusiasm, it has never been smooth. One of the apparent constraints on the growth of the trade, is the poor state of infrastructure, starting with road connectivity and telecommunication facilities at border transit points and banking and other financial network. State of infrastructure and connectivity influences transit and transaction costs involved in trading. Better connectivity and overall state of infrastructure would lower transit and transaction costs and facilitate trade. But the fact that informal trade continues to sustain with the state of infrastructure remaining what it has been, this indicates that its poor state is not the only and the fundamental constraint on the growth of border trade.

Conclusion

With its strategic location on the Indo-Myanmar border and the direct link with Imphal and Mandalay in Myanmar, Moreh has become an important commercial trading town. In fact in the last decade the town has become an important business centre on the international border of India in the eastern side. The cross border trade has provided with a lot of new opportunities to the people and have led to socio-economic development in Moreh. Although, it has been two decades since the formal trade has been opened and a lot of development has taken place but there are still hindrances which affects the cross border trade and the overall development of Moreh town. Some suggestion for strengthening the trade ties between the between the two countries are as follows:

1. There should be proper development of the infrastructure especially the roads for transit and industrialisation in the state.
2. Local industries should be encourage and the town should not be treated just a mere transit point.

3. Proper credit facilities should be avail to the trader as the present scenario is in pathetic condition.
4. Some basic training should be given to the local traders on issues relating to border trade agreements.
5. More banking facilities should be provided and increase in the number of banks.
6. The porous border needs to be checked for illegal smuggling or drugs trafficking.
7. Multiple check points should be done away.

Compliance with Ethical Standards

Ethical Standards: All study procedures involving secondary data followed institutional and/or national research committee ethical standards and the 1964 Helsinki declaration and its later amendments or comparable ethical standards. It is an original work, has not been submitted or published elsewhere, and complies with all ethical standards established by the American Psychological Association.

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