1.1 Introduction

India as a country is characterized by uneven economic development. There are some pockets of vibrant growth whereas some other regions are very backward. It is in this sense where trade became a great factor for development.

Trade is a natural economic activity. It is transaction of goods/products or exchange of things for the purpose of earning and meeting needs for their livelihood. It is the flow of commodities from producers to consumers. A simple meaning for trade which is given in the Oxford Dictionary is “the buying and selling of goods and services.” and if such exchange happens to take place in International Boundary or within the span of 30 Kilometres in border areas, we called it as ‘Cross Border Trade.’ Cross Border Trade or simply the word Trade arises because the distribution of natural resources throughout the earth/region is not even. Beside people’s skill, habits, culture and stage of economic development also varies.

“Cross Border Trade is defined as the flow of goods and services across international land borders within a reach of up to 30
kilometres.” (World Bank 2007). It is intimately linked with socio-economic development of a region and plays an important role in supporting the livelihood of border communities and, thereby, strengthens prosperity in the region. It has also been stated that the introduction of free cross border trade will lead to an increase in the economy of the people and on the other hand it will bring social, cultural and environmental degradation. “Owing to spatial proximity and socio cultural relations, the economic linkages develop automatically for the mutual benefit of the people of the borders.” (Husain. 2000). Thus transportation cost become almost irrelevant, thereby allowing traders to take advantage of differences in supply, demand and price of various goods and services and by doing so, cross border trade helps to nurture amicable relations between neighbours.

The present study is an inter local trade from its historical perspective, because the trade between Indo-Myanmar in this small town of Manipur is an outcome of different factors like cultural affinities, socio-economic built up, geographical location and sharing of common historical bonds.

1.2 Statement of the problem

Cross Border Trade have been existing since time immemorial under different geographical and socio-economic setting. Even before signing the Indo-Myanmar Border Trade Agreement, there was
traditional exchange of goods between the people living along both sides of the border since time immemorial. They have great potential in socio-economic transformation in the border areas. Although, some studies on border trade with regards to Indo-Myanmar had come up, there are limited study in relation to its trade volume, types of goods and the people.

The researchers intend to explore the relationship between trade and geography as it has been found that geography plays a dominant role in economic policies. In this context cross border trade, be, it formal or informal bear significance with regards to North Eastern States due to relative isolation from the rest of the country. “These states share 99.56 per cent of their borders with neighbouring countries and a negligible 0.44 per cent with the mainland India” (Khathing 2005). Further, poor infrastructural facilities within the region compel to developed trade and commerce with the neighbouring countries than the mainland India for its sustenance and growth.

Despite, starting of formal trade between the two countries since 12th April 1995 in Moreh, Manipur, India and Tamu in Sakiang Division of Myanmar, which is the result of signing of Memorandum of Understanding (MOU) on 21st January 1994, the volume of formal trade has been dismal though it has a great potential due to lack of proper infrastructure. Due to these problems illegal/informal trade is
increasing every year in different locations of Manipur and Moreh border since the population in the Border areas are ethno-culturally more or less homogeneous on both side of the border. Therefore, it is pertinent to understand within a radius of 30 Km with reference to its type of commodity, volume and people engaged.

Another issue in this research is the types of commodities traded are very competitive rather than complimentary and as such new strategy may be developed in order to tape the vast resource available in both the countries.

Keeping these issues in mind this paper attempt to highlight the official and un-official trade volumes in Manipur with regards to the types and pattern of goods traded, the influence of geographical location on trade and livelihood pattern of the people those who are residing within the 30 Km radius between the Border areas of Moreh (Chandel District) in Manipur, India. It further goes to visualise the prospect of trade.

1.3 Literature review

Trade is the yardstick to measures the prosperity of a nation and its policies have always played an important role in the economic development of the country. Khathing (2005) put forward that “Trade can expand the size of markets leading to an increase in the incentive
for investment and promotion of growth of income and savings through more efficient allocation of resources.”

The concept of Cross Border Trade dates back in the late 1960’s however the real emphasis started only during the last two decades. Thus there are only few writers on this subject and as such the review of literature is quite limited. In the field of Cross Border Trade, we came across two types of work i.e. Government agencies and Researcher.

A brief review on this count has been attempted in the following.

The pioneer work in cross border trade was done by United States for International Development in Kenya in association with the African Bureau with a title “Unrecorded cross border trade between Kenya and Uganda” (1997). It emphasis on the prevailing trade, nature and the types of commodities traded and conclude that regional cooperation will enhance the realization of potential. The study made by UNICEF (2006) is concern with the livestock and cereal. The report infers that the prevalent of cross border trade has brought food security in the region. This is also corroborated by the study made by WFP (2007) and the World Bank (2007). The World Bank in its report “Cross Border Trade within Central Asia Regional Economic Cooperation” (2007) addressed about the benefits towards the traders live and income and the resultant effect which strengthen local
production and foster service provision. It also discussed about the types of goods traded and the mode of transport used.

“Informal trade between Myanmar on the one hand and India on the other have been going on since a long time” (Singh, 2005). However this was barred by the government of India (GOI) and introduced a permit system unilaterally to check entry of undesirable elements and insurgents. Under this circumstance, trade agreement were the only ray of hope for the revival and development of border trade.

Belshaw (1965), in his book ‘Traditional Exchange and Modern Markets’ argue that “Exchange pattern are among the most important social relationship which bind society together and they affect all aspects of social life.” Trade, thus may serve as a major index of social life. Hodder (1965) sees market as originating from local exchange while Max Webber (1927) argues that trade and markets cannot originate from local demand but must base on external relations. As a result of geographical proximity with Myanmar, the North Eastern Region of India has good scope for economic and industrial development. Prasain (2005) on his article states that the North Eastern Region which was once considered backward can now accelerate economic growth with the initiation of border trade in the areas.
Globalisation and it’s force is trying to reach nook and corner of the world affecting centre of border trade but it has also heightened tension and widen social inequalities (Singh 2006). Exploitation is not just economic in nature but an offshoot of social inequality. Smith (2004) on his paper ‘Global cities in East Asia’ discussed the socio-economic and political transformation of many East Asian countries and aftermath of globalisation.

The rather spectacular economic performance of India, especially over the last 20 years or so, has been able to spawn a number of books and articles in relation to border trade. Against this backdrop, the paper prepared by Konwar (2009) is a welcomed edition to the growing literature. He addressed the complex relationship of trade with its neighbouring countries in the east. He has also discussed about the pros and cons on how to maximise its benefit from cross border relation in North East.

Kiran (2009), in his article written in ‘Sikkim’s Tryst with Nathu La: What Await India’s East and North East’ states “The trade exchange will definitely trigger employment generation and other trade related activities in the region thereby increasing the economic growth of the state.” Just as there are many opportunities, there will be as many as problems associated to it. And in this context, policies adopted by government will play a crucial role and thus can control the direction of social and economic change in the borderland.
Singh (2009b) “The formal opening of the border trade between the two countries has not reduced the informal activities. Informal trade activities have been increasing in the recent years.” The author has also analyse the factors influencing informal trade however his analysis lack geographical explanation which in fact is one of the reason for taking up cross border trade. Similarly, Binota, (2009) in her article ‘India’s Look East Policy and Indo-Myanmar Border Trade’ published in “Challenges in Economic Policy in Manipur” Volume-II, talks about the hurdles in implementing programs. The issues the writer discussed include the EXIM POLICY; the consequences of remoteness and restriction impose on the trade.

Singh (2009a) in his article ‘Indo-Myanmar Border Trade: Issues and Opportunities’ discussed the limitation in this border town, the various form of restriction in trade and suggest that the infrastructure need to be modernise, law and order to be improved and the multiple check post on the National Highway has to be substituted by alternate means.

It is generally felt that, the studies on cross border trade is largely fragmented and there seems to be no improvement in collection of data and most of the analysis which has done so far tend to overlooked the influence of geographical setting and its impact on socio-economy. In this present study, attempts will be made to improve the shortcoming which has been discussed above. The debate
about identity has also arise as cross border trade attract diverse group of people from different parts, therefore the study will also aim at looking into such social and economic problems with the progress of trade.

1.4 Objective

The main objectives of the present study are:

1. To examine the nature, type and volume of goods traded in both sides of the border in Moreh.
2. To study the number of families depending on border trade, their income pattern and ethnic composition.
3. To study the nature of formal and informal trade in terms of volumes and commodities.

1.5 Research queries

1. Is cross border trade a sole economy of the people living in and around Moreh?
2. Is informal trade has more demands compared to the formal sector in Moreh?

1.6 Data source

The study is based on both primary and secondary sources. Due to dearth in literature, the main source for this dissertation has
been based on fieldwork whereby the researcher has collected data through personal interview with the persons engaged in the trade. This has been supplemented with scheduled questionnaires covering varied aspects of socio-economic and cultural features of the area under study. Interviews were conducted with NGOs, village heads and Government Officers of the area.

Secondary sources are collected from available books, articles, journals, magazines, census report, government’s report and others.

1.7 Methodology

Data related to types and nature of good traded, the people’s involves, the problems and prospects of the trade have been generated with the help of focused group discussion with the concerned government officials, NGO’s, respondents and the elders of the selected wards.

Further both quantitative and qualitative data was generated by interviewing the members of the households who are into trade in the Moreh town. The data related to their general background, components in the trade, the hurdles they face and coping strategies with the prevailing trend have been collected by semi-structured
schedule from the person engage in trade. 30 percent of the household engage in the trade were investigated through random sampling.

The literature and the acquired data is then entered in the excel sheet which is further processed, analysed and interpreted keeping in mind the objective of the study. Conclusion is drawn base on the findings as per the objectives and research questions. Most of the data used in this dissertation is derived from the census of India, NGO’s, elders of the town and fieldwork due to its dearth in resource.

1.8 Location of the study area

Moreh, the International Border town of Chandel District in Manipur is located on the Indo-Myanmar road (i.e. National Highway No. 39) which is 110 Km south east of Imphal and lies at an altitude of 800 metres above sea level. The town extends between 93°30’E and 94°35’E longitude and 24°25’N and 24°35’N latitude. Being a commercial town, it attracts a number of people from nooks and corner of the country and thus marks with heterogeneity.
Fig.1.1 Location of the study area
The town is relatively isolated from the hill ranges of eastern Manipur and more open towards the Saigang division of north western Myanmar. The town is divided into nine wards of which 1/3 is a level plain and has a close proximity towards Myanmar; the remaining wards are partly hills. With the official commencement of Border Trade within the two countries from this town with effect from 12th April 1995, it has acted as the retail centre for the people of the region. As per the Census of India 2011, the town has the total population of 16,767. The study area is the natural gateway to Kabow Valley of Myanmar. It is inhabited by different ethnic groups like Nagas, Tamils, Kukis, Mizos, Muslims, Marwari, etc.

1.9 Organization of the study

The dissertation is organized in five chapters-

**Chapter I**: consists of the introduction, statement of the problem, literature review, study area, objectives, research questions, data sources, methodology and design of the study.

**Chapter II**: discusses the geographical background of Moreh town.

**Chapter III**: discusses the volume and composition of trade in terms of formal as well as informal and its flow of commodity from Moreh town.
Chapter IV: highlights on the people who are involved in the border trade with regards to their source of funding and investment in the trade.

Chapter V: conclude the dissertation where the findings and suggestions are incorporated.