INTRODUCTION

Conventionally, trade is considered as an aggregate set of flows of one or more commodities between one or more urban, regional, national or international economies. When trade takes place along the border of two countries, then it is called Border Trade. Border trade takes place mainly on the basis of geographical factors. Owing to spatial proximity, the economic linkages develop automatically for the natural benefit of the people of the borders.

Border trade is instrumental in bringing about development in the border region. It has been postulated that the introduction of free trade crossing the border will lead to an increase in the economy of the border people and consequently social welfare. Yet conventional trade theory also suggests that free trade may increase income inequality within regions.

The significance of trade and regional co-operation in the development of a country is a fairly well researched area. But the rule of trans-border co-operation and trade in the development of the border region is a relatively recent field. Geographers among others have engaged in the search for the solution of border problems and the importance of border research is increasing in the last two decades in response to increasing socio-economic and political problems around the boundaries of the world.

The border trade between India and Myanmar on land take place in three border point, viz, Moreh in Manipur, Champhai in Mizoram, and Longwa in Nagaland. Out of the above 3 land custom stations, only Moreh sector of Manipur has been officially opened for trade following the Indo-Myanmar Border trade agreement on January 21, 1994.

STUDY AREA

Moreh, a small border town of Chandel district in Manipur is selected as the area of study.

This border town on the easternmost foothills of Manipur marks the last point of National Highway No 39 (Indo-Myanmar road) and lies at an altitude of about 800 metres above sea level. The location of Moreh on the slopes and plain of eastern foothills of Manipur provide the national gateway to Kabow valley of Myanmar. Moreh lies roughly between 94°30” to 94°35” East longitude and 24°25” to 24°35” north latitudes.

STATEMENT OF THE PROBLEMS

Border trade at Moreh town has been influenced by both physical as well as socio-political situation in both sides of the border. Even after 12 years of border trade agreement, the overall infrastructure and expected socio-economic upliftment is yet to achieved in the town. The first problem to investigate in this work is the analysis of different physical basis for the thriving of border trade and economic development.

One of the characteristic features of the Indo-Myanmar trade at the Moreh sector of Manipur is the frequent fluctuation in the balance of trade and distortion in the total volume of formal trade for years. Another important feature is the high level of informal or illegal trade at Moreh town which can create a lot of socio-economic disparities and consequences to its people having linguistic, social cultural, religious and economic heterogeneity.

One of the important aspects in the cross-border trade in Moreh town is the pulling of diverse groups of people or nationals around borderlands which ultimately created problems. The debate about identity and share of benefits has arises as a direct response to the increasing numbers of immigrants.

A substantial number has in fact, faced unforeseen financial consequences most notably business failure, employment and underemployment of skilled workers and, often, significant emotional strain adding more socio-economic conflicts and consequences. Therefore, the study also aims at looking into such problems with the progress of the trade.

METHODOLOGY
There are six stages in the methodology of the present study. They are-

1. gathering informations, ideas, concepts and extensive overview of similar work, done so far by other scholars and researchers;
2. general terrain analysis to know its influence on trade;
3. collection of secondary data from census volumes of India and custom offices, and primary data through household survey with the help of an schedule questionnaire for 40 percent of the total observation to get the socio-economic information of the study area;
4. multiple interviews with NGOs, student leaders, custom officials and traders to have a cross-examination of the collected data;
5. processing, analyzing and interpretation of the collected data; and
6. finally, the last stage will be writing of the thesis on the findings.

OBJECTIVE
There are three main objectives as-

1. To study the factors responsible for thriving border trade in Moreh town;
2. To analyse the trade balance and problems associated with it;
3. To analyse the impact of border trade on socio-economic of Moreh town; and
4. To analyse the nature of the border trade at Moreh town.

HYPOTHESIS
1. Geographical isolation of Moreh from the mainland and its relief feature are the prime cause of thriving border trade.
2. Ethnic-cultural affinity among the people across the border is the main factor for emergence of trade.
3. There are many negative impact of the border trade on socio-economic condition of the people, and
4. Low level of infrastructures is the main factors for hindering border trade at Moreh town.

FINDINGS

The general relief of the Moreh town i.e gently sloping down towards Myanmar is the favourable condition for trade taking place. Moreh is relatively isolated from the hill ranges of eastern Manipur and more open to the Saigang division of North-Western Myanmar. Moreh is easily accessible to the plain of Tamu than from the adjoining parts of Chandel in Manipur because it’s slope decreases towards east.

Border trade thrive on Moreh town generally because of its (Moreh) close proximity with fertile plain of Saigang division (Myanmar) and its wider lowland relief. Different ethnic minorities especially Chin are living on the other side of the border; the ethnic-cultural similarities in both sides of the border encourage and boosted trading activities since ancient time. The general relief and the drainage, thus form the physical basis for economic development in Moreh and its surroundings.

The presence of many big streams- Lairok, Lokchao and Khujairok in Moreh attract many people from different direction since ancient periods. The streams have a general direction from West to East corresponding to the degree of the slopes, and trade develope along the lines of these streams.

Indo-Myanmar trade at Moreh town of Manipur is primarily a transit trade. Some of the major problems encounter in smooth functioning of cross-border trade at Moreh town are - leak of cross-border
knowledge among traders, insufficient infrastructural facilities, non-formalisation of currently exchange rate, huge volume of illegal trade, few exchangeable trade items and bad low and order situation.

Consequently, India is having persistent deficit trade balance (in formal trade) with Myanmar at Moreh sector in most of the years since independence.

Unlike other international border, the position of Indo-Myanmar border along Moreh is different. Here there are four entry/exit points namely Gate No. 1 and Gate No. 2 in addition to two other unofficial entry/exit points locally know as Gate No. 3 and 4. This is complemented by numerous foot tracks within a very short stretch in between Border pillar No. 77 and 80. The movements in connection with trade and trades goods enquiring customs clearance are exclusively channelised through Gate No. 1 at Moreh Land customs Station. This Gate straddles the Burma road the only road connecting India with Myanmar. It is a notified authorised route and all legal export/import trade is carried out through this gate. Traditional free movement between India and Myanmar takes place though Gate No. 2. No formal trade take places though this gate. Movement of people with head loads is very heavy across this gate as it straddles the foot track connecting the two main markets of Namphalong (Myanmar) and Moreh (India).

Under this border-trade system, a large variety of goods are imported from Myanmar into Manipur and then goods are available abundantly in the local markets at a cheaper price than those produced locally. Thus, the growth of small-scale industries in the state in recent years has slowed down.

Formal opening of border trade did not help in combating practice of illegal trade under which many narcotic drugs are imported from Myanmar into the state. Because, the entire stretch of border including the areas adjoining Moreh is totally porous and virtually unmanned barring a small distance between border pillar 77 and 80. If we put proper fencing all along the border and provide better infrastructure, we can bring the illegal item to legal channel to some extent.

The commodity production structure of Moreh (Manipur) is more or less similar to that of the Myanmar both producing primary products and importing manufactured goods and so the basis of trade is not strong.

Moreh-Tamu sector is essentially the transit route for products originating outside both Manipur and Myanmar, moreover, they are distant from their main manufacturing and trade centre. Consequently, the potential for exchange of necessities as well as products for various economic activities exists. Therefore, India’s export to Myanmar though Moreh town ranges from primary commodities to manufactured products. Most of the goods importable from Myanmar are of agricultural nature and forest produces beside huge manufactured goods in informal sector.

Under the Indo-Myanmar border agreement, 22 items are identified for exchange by residents living along the border between India and Myanmar.

They are -

1. Mustard/Rape seed,
2. Pulses and beans,
3. Fresh vegetables,
4. Fruits,
5. Garlic,
6. Onion,
7. Chillies,
8. Spices(excluding nutmeg, Mace, Cloves and Cinnamon)
9. Bamboo,
10. Minor forest products (excluding Teak),
11. Food items for local consumption,
12. Tobacco,
13. Tomato,
14. Reed Brom
15. Sesame
16. Resin,
17. Corriondor seeds,
18. Soyabean,
19. Roasted sunflower seeds,
20. Betal nut and leaves,

Ten more additional items were included for exchange during 2001.

They are -
1. Teak
2. Natural Resin,
3. Gum Resin and other Resins,
4. Ground nut seeds/oil peanut
5. Rice,
6. Bamboo bared house hold products and Bamboo Caps
7. Pepper
8. Agarwood subject to provisions of CITES.
9. Animal skin hides and,
10. Raw cotton and mats.

Out of these 32 items, it is learnt that my 20 items are practically viable for import and export across the border. Ten more additional items were included for exchange during 2001. The government on both sides should re-examine the list so as to the state-owned products like handloom are not included in the list of permissible export goods. The people can make a significant earning as potential for export lies in such product and also demand is high in Myanmar. Required assistance necessary for taking up export promotion especially for local product effectively is yet to be extended by the central and state governments.

The lack of adequate transport infrastructure is one of the major barriers to expanding India’s trade with the bordering countries. In case of Indo-Myanmar trade through Moreh town, the part of N H. 39 (Indo-Myanmar road) especially from Pallel to Moreh is not in a good condition and need expansion as well as good bridges are required. If government convert the existing road to a double lane, the flow of goods and people will increase consequently accelerating the trade.

The basic infrastructural facilities required for cross-border trade like proper road communication, post and telegraph service, telecommunication system, warehouse, export-import bank, Reserve bank of India are not started its operation at full extent. Besides there is no cold storage facility available for the storage of perishable export/import items and have poor infrastructure in land custom station. All the markets need to be converted into modern market complexes with facilities of computer and other technologies.
<table>
<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
<th>Total</th>
<th>Total</th>
<th>Total</th>
<th>Total</th>
<th>Total</th>
<th>Total</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
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<td>228</td>
<td>3,370</td>
<td>9,744</td>
<td>4,414</td>
<td>1,108</td>
<td>16</td>
<td>308</td>
<td>1,852</td>
<td>3,376</td>
<td>5,228</td>
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<td>2002</td>
<td>15,768</td>
<td>965</td>
<td>5,182</td>
<td>1,162</td>
<td>195</td>
<td>8</td>
<td>0</td>
<td>70</td>
<td>135</td>
<td>249</td>
<td>229</td>
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<td>16,888</td>
<td>834</td>
<td>5,902</td>
<td>1,341</td>
<td>160</td>
<td>13</td>
<td>0</td>
<td>76</td>
<td>176</td>
<td>254</td>
<td>207</td>
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<td>2004</td>
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<td>6,596</td>
<td>1,570</td>
<td>198</td>
<td>14</td>
<td>0</td>
<td>78</td>
<td>198</td>
<td>274</td>
<td>241</td>
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<tr>
<td>2005</td>
<td>18,300</td>
<td>1,052</td>
<td>6,762</td>
<td>1,674</td>
<td>232</td>
<td>15</td>
<td>0</td>
<td>78</td>
<td>202</td>
<td>281</td>
<td>260</td>
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<td>2006</td>
<td>18,600</td>
<td>1,076</td>
<td>6,840</td>
<td>1,711</td>
<td>232</td>
<td>15</td>
<td>0</td>
<td>78</td>
<td>203</td>
<td>284</td>
<td>267</td>
</tr>
<tr>
<td>2007</td>
<td>18,900</td>
<td>1,090</td>
<td>6,918</td>
<td>1,717</td>
<td>232</td>
<td>15</td>
<td>0</td>
<td>78</td>
<td>204</td>
<td>285</td>
<td>269</td>
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<tr>
<td>2008</td>
<td>19,200</td>
<td>1,104</td>
<td>7,006</td>
<td>1,752</td>
<td>232</td>
<td>15</td>
<td>0</td>
<td>78</td>
<td>205</td>
<td>287</td>
<td>271</td>
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<td>2009</td>
<td>19,400</td>
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<td>7,094</td>
<td>1,797</td>
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<td>0</td>
<td>78</td>
<td>206</td>
<td>288</td>
<td>274</td>
</tr>
<tr>
<td>2010</td>
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<td>1,128</td>
<td>7,182</td>
<td>1,832</td>
<td>232</td>
<td>15</td>
<td>0</td>
<td>78</td>
<td>207</td>
<td>289</td>
<td>277</td>
</tr>
<tr>
<td>2011</td>
<td>19,400</td>
<td>1,140</td>
<td>7,270</td>
<td>1,867</td>
<td>232</td>
<td>15</td>
<td>0</td>
<td>78</td>
<td>208</td>
<td>290</td>
<td>280</td>
</tr>
</tbody>
</table>

(2001)

Table: Work Force, Morch Town
Value of export and import through Moreh town (in crores)

<table>
<thead>
<tr>
<th>SL. No.</th>
<th>Years</th>
<th>Value of Export</th>
<th>Value of Import</th>
<th>Balance of Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>1995-96</td>
<td>10.45</td>
<td>5.39</td>
<td>5.06</td>
</tr>
<tr>
<td>3.</td>
<td>1997-98</td>
<td>25.16</td>
<td>37.19</td>
<td>-12.03</td>
</tr>
<tr>
<td>4.</td>
<td>1998-99</td>
<td>4.88</td>
<td>3.74</td>
<td>1.14</td>
</tr>
<tr>
<td>5.</td>
<td>1999-now</td>
<td>3.31</td>
<td>6.52</td>
<td>-3.21</td>
</tr>
<tr>
<td>6.</td>
<td>2000-01</td>
<td>5.68</td>
<td>12.41</td>
<td>-6.73</td>
</tr>
<tr>
<td>7.</td>
<td>2001-02</td>
<td>1.29</td>
<td>8.13</td>
<td>-6.84</td>
</tr>
<tr>
<td>8.</td>
<td>2002-03</td>
<td>3.84</td>
<td>11.90</td>
<td>-8.06</td>
</tr>
<tr>
<td>9.</td>
<td>2003-04</td>
<td>9.45</td>
<td>8.85</td>
<td>.60</td>
</tr>
<tr>
<td>10.</td>
<td>2004-(Jan.2005)</td>
<td>5.77</td>
<td>5.28</td>
<td>.49</td>
</tr>
</tbody>
</table>

Source: - Land customs Station, Moreh.

In the initial period after trade agreement, (1995-96), India exported more goods in legal trade than import from Myanmar through Moreh town.

During 1996-97, Indian export value jumped to 29.79 crores from 10.45 crores of 1995-96 and the value of the import was 16.17 crores showing the great progress of trade from the both sides. After these two periods, India experienced negative balance of trade except a slight improvement during 1998-99, 2003-04 and early part of 2005. The total volume of trade was highest during 1997-98 i.e. 62.35 crores and it was due to high demand of wheat flour from Myanmar during this period.

From 1999 to 2003, there were successive negative balance of trade and the main reasons can be insurgency and bad law and order situation in Manipur, and trade-related policy of Myanmar government. The rise in the value of export, after a long gap, during 2003-04 was mainly due to import of wheat flour from India by Military Junta during last part of November, 2003 - January 2004 and between May and June, 2004.

The 'Indo-Myanmar Trade Agreement' provide two types of movement across the border.

They are :- 1. Free movement , allowing from both sides in and around Namphalong Market centre of Myanmar and Moreh town of India for 12 hours per day, and

2. Restricted movement, regulated under a simple border pass/permit issued by the immigration authorities of either country. This is for 12 hours per day again between Tamu (Myanmar) and Moreh (India). This form of movement is restricted to ethnic locals living on both sides of the border, up to a distance of 40 Km on either sides of international border.

Another movement in connection with 'regulated trade' is permitted through a 'Special Identity
Document called travel pass, which is equivalent to and similar to a passport. Visit of such pass holding are restricted to a period of 7 days with an option for Indian traders to travel up to Kalemyo-Mandalay in Myanmar; and for Myanmarese traders up to Imphal in India.

Types of trade allowed under the trade agreement are-

1. Traditional exchange of locally produced items up to US $100 between indigenous people residing up to 40 Km on either side of the border,

2. Barter trade of 22 agreed upon exchangeable items, and

3. Normal or regular trade under the letter of credit system as per EXIM Policy guidelines

FINDINGS

The impact of trade in the economy of the border people can be seen easily in their changing income level. But the income level of the most of the local people of Moreh town didn’t improve much. Benefit of trade goes mostly to rich persons and distant traders leaving local people with little benefits.

The rapid growth of population at Moreh Town was due to mostly trade related pull factors and it worsens the situation of unemployment, income inequality and standard of living. Moreh was not recognised as a town before 1981, but in 1981 it has been notified as a town by the census of India with a population of 7,076

<table>
<thead>
<tr>
<th>Populations of Moreh Town</th>
<th>Year</th>
<th></th>
<th>Decadal Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Since 1981)</td>
<td>1981</td>
<td>7,676</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1991</td>
<td>9,673</td>
<td>+ 1997</td>
</tr>
<tr>
<td></td>
<td>2001</td>
<td>14,962</td>
<td>+ 5287</td>
</tr>
</tbody>
</table>

Source: Census Volumes of India

From the above table it is clear that during the last decade (1991-2001), the growth rate of the town are very high, mainly due to immigration from many parts of Manipur as well as other parts of the country for better economic opportunities.

<table>
<thead>
<tr>
<th>Population structure and Income level, Moreh (2003)</th>
<th>Ward</th>
<th>No of house</th>
<th>Total Population</th>
<th>Total Male Population</th>
<th>Total Female Population</th>
<th>% to Total Population</th>
<th>Dominant group in terms of population</th>
<th>Average income level per month</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>449</td>
<td>2,799</td>
<td>1,434</td>
<td>1,365</td>
<td>16 11</td>
<td>Kuki</td>
<td>Rs 2,000</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>320</td>
<td>2,125</td>
<td>998</td>
<td>1,127</td>
<td>12 25</td>
<td>Kuki</td>
<td>Rs 4,500</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>326</td>
<td>1,831</td>
<td>961</td>
<td>870</td>
<td>10 54</td>
<td>Tamil</td>
<td>Rs 15,000</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>192</td>
<td>876</td>
<td>490</td>
<td>386</td>
<td>5 04</td>
<td>Tamil</td>
<td>Rs 10,000</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>397</td>
<td>2,224</td>
<td>1,135</td>
<td>1,089</td>
<td>12 71</td>
<td>Meitei-Muslim</td>
<td>Rs 2,000</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>151</td>
<td>792</td>
<td>415</td>
<td>377</td>
<td>4 52</td>
<td>Meitei</td>
<td>Rs 15,000</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>627</td>
<td>3,088</td>
<td>1,346</td>
<td>1,742</td>
<td>17 77</td>
<td>Meitei, Kuki</td>
<td>Rs 2,500</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>193</td>
<td>1,212</td>
<td>598</td>
<td>614</td>
<td>6 90</td>
<td>Meitei</td>
<td>Rs 6,000</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>463</td>
<td>2,423</td>
<td>1,233</td>
<td>1,190</td>
<td>12 71</td>
<td>Meitei</td>
<td>Rs 2,000</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>3,118</td>
<td>17,370</td>
<td>8,610</td>
<td>8,760</td>
<td>100</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Census of Manipur, 2003 through ADC office, Moreh and field work respectively
It is clear from the above table that some sections of people are getting the benefits of cross-border trade but majority of them are just earning a living by using their physical powers. Sixty (60) percent of the total population of Moreh have an average income of Rs.2,125 per month and they are mostly the Kukis, the Meiteis, the Biharis and the Meitei-Muslims. Another 20% of the total population are having very high income level and the same percent of the total population have medium income level; they are mostly Tamils, Marwari, Punjabi, Bengali and some sections of the Kuki and the Meiteis. Most of the poor income group settled in segregated ward such as ward No. 1, 7 and 9 whereas those of high income groups lived near the main business markets.

Those wards which are closer to Myanmar and especially towards the gate No.2 such as ward No.6,5,4 and 3 are getting higher income than ward no, 7,9,8 and 1. The occupational structure of these two groups of wards are also different - the first group as educated big businessman and the latter as a group of small - scale businessmen and labourer.

The group of labourer belongs mostly to the indigenous Kuki and Meitei communities and they are mostly hotelier, charcoal producers, fishermens, stone and wood collectors, carpenters, wine sellers, vegetable seller and auto-drivers. As a Burmese refugees, Tamils, Madrasi and some groups from mainland India know the Burmese language and it helps in their trade making easier to handle big business...But those coming from Bihar are mostly coolie( or Thella puller) and engaged in other muscle labourer. For many of the Meiteis and the Kukis, the main hinderence in their effort for trade is the lack of education and investment

1. After the signing of Indo-Myanmar border trade agreement on 21st Jan 1994, people were expecting for a new economic and social order in the Moreh town. But this hope and aspiration of the people is questioned by many negative side of the trade related social and economic consequences.

2. The immigration of many poor, illiterate persons to Moreh since 1950 s become a major factor for many social problems at Moreh town. The reasons for migration to Moreh town are varied - during 1950s it was because of war (Ilnd World War) and natural calamities; in 1960s, people were migrated to Moreh as refugees from Myanmar Political development but in 1970s & 80s the reason for migration was better economic opportunities. Large - scale migration occured during early part of 1990s as a result of ethnic conflicts (Naga-Kuki clash). Still, people migrated in Moreh for better economic opportunities given by its geographical location and trade.

So, Moreh has registered a high population growth. This rapid growth of population worsened the condition of unemployment and the standard of living as well as widened the gulf between rich and poor. Consequently, economic power lies to few people and income-inequality indifferent sections of the people become common feature.