

Geography of Informal Trade, Commodity Flows and Livelihoods in Indo-Nepal Border

(A case of Dhulabari, Bagdogra and Siliguri Corridor)

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Abstract

Informal trade is a common phenomenon across the borders whether it is Indo-Nepal or Indo-Bangladesh border. It is often said that people have not crossed borders rather it is the boundaries created such a divide among the communities across geographic space. People are living in harmony since time immemorial and long distance trade links were established during mercantilist era in the evolution of world economic system. At times modern states are in conflict to materialize the terms of trade and their bi-lateral and multi-lateral relations. But at local level communities and micro-geographic regions are continuously interacting and perennially functionally interdependent and derive livelihood opportunities given their constraints and policies imposed from above (State). The present research captures the local level narratives, interactions and levels of their spatial interactions and terms of trade along the Dhulabari-Bagdogra-Siliguri Corridor of Indo-Nepal border. This corridor is strategically important and connecting the Asian Highway network in South Asian Countries to India's north East. The methods of enquiry applied here is in-depth interviews, FGDs and schedule survey at various locations along the corridor. Secondary data collected from local Customs Office, Auto-rickshaw, Bus Owners and Truck-Owners Associations. The target group consists shop-owners, commodity carriers, rickshaw pullers, auto-drivers, security personnel both-side (India and Nepal) of the check-post etc. The study unfolds the commodity movement along the border and identification of various informal channels, livelihoods associated of local people at above locations, mobility of people and commodity carriers, levels of

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infrastructure at border points at Panitanki (India) and Kakarvitta (Nepal), transaction mechanisms, levels of earning at different user groups etc. and seeks to answer the question of livelihood securities.

Key words: Informal Trade, Asian Highway Network, North-East, Livelihoods, Commodity Flow, Border etc.

Section-I: Introduction and Context of the Study

Geography is the study of spatial variation on the earth's surface. Spatial variation, like temporal variation, has profound significance for human life and underlies many of the problems facing nations, states, cities, farms, factories, families and individuals. The geographer deals with and searches for relationships among variables over space. Thus a more complete definition of geography would be the discipline that analyses and explains variations in activities over space and the better name for the discipline might be *spatial science* ... *Economic Geography* is the study of the spatial variation on the earth's surface of activities related to producing, exchanging and consuming goods and services (Hartshorne and Alexander, 2012).

The geographer Ullman suggested that for spatial interaction to occur, the impact of three interrelated conditions must be satisfied: A) Complementarity, B) Intervening Opportunity, and C) Transferability (Ullman, 1956). The *Complementarity* refers to the need for a supply and demand relationship to exist prior to any movement occurring between places. The *Intervening Opportunity* concept assists in an understanding of the source of supply for a particular item. When more than one source of supply exists, the nearest source to the final destination (the intervening opportunity) will be chosen. When additional sources of supply occur, closer to the destination, the new source area is substituted. *Transferability* reflects the time and cost factor of movement of goods. As distance and cost of movement increase and reach a critical threshold, movement may decrease or cease altogether as costs and time factors create an economically unjustifiable situation.

The movement of goods and people over space and transport network involves origin (generators/shippers), destinations (receivers/absorbers) and networks. In other words, the flows of goods, people and ideas stem from the socio-economic structure of the generators and absorbers of these flows, on the one hand, and from the network efficiency, on the other (Raza and Aggarwal, 1999). These flows take place along defined channels and their spatial arrangements provide the basis for more complex system of interactions which integrate the space economy. It is

important to make a clear distinction between the existence of a channel system (routes, networks) and its intensity as well as the nature of its use.

The relationship with geography and trade is an old phenomenon and mentions are found in long distance trade routes in medieval times as well and it reflected in the writing of Arab Geographers. Tracing back to trade and spatial interaction and emergence of space economy is essential to understand the *Informal Trade* and its causes of existence. The *Dhulabari-Bagdogra-Siliguri Corridor* is strategically located where currently Asian Highway is passes through. The study area is surrounded by three international borders of *Nepal*, *Bangladesh* and *Bhutan*. Therefore, the region is centered with lot of happenings like trade and services which commonly may not exist through formal channels and give birth of informal channels popularly termed as *Informal Trade*, which ultimately allow people-to-people interact, exchange and consume. The current paper is a cursory glimpse of the informal channels of trade, exchanges and services along the corridor that exist and identified the livelihoods associated with the network and raises their vulnerabilities and the question of sustenance.

Informal trade is a common phenomenon across the borders whether it is Indo-Nepal or Indo-Bangladesh border. It is often said that people have not crossed borders rather it is the boundaries created such a divide among the communities across geographic space. People are living in harmony since time immemorial and long distance trade links were established during mercantilist era in the evolution of world economic system. At times modern states are in conflict to materialize the terms of trade and their bi-lateral and multi-lateral relations. But at local level communities and micro-geographic regions are continuously interacting and perennially functionally interdependent and people derive their livelihood opportunities given their constraints. Therefore, keeping in mind the propositions as mentioned above, the present study captures the local level narratives, economic activities and levels of their spatial interactions and terms of trade along the *Dhulabari-Bagdogra-Siliguri Corridor* of Indo-Nepal border.

Brief Overview of Literature

Taneja (2001) mentions that there are several factors which influence informal trade. Firstly, Informal trade takes place due to domestic policy distortions. To fulfill the domestic policy objectives governments have different tax regimes and also employ subsidies and administered price mechanisms. The government also plays an active role in the distribution of some commodities. These factors cause prices to differ across borders,

and make informal trade profitable. Secondly, prior to the 1947, partition of the subcontinent, Bangladesh, Pakistan and India were a single country and this historical fact continues to be relevant since a large part of the informal trade flourishes because of traditional, historical, economic and ethnic links. Thirdly, higher transaction costs involved in formal trade in comparison to informal channels. Lastly, the distinctive feature of the south Asian countries is the inadequate transit and transport systems. This often results in high transport costs in the region and creates a strong incentive for trade to take place through informal channels.

The trade between India and Nepal is governed by the 1996 Bilateral Free Trade Agreement, which provides for all articles manufactured in Nepal access to the Indian market free of customs duties and quantitative restrictions while Nepal, on its part, gives Indian goods a 20% relaxation in its custom tariff rate. A large part of the informal trade flourishes because of the traditional, historical, and ethnic links. To some extent, hilly terrain of Nepal makes the movement of goods from eastern to western part of Nepal costly and time consuming. As a result, cross border movement of goods for local needs have been going on from time immaterial. Another factor that could be an important determinant of informal trade flows is that the traders with lower education may actually have lower access to the formal channel. India and Nepal share an extremely porous (open) border of length of more than 1800 kilometres spanning over four states in India (West Bengal, Sikkim, Bihar, and Uttar Pradesh) and 25 districts of Nepal. It is revealed that very little trade (formal or informal) takes place through the border region of Sikkim (Taneja and Pohit, 2002).

It has to be borne in mind that the Indo-Nepal treaty allows for free movement of persons across borders. The fact that there is no visa requirement for cross-border movement makes personal trips a possible and preferred information channel. The second most important information channel in India is the distribution network but Nepalese traders relied on the authorised channel to obtain information are the distribution network and the authorised channel. It is important to note that the distribution network serves the dual purpose of both marketing and information channel. Even though the informal traders in Nepal do not use the formal channel, the link with the formal channel is established through procurement of goods. It is the formal traders in Nepal who import goods from third countries to be sold to informal traders and thus a link is established between formal and informal traders through the distribution and procurement network. The dependence on official media,

enforcement agencies and trade fairs as channels of information flows are virtually absent for traders engaged in informal trade in both countries (ibid., 2002).

Bilateral trade with India accounts for almost 66.5% of Nepal's total trade with the world. Nepal's total trade with the world in five years, from 2009 to 2013, rose from \$5 billion to \$7.7 billion. Transit trade through India has played an integral role, allowing Nepal to access countries through India. Exports from Nepal worth \$292.4 million, and imports to Nepal worth \$2.3 billion transited through India in 2013, taking the total value of transit trade to about \$2.6 billion. Although the value of the total transit trade through India has been increasing, its share in Nepal's total trade with the world has seen a decline from 43.5% to 33.5% during 2009–13. Transit arrangements between India and Nepal are governed by two main legal instruments: the India–Nepal Treaty of Trade and Transit, and the India–Nepal Rail Services Agreement (Taneja, Bimal & Dayal, 2015).

The Kakarvitta–Phulbari–Banglabandha–Mongla/Chittagong corridor starts at *Kakarvitta* (Nepal) and reaches *Panitanki* (India). It goes along NH 31C, NH 31 and SH 12A to Phulbari (India) and Banglabandha (Bangladesh). From Banglabandha, it follows the N-5 up to Hatikumrel and takes the N-507, N-6, N-704 and N-7 to reach Mongla, and the N-405, N-4 and N-3 to reach Dhaka. From Dhaka, it follows the N-1 to Chittagong. The distance from Kakarvitta to Mongla is 762 km and to Chittagong, 841 km. This corridor links Nepal, India, and Bangladesh through custom clearance procedures, and the time and cost required for import, export, and transit ...The country-wise time taken for customs clearance depends on the number of customs checkpoints. Besides clearance time, transportation time is important and it depends on the distance, assuming road conditions are the same. Bajracharya (2004) estimated that a truck travels 174 km a day on this route. On that basis, the tentative time taken from Kakarvitta to Chittagong takes five days and to Mongla four days. The customs clearance time is 17 hours for imports to Kakarvitta through Chittagong/ Mongla, and 11:15 hours for exports. The total time required (excluding transportation) for imports and exports from Kakarvitta to Chittagong and Mongla is 36 hours and 25 hours, respectively (Rajkarnikar, 2014).

All the studies covers macro-level issues like volume of trade, trade agreements and bilateral trade, connectivity and transit time etc. But the local issues in border points and its adjoining areas, transactions and commodity flows and livelihoods are not addressed and debated and both

the countries are silent though there is sizable employment in either side. The present research is an attempt to deliver and surface the untold stories happening in the border

Objectives and Research Questions

- a. To capture and identify the commodity flows and spatial patterns of informal trade in relation to the local economic structure and inter-regional dependencies;
- b. To analyze the types of business and volume of trade in *Commodity Centres* and their spatial economic relations and interactions in space economy; and
- c. To examine the underlying factors of demand-supply relationships which generate the particular pattern of commodity flows and livelihoods associated along the chain of flows in the corridor;
- d. To explore the nature of crimes and the magnitude of human trafficking in Indo-Nepal border and its relation with local economy;

Having said the objectives above, the present research poses specific questions like why do the informal trade exist in the border? Is there any gap in demand and supply relationship in essential items in border regions in both the countries? Are people of either side of the border faces economic compulsions and choose informal trade as option of their sustenance and deriving livelihood? Whether government policies are sufficient enough to tackle the need of the border regions which facilitate people to access goods from their immediate neighborhood situated in other side of the border? Is the depressed local economy consents young girls, women and able bodied person to be trapped and trafficked in the border while searching livelihood options?

Data Base and Methodology

The primary data is gathered based on observations, interactions and in-depth interviews of key informants (see details in **Annexure-I**) and conducting FGDs in three places in Indo-Nepal border. The interviews of fifteen key informants in *Panitanki* (India) and *Kakarvitta* (Nepal) consists of shop-owners, commodity carriers, rickshaw pullers, auto-drivers, security personnel, workers union etc. of both-side as the target group are situated at the international check-post. The unpublished data is collected from local Customs Office, Auto-rickshaw, Bus Owners and Truck-Owners Associations, Maiti Nepal Association. The fieldwork is

carried and executed during the months of December-January, 2015-16. The study is exploratory and the size of universe is unknown. Therefore, a fixed sample of 110 shop-owners are selected at spot and interviewed randomly in three Commodity Centres (Markets) i.e. *D hulabari*, *Airport More Market*, Bagdogra and *Hong-Kong Market* Siliguri. The results are drawn applying simple statistical techniques for analysis and responses received from the field are used extensively in the text and develop the argument to fulfill the objectives of the study. Hence, the first hand data and information is the richness and people centric approach of entire narrative and discussion.

Table-1: Details of FGDs Conducted during Fieldwork

Date of FGDs	Location	Name of Association
26.01.2106	<i>Dhulabari</i> (Nepal)	<i>Mechi</i> Chamber of Commerce and Industry (MCCI), Dhulabari
16.01.2016	<i>Air Port More</i> , Bagdogra (India)	Babsayi Samiti, Bagdogra
24.01.2016	<i>Hong Kong Market</i> , Siliguri, India	Bidhan Market Babsayi Samiti, Siliguri

Section-II: Informal Trade and Commodity Flows in Indo-Nepal Border

Informal Trade along Indo-Nepal border

As per field observations, interactions with key informants either side of the Indo-Nepal border i.e. *Panitanki* (India) and *Kakarvitta* (Nepal), the various other forms of can be summarized below:

- a. Items formally traded from India to Nepal: petroleum, clothes, food items, shoes, medici nes, Chinese products through India, footwear, agricultural tools and implements, vegetables etc.
- b. Items formally traded from Nepal to India: tiger grass, herbs, medicines, tea, ginger etc.
- c. Items informally traded from India to Nepal: small quantities of food items, petroleum, drugs, gold, etc.
- d. Items informally traded from Nepal to India: electronics, clothes, footwear, blankets, livestock, flesh trade, betel nut, scrap materials etc.
- e. Modes of transport used for trading in border are rickshaws, motorcycle, bicycle, light vehicles, individuals as carriers of goods wrapped around the body including children and women. The

- informal trade is carried by the women during the day while the men at night. Even children are employed in such a trade, security forces, in some instances. Age group between 9-35 years are actively involved, although higher aged people are also involved.
- f. Majority of the local people in surrounding areas in both the countries of border are engaged in informal trade for sustenance and derive their livelihood. The routes used for informal trade by commodity carriers though the Mechi Bridge and river.
 - g. Security forces engaged are Sashastra Seema Bal (SSB) in India and Armed Police Force (APF) and Mechi Police in Nepal looks after the border.
 - h. Punishment for the offense of informal trade in Nepal -- Judgement is very prompt and basically given according to the livelihood conditions and also on the basis of value of goods of the items traded. The convicts are liable to pay ₹50 (NC) per day. If a person imports goods valuing more than one lakh, he/she is imprisoned for two months and four years if the goods traded is worth rupees one crore.
 - i. Punishment of offence of informal trade in India -- The people along with the traded items are handed over to the Khoribari Poilce station, Darjeeling district of West Bengal. The judicial process and punishment is a long procedure in India and it results in jail term along with fine in payment of cash.
 - j. Ceased items --The ceased items along both sides of the border are kept in police custody for a period for three months after that the items are auctioned. In case of human trafficking in Indian side the case is forwarded to the Khoribari Police station of district Darjeeling in West Bengal.

Table-2: Commodities traded between India and Nepal

India to Nepal		Nepal to India	
Formally traded	Informally traded	Formally traded	Informally traded
Shoes, cloths, food items, medicine, foot wears, agricultural tools and vegetables and petroleum.	Petroleum, drugs, small quantities of food items and gold.	Tiger grass, herbal medicine, tea and ginger.	Electronics, clothes, footwear, blankets, livestock, flesh trade, betel nut, scrap, etc.

Source: Field survey, 2016

Trade Scenario in Panitanki (India)

The Truck, Bus, Jeep, Auto-Rickshaw and Van Workers' Union was established in the year 1987 which is affiliated to the *Hind Mazdoor*

Sabha. They charge ₹50 per week for every vehicle under the workers union. The charge is not fixed, but sometimes they have to pay on a monthly basis. The goods are brought from Nagaland and Meghalaya particularly coal and petroleum and rice, potato, clothes from West Bengal are traded formally. Other products imported by Nepal include petrol, steel-wool, chemicals like formalin, vegetable oil. From Nepal to India noodles, ginger, brooms and herbal medicine are brought. The trucks under this union are mainly for exporting the goods and materials. They have to pay custom duties for exporting goods from Panitanki to Nepal. In case of any disputes the president settles down the problems. If they do not pay the *Bhansar* in that case they may be arrested or fined. During the interaction, it is responded that in the past few years the number of vehicles, rickshaws etc. have increased tremendously and the traffic jams have become problem for the area (see table-3). The border infrastructure is not sufficient to manage the growing number of vehicles in the border. This causes hours of traffic jams at times.

Table-3: Type of Vehicles under the Union

Types of Vehicles	Number of Vehicles	Percentage of Vehicles
Trucks	200	27.40
Rickshaws	400	54.80
Jeeps	50	6.85
Van	20	2.74
Bus	60	8.21
Total	730	100.00

Source: Based on Workers' Union, Field Study, 2016

It is also known through respondents that oxen are informally traded across the border at night. An estimated number of 400-500 oxen are crossed across the border at night for slaughtering. After reaching India, the animals are mainly taken to Bhutan and Bangladesh. The age groups involved in such informal trade range from 10- 50 years. The said trade is carried out by men at night unlike during the scenario of the day time. The Custom Officer also gave the information that the Associations in the area are not formal rather they are not affiliated to any recognised institutions.

The Custom Office is an instrumental to look after Indo-Nepal trade in the Indo-Nepal trade along the *Panitanki-Kakarvitta* border. They are about twenty officers working under this office. During 1990s informal trade was very high due to lack of formal channels of trade and restriction along the border due to more of exports and less of imports. In 2015,

Custom Office of *Panitanki* arrested six people were arrested in narcotics cases valuing of two cores, three arrested in gold cases and six in electronic appliances cases. The custom ceased all the goods and put for auction after the period of three months. The foreign goods which are imported through the sea port of Calcutta are mainly under the authorisation of Custom Transit Declaration (CTD). The vehicles under the authorisation of CTD are not subjected to checking by the Customs in West Bengal.

The major exported items from India are coal from Assam and Meghalaya and nearly 50 loaded trucks per day enters to Nepal. The other items are marble, fly-ash, tiles, jutes (Bengal) and garments. On an average 30 vehicles of such goods are exported per day which carries 24-32 tons of materials in 18 wheeler trucks. Construction materials, electrical goods, food grains specially rice and vegetables are also exported to Nepal. An average of 3-5 trucks per day rice is sent to Nepal from West Bengal. In addition to that nearly 10 trucks of vegetables (formally) along with innumerable rickshaws take vegetables (informally) across the border to Nepal. The goods exported from Nepal include tea, medicines, herbs, ginger and tiger-grass. The volume of items imported to India from Nepal include 365 trucks of ginger per month, 30 trucks of large cardamom per month, 15 trucks of tea per day, nearly 25 trucks of broom in a season, 20 trucks of herbal medicine per month.

The objective of SSB is to guard the border. There are three check posts at the border. The SSB sometimes encounters human trafficking case and they forward cases to Khoribari Police Station. Goods that are generally encountered by SSB are usually betel nuts, cigarettes, Chinese toys and electronic goods. It is known that cigarettes carried from Nepal are sold at high prices in India. Whenever informal trade is encountered by SSB it is forwarded to the custom department and the owner pays fifty percent as *jurmana* (fine) and the people who carry the goods also have to pay. The culprits, in cases of serious smuggling crimes are handed over to the police, while that of petty smuggling crimes are arrested and released on bail. The goods are ceased by the Customs and put for auction after three months. The Sub-Inspector opined that the busy traffic across the border makes checking of vehicles difficult. It was told that if lane separators for incoming and outgoing vehicles are provided then the managing the traffic and the checking would become easier task. The construction of another bridge is underway. However, border infrastructure needs to be improved depending on commodity flows.

Trade Scenario in *Kakarvitta* (Nepal)

There are 31 Custom and 146 Sub-Custom Offices located all over Nepal. The Mechi Custom Office is situated in Jhapa district and eastern gateway of Nepal. It stands in the 7th position among the main custom offices in Nepal. The *Birganj* in Nepal stands 1st position among all main custom offices and most of the informal trade takes place through this border. According to Trade Statistics, major foreign trade through this route (*Birganj*) happens with India which accounted for almost seventy per cent in the fiscal year 2071/72 (Nepali calendar). Besides India, Bangladesh, Bhutan and China, trade with rest of the countries stands round nine per cent. Statistics shows that the total trade has increased by seven percent whereas revenue has increased by ten percent in the fiscal year 2071/72. The revenue collection in the same fiscal year stood at about NPR of 4 Arab and 48 Crores and has increased to 5 Arab and 7 Crores in 2071/72 (Nepali calendar). Based on Trade Statistics of fiscal year 2069/70 and 2070/71 the *Mechi* customs has shared the 8th position on exports and 7th position on imports sector.

According to Custom Officials, the commodities traded informally are garments from china India and Bangladesh. Footwear and coal come from India and juice, biscuits and jute from Bangladesh. The route of goods coming from China reaches first to Calcutta port and then Kolkata to Nepal through transported through highways. Informally the supply of goods like fuel, clothes, footwear, blankets and electronic items like rice cooker, induction stoves is still taking place.

Even petroleum and gas are imported formally as well as informally through various means. On an average 2-3 trucks of garments per day are imported in Nepal through formal channel. In addition to that, an average of 10-15 trucks of jute per month is imported. The *Mechi* custom imposes 35 percent of tax in garment, 10 percent tax in petroleum and 20 percent tax in coal. According to Custom Officer, in cases of informal trade in the border, judgement is basically given according to the livelihood conditions and also on the basis of value of goods informal traded. The goods which are captured in informal trade are kept for three months and auction of such goods take place in every three months. The Nepalese people are actively involved in informal trade. Almost fifty percent of people along both sides of the border are said to be actively involved in informal trade. According to Custom Officials, “the arthik awasta (economic condition) of the people compels the authorities to forgive petty cases of informal trade along the border”.

As per the Armed Police Force (APF) sources, drugs are also supplied informally and between the age of 15 to 35 years of people are engaged in this. Once they are arrested handed over to local police. Goods worth

of ₹8 to ₹10 lakh (Nepali currency) are caught every year. Women in day time and men during night operate such transfers of drugs through informal channels. The goods are transported using rickshaw or the goods are strapped around the body and carried across the border. Almost seventy percent people of *Kakarbhitta* are involved in informal trade and it is a regular phenomenon in the border and during festivals such trade is relatively more. According to APF officials, *Kakarvitta*, “In the past there have been cases when security personnel are caught engaged in aiding informal trade along the border”.

Section-III: Informal Trade and Growth of Commodity Centres

Dhulabari Market, Jhapa District (Nepal)

According to field survey in *Dhulabari* market, it is found the people belong to *Nepali*, *Marwari*, *Bihari* and others communities on the basis of language spoken by them. Most of them belong to Nepali community with forty-six percent followed by Marwari with the thirty-nine percent and Bihari account only four percent, and eleven percent are others. Education is an important factor which determines the occupation. The education level of the shop-owners is moderate and thirty-six percent of them have completed senior secondary; another thirty-five percentage with higher studies; twenty-six percent secondary categories; and three percent are uneducated. Most of them have sound knowledge about business and have chosen business as their occupation. Only three percent are uneducated but they still deal comfortably with business because of experience. Though *Dhulabari* is in Nepal but not all the businessmen out there are from Nepal, some of them are also from India. Around Nineteen percent of businessmen in *Dhulabari* market are from India. These Indian people settled over there and run their business. In fact some of them run business in both side.

In *Dhulabari* market the shop-owners revealed that most of them are required to continue their family business, as Nepal government do not provide them suitable job, so for their sustenance they choose this business. As most of people want to continue to do same profession for future as they want to continue family legacy. At the same time, it is also opined of limited other opportunities available. Few are interested in business as it gives profit as compare to any other job in this area. Shops are mostly run by family, few of them have workers. Salary to workers in shops varies from ₹1200 to ₹12000 (NC). Shops in *Dhulabari* market remain closed on every Wednesday. Most of the people want to expand business, so people in this area are basically entrepreneurial and enjoy trade and business activities.

The items which mostly sold in the *Dhulabari* is Garments and nearly fifty-four percent of shops are Garment shops (table-4). As it says the product which sold there is original and quite famous for cloth and other products. There is high demand of garments whether children, men's or women. They get cloth from third country at very reasonable rate and after reaching to *Dhulabari* the price rate will get high. Next is Electronic shops represented by fourteen percent and the electronic goods are mostly mobile phones, rice cooker, sound system etc. come from China as well as India. Footwear which is available in the market is from Thailand, Vietnam, Korea and China. And it is quite famous all around nearby areas. Footwear shops present in the market is around nine followed by Crockery with six percent.

During 1970s the *Dhulabari* market was at peak. The business was awesome, but after 2000 market slow down due to the competition by other markets. Now the products available in *Dhulabari* are easily available in other markets too. The online shopping and showroom product made tough competition for the business of *Dhulabari*.

Table-4: Types and Variety of Shops in Commodity Centres

Type of Shops	Dhulabari		Airport More		Hong-Kong	
	No of Shops	(%) of Shops	No of Shops	(%) of Shops	No of Shops	(%) of Shops
Cosmetics	5	4.5	10	9.1	5	4.5
Garments	59	53.6	50	45.5	45	40.9
Bags	5	4.5	6	5.5	13	11.8
Footwear	10	9.1	8	7.3	14	12.7
Electronics	15	13.6	23	20.9	9	8.2
Crockery	6	5.5	3	2.7	6	5.5
Others	10	9.1	10	9.1	18	16.4
	110	100.0	110	100.0	110	100.0

Source: Field Survey, 2016

Almost all the shops in *Dhulabari* are formally run. They require procuring license from the Municipal Corporation of district Jhapa in Nepal. Almost all of them are paying taxes to the government according to the products and business they are associated. Inspection by police is a rear task, police only visit once in a year and during the time if someone complains about the unfair business. The market face lots of problems, especially power cut, *Madeshi Andolan* (Plainsmen) and political instability. It is the major challenge of the Nepal government. They get foreign product through dealer which they have contact in those country

and have their dealers in China, Vietnam, Thailand, and also in India, like Kolkata. Those goods which come from above mentioned countries reach Kolkata where they have their dealer. And some of the products directly come to Kathmandu and from there it reaches to *Dhulabari* market.

The income level of the shop-owners varies according to the volume of business which they handle, lowest level in a day is ₹500 and highest level of income is ₹10000 and above (see table-5). More than fifty percent shop-owner is happy about their income, which shows the business still has scope in *Dhulabari*. Around thirty-eight percent people do business in between ₹1000 to ₹5000 per day and sixteen percent sells more than ₹10000 per day. Some of them do not have fixed sale as it fluctuates. It may be empty day and sometime they earn handsome amount, especially seasonal products earn more profit for them. In nutshell, almost all businessmen secure their livelihoods.

Well regarding their business it is not only formal route they follow. Businessmen indirectly deal with informal trade. When they brought goods from foreign country they make less bill or invoice of products of what actually they brought otherwise because of more product and bill they have to pay more taxes to the authority. So, under billing is made to earn more. Earlier days goods were easily transferred along the Indo-Nepal border but now it is not easy to send the product to border. Nevertheless, during night or whenever they get chance they still practice informally. The items which are traded informally would not have to pay taxes, and it is more profitable.

Table-5: Volume of Business of Shop-Owners in Commodity Centres

Volume of Business (Sale in ₹/Per Day)	Dhulabari		Airport More		Hong Kong	
	No of Shops	(%) Share of Shops	No of Shops	(%) Share of Shops	No of Shops	(%) Share of Shops
Not fixed	37	33.6	25	22.7	13	11.8
500-1000	4	3.6	20	18.2	13	11.8
1000-5000	42	38.2	38	34.5	56	50.9
5000-10000	9	8.2	17	15.5	17	15.5
10000 and Above	18	16.4	10	9.1	11	10.0
	110	100.0	110	100.0	110	100.0

Source: Field survey, 2016

Airport More, Bagdogra, West Bengal (India)

It is known from shop-owners at *Airport More* Bagdogra through an extensive interaction that the reasons behind the opening of their shops are basically to earn profit, secure livelihood and also to continue their family business. The market remains closed on Monday at *Upper Bagdogra* and Tuesday at *Airport More*. Many of the shopkeepers plan to expand their business and shops, because of higher profit from their business but some of them also plan to close their shops and want to engage in other economic activities because of loss in their business. The business is dependent on the seasons like in winter demand is high of winter wears like jackets, trousers, and other warm clothes and in summer there is high demand of cotton cloths like t-shirts, half-pants etc.

The educational level of *Airport More*, it is found that maximum numbers of people have completed higher studies which accounts for about twenty-nine percent. Likewise twenty-four percent of shopkeepers fall under the category of secondary level of education followed by twenty-one percent of higher secondary level and rests of them received junior high school level and elementary level of education. Most of the people have done the higher studies like B.B.A, B.Com, and M.Com. The motivations for opening the shop are the continuation of family business.

The information provided by the respondents that almost all the products and goods which are being sold in the shops are procured from outside India i.e. China, Korea, Japan, Italy and Nepal via different routes. The routes are via Kolkata to Siliguri and Nepal to Siliguri. It is also revealed that import of goods coming from Nepal to Siliguri route is traded informally and the products are brought in the market with the help of dealers situated in Silliguri.

There are the different types of shops which were surveyed in Bagdogra *Airport More* which includes cosmetics, garments, bags, footwear, crockery, electronics, and many other shops. It is an established from the field survey that garment shops are higher in number followed by electronics and cosmetics (see table-4).

The levels of earning and livelihood security of shop-owners depend on the sale of goods and commodities. The volume of business of ₹1000 to ₹5000 per day shares thirty-five percent of shops (table-5). Similarly, eighteen percent of the shops do business of ₹500 to ₹1000 per day and other sixteen percent shops fall under ₹5000 to ₹10000 per day. The rest nine percent of the shopkeepers sell above ₹10000 per day. It is also informed during survey that the majority of the shopkeepers pay taxes to the local government and aware of the government policies, rules and regulations.

Hong-Kong Market, Siliguri, West Bengal (India)

The community structure of *Hong-Kong* market, Siliguri which clearly shows that the area is mostly dominated by the Bengali community with seventy-nine percent followed by Bihari community with seventeen percent. The presence of the Bengali community in this area is due to the fact that during the time of second Chief Minister, West Bengal, Mr. Bidhan Chandra Roy, distributed nine acres of land to the Bangladeshi refugees who migrated from East Pakistan (Bangladesh) due to the riots in 1960s and allowed to settle down and do business for their livelihoods.

The age profile of shop-owners consist of 30-50 years with fifty-five percent, 18-30 years with twenty-six percent and less number are found of the age of 50 years and above. Younger people are more in business activities as compare to the old age people. This may be because of the fact that most of them are carrying forward their family business. Some of them are interested in business as they prefer to engage in this profession while others choose this because of the unemployment problem.

There are various categories of shops exist in the market. The market is dominated by the garments with forty-one percent followed by footwear with thirteen percent (see table-4). There are also other varieties of shop in the market like bags, electronics, gift items etc. Here gain the garments shops are more and the reason behind this may be due to Siliguri urban centre and stop-over for the hill stations like Darjeeling and Gangtok.

Nearly fifty-one percent shops sells of ₹1000 to ₹5000 per day in *Hong-Kong* market, Siliguri (table-5). There are few shops that has very low sale of ₹500 to ₹1000 per day and ten percent of them sell of ₹10000 and above per day. Almost sixteen percent of shops do business of ₹5000 to ₹10000 per day. Most of them are paying taxes to the urban local body i.e. Siliguri Municipal Corporation. The informal trade used to take place in this area but after the reforms the trend of informal trade has reduced as there is free market and traders can easily import the goods from different countries, especially from China via Nepal by paying customs duty and taxes. The traders don't want to take any risk of not paying taxes and other duties and if caught by the customs or SSB in the border they have to pay more fine.

Section-IV: Nature of Crime and Human Trafficking in Indo-Nepal Border

The *Maiti Nepal Association* was formed in the Nepali year 2053 which looks into matters of human trafficking across the Indo-Nepal border. The

first office was founded in Ithari, Nepal by the founding member Anuradha Koirala. The Association at *Kakarvitta* has seven members in the committee. The Association has its headquarters in Kathmandu with almost 300 branches across the country. The Nepal Government supports the operations of the Association. The organisation is a main checking institution in regard to the illegal human trafficking of the able bodied persons mainly Nepali citizens across the border towards India. The organisation is committed to protect Nepali girls and women from crimes like domestic violence, trafficking for flesh trade, child prostitution, child labour and other forms of exploitation and torture. After rescuing the victims the Association works towards providing justice for the victimized girls and women by engaging criminal investigation and waging legal battles against the criminals. Due to the efforts of the Association, awareness regarding crucial issue of girls trafficking at international level has been raised. Maiti Nepal has three prevention homes, eleven transit homes, a hospital and Teresa Academy.

Girls and women ages between 10-35 years are the mostly found to be trafficked across the border. The Association is also actively involved in providing counselling, rehabilitation and awareness programmes across the country. They are also responsible for the education and providing medical aid to the rescued women and children. In February 04, 2016 the Association rescued 11 trafficked girls from Guwahati, Assam. The tireless efforts of the workers of the Association and the founder member Mrs. Anuradha Koirala in the recent years have led to winning of several awards and recognition world-wide.

The various cases looked into by the Association include rescue operations, domestic violence cases, safe migration cases, missing person cases, found person cases, trafficking cases, and rape cases. The rescue operations include those operation cases which not only includes informal adult migration as workforce across the border but also the migration of children, able bodied youths in the foreign territory as informal labourers. Domestic violence cases include not only crime cases against women but also against domestic helpers. Missing complaints are those in which people in the area are missing and the missing found cases are those in which the missing persons are found and safely returned to their families. Trafficking cases are those in which mainly girls from Nepal are trafficked for various purposes to India and its neighbouring countries.

It is seen from the table-6 that the rescue operations have increased over the period of five years while domestic violence cases have decreased over the years. The safe migration forms the largest bulk of

cases across the border but the numbers of cases are decreasing over the years. Hence, the legal migration across the border has decreased over the years. It is also seen that the missing person cases have increased tremendously over the years. Incidences of human trafficking and rape cases have increased over the years. The crime against women has increased over the years. The total numbers of different cases during 2011 to 2015 have decreased considerably. Although cases like trafficking and rape have increased but the overall reported cases have decreased.

Table-6: Nature and Intensity of Crimes in Indo-Nepal (*Panitanki-Kakarvitta*) Border

Cases/Years	2011	2012	2013	2014	2015
Rescue Operations	12	37	16	31	30
Domestic Violence	11	23	17	7	6
Safe Migration	28320	22740	25293	21980	21320
Missing Persons	88	88	121	167	148
Missing Persons Found	17	30	22	31	33
Trafficking	2	-	4	1	5
Rape	-	4	4	2	5
Total	28450	22922	25477	22219	21547

Source: Computed from Unpublished data collected from Maiti Nepal Association, kakarvitta during Field Survey, 2016

Section-V: Informal Trade and Variety of Livelihoods in Indo-Nepal Border

Truck Drivers

It was told by the respondents that the trucks plying from India to Nepal are either self-owned vehicles or mostly chauffeur driven. The limit for the goods ranges from 20-22 tons per vehicle. The owners earn about ₹35000 per trip. Likewise the chauffeur and the helper are also paid on monthly basis. The distance of the journey decides the profit earned by the owner, helper and the chauffer. For example the trucks coming from Assam earn about Rupees ₹35000 while the helper is paid ₹3000 for the trip. On the other hand a truck coming from Punjab earns about ₹50000/- while the helper in this instance is paid around ₹8000. Taxes are paid on the basis of the value of goods carried by the truck. Those driving such trucks complained about facing harassment from the police even after payment of taxes. They also told that they face family problems when they come for such delivery trips. They have to travel for weeks at a stretch to make a single delivery and return home.

Rickshaw Pullers

While plying, taxes of ₹40 (IC) in *Panitanki* and ₹10 (NC) in *Kakarvitta* are paid per day. The rickshaws plying in Kakarvitta area earn ₹6000 to ₹7000 per month and an average of ₹200 per day. The rickshaw pullers gave the information that rickshaws plying in the *Panitanki* area earn a monthly amount of ₹10000 to-₹12000 per month. They travel to and fro about 6-7 times on daily basis. The earning also depends upon the season, like during rainy season is comparatively lesser than of that during festivals. People along with goods are carried across the border 15-20 kg are carried along with people across the border. They charge ₹40 to ₹50 per trip looking at the material they are carrying. Children with age less than 10 years are not charged any fare. If the weight of goods is more than 10 kg certain taxes are collected by the police. The pullers are also harassed on various occasions as well while crossing the border.

The *Nepal Swatantra Mazdoor Sangathan* was founded in the Nepali year 2032 is a private Rickshaw Association operating at Kakarvitta, Nepal. When Joyti Basu was Chief Minister of West Bengal, he provided help towards the rickshaw puller association. The head office of this Association is in Nepal and the branches of this association are spread in all over Nepal in 120 places. Rickshaw pullers have to pay a tax of ₹20 per day and their daily income is ₹300 to ₹400. In a day they cross 8 to 10 times Indo-Nepal border. The association has 300 rickshaw pullers registered under their banner with 132,000 such pullers all over Nepal. The Association has other branches across the country. The respondent gave an insight that the rickshaws are the main mode of transportation in the area. They are the main life lines in cases of transporting people and goods for household uses. Vegetables are mainly transported by rickshaws across the border.

The workers with low incomes are also given a sum of ₹1000 to ₹5000 (Nepali currency) for solving family problems and during times of emergencies like marriage and death. They are also given medical help. In cases of misbehaviour or misconduct the pullers are punished by the Sangathan but not thrown out of the Association instantly. Instead they are given warnings in the presence of the police authorities and also taken to *Sudhar Kendra* (Correction Home).

Betel Nut Carriers

The Betel Nut carriers are mainly women engaged in informal trade during day time. Betel nuts are mainly transferred across the border by such women, wrapped around their bodies, especially their stomachs and

covered by shawls. Each Carrier transfers around 20 kg of Betel Nut in a day. The price received per kilogram of Betel Nut from Nepal to India is ₹300/- (IC) while the price of the same in Nepal is ₹250 (NC). The exchange value of it gives them reasonable earning and sustaining livelihoods.

Petrol Sellers

Petrol transport from India to Nepal takes place increasingly after the blockade from October 2015. The petrol jars are carried by women covered by clothes and sold at the border and on the bridge. The petrol per litre is bought at ₹125 from Khoribari and surrounding areas of West Bengal. They earn up to ₹400 per day as profit or saving. Normally five to seven jars of petrol are sold by women in a day.

Not only women, men using their bikes keeping full petrol in tanks and sell it at a much higher price at the border. The bikers who sell petrol towards Nepal border ply maximum three times in a day. Since bikers do not encounter any raids and checking and whenever there is checking going on they just flee. The oil in the Indian side of the border is sold at prices ₹60 to ₹70 per litre at Naxalbari and Khoribari in India. The profit earned per litre is ₹10 and on an average a biker sell almost 100-120 litres per day by selling petrol in various trips in *Mechi* bridge in the border. According to respondents, the police from the India side is also involved in such practice and also allow bikers and women with jars of petrol to cross the customs and security check. The hush money given to the forces allows the smooth flow of such a trade.

Rag Pickers

The interaction with a few rag pickers revealed that certain materials like scrap tins, silver foils, car batteries, soft drink cans, syringes, etc. when overload are thrown off from the *Mechi* bridge and people under the bridge wait for the such scraps packed in sacks and thereafter transport them to India for recycling. The rag pickers themselves carry such scrap or hired rickshaws are used. According to the information provided that the rickshaw pullers employed to dump scrap under the *Mechi* bridge, the puller is given an amount of ₹1100 (NC). The scrap is mainly brought from Nepal to India rather than from India to Nepal. The frequency of such to and fro movement from Nepal to the bridge ranges from 1-2 times per day.

Section-VI: Concluding Remarks and Observations

The informal trade is an important means of sustenance of the people in both the countries along the border. Hence, the informal trade has become

an important life line of the people. Majority of the people living along the Indo-Nepal porous border at *Panitanki* and *Kakarvitta* are involved in informal trade and derive their livelihood from informal trade at various levels. The petty informal trade cases are ignored by security agencies either side of the countries. Women and children are active agents and works as carriers of commodities and at times they get trapped and trafficked. Though there is customs office, boarder guard and other authorities exist yet the informal trade is very much active across the border.

The *Dhulabari* market most popularly known by foreign goods market, in Jhapa district of Nepal which is connected by *Kakarvitta*, *Birtamood*, *Surunga*, and, *Siliguri*. The market flourished after 1970s. Before 90s this market was at highest peak, business was quite demanding that is why most of people choose business. During that time foreign goods were used to be available only in this market which allowed its satellite commodity centres and forward linkages at Bagdogra and Siliguri. Foreign goods were reaching directly to *Dhulabari* and people used to get foreign goods at reasonable prices. But the present situation is different and the goods are now available everywhere in Siliguri, Gangtok, Darjeeling, etc. and also available in online by Flipkart, Amazon, etc. So the demand of market has drastically gone down. But the business is still continuing and earns good profit and secure livelihoods through trade and commerce till date. Some of them opined that they do not have any other options and limited numbers of opportunities force them to continue the ongoing business. Most of them have sound knowledge about business and its procedural aspects through which foreign products can be made available as they are second generation of their family business.

However, the growth of satellite commodity markets i.e. *Dhulabari*, *Airport More* and *Hong-Kong Market* still remains as important destinations of shopping of the many people today. Though *Air Port More* and *Hong-Kong* market grew as forward link of *Dhulabari* during yesteryears, they still happen to be established markets and shop-owners are re-oriented and adjusted as per the rule of free market economy. All these three market centres provides livelihoods of the people and commerce and services still continue to exist despite shifts after the economic reforms.

The local goods including agricultural products are informally traded along the *Panitanki-Kakarvitta* border continuously and till date there no system in place to support the needs of people living in border villages

and regions in either side of the country. The *Mechi* Bridge remains as junction of exchange. If weekly or daily *Haats* are arranged to exchange of such goods and essential items in the border traded, many of informal traders would become service providers and would feel secure their livelihoods, otherwise they are at mercy of security personnel of both the countries. Such kind of arrangement of *Haats* place of exchange and trading centres of local goods is already in existence in Indo-Bangladesh border. Lastly, despite all positives, the trade rules of either country are silent and no constructive effort have been attempted to connect the people and fulfill the needs of essential items in day to day life e.g. medicines and drugs. Interestingly, infrastructural projects and transnational highways like *Asian Highway* is underway to improve connectivity and commodity movements across the countries but people living in border regions and their micro-economic issues remain excluded under existing policies. There is a sizable population are employed and derive livelihoods in exchanges, trade and services in Indo-Nepal border. Therefore, a pertinent question arises whether infrastructure and connectivity for the people or an entry for expansion of market economy. Though both the countries are aware of economic compulsions of people in border regions and conspicuous absence of livelihood opportunities, why there is a culture of silence in policy domain to restore and enhance the means of livelihoods. How long this policy silence would continue at the cost of people's livelihoods and geography of social well-being?

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