

How an Indo-Bhutan Border Market Has Moved Beyond Narratives of Conflict and Security

thewire.in/urban/how-an-indo-bhutan-border-market-has-moved-beyond-narratives-of-conflict-and-security



People shopping at the Hatisar weekly market, Dadgiri on the Indo-Bhutan border. Photo: Jignesh Mistry

analysis

Urban

Local trade dynamics and shared inter-dependence of resources among local communities at the border markets hold important lessons for engendering cooperation and the benefits of peaceful, stable and open (yet regulated) borders.

Samrat Sinha, Deepanshu Mohan, Jignesh Mistry and Ashika Thomas

Society

Urban

05/Feb/2023

On a typical Thursday morning, rows of private cars, taxis and other forms of transport can be seen crossing the International Border Gate in the border town of Bhutan's Gelephu into the village of Hatisar in India. This weekly crossing by Bhutanese citizens

to visit the now flourishing border market of Dadgiri-Hatisar, located in the Chirang district in the Bodoland Territorial Region (BTR-Assam), is part of the daily transit lives of all local Bhutanese-Indians

Yet, underlying this border crossing lies an extraordinary vision of what borders can become. In sheer size and scale, the Hatisar border market is becoming one of the largest destinations catering to Bhutanese customers and is geared towards meeting consumer demand in Gelephu (and its surrounding areas). The continuity of the market through decades of political fragility and the most recent pandemic is a testament to the resilience of the special relationship and interdependence between the people of Bhutan and India.

The border town of Gelphu, Bhutan

Gelephu is located about 30 kilometres to the east of Sarpang, the Dzongkhag (district) headquarters. Though Sarpang is the administrative centre for the Dzongkhag, Gelephu, due to various factors, has prospered and developed as a significant urban centre and market town. The weekly “international” border market of Dadgiri-Hatisar is one the major features of daily life in Hatisar on the Indian side.

While the study of international relations and international trade is purely focused on formal relations between nation-states, both disciplines tend to exclude people and communities from their purview, especially those living in border areas. Through a visual cartography of peoples, places, and markets, we study the social and economic relations that co-constitute the borderland. Observations on the local trade dynamics and shared inter-dependence of resources among local communities at the border markets hold important lessons for engendering cooperation and the benefits of peaceful, stable and open (yet regulated) borders.



Bhutanese residents walk across the newly built India Gate towards Hatisar Weekly market on Thursday. Photo: Jignesh Mistry

Located in the Chirang district of BTR-Assam, which has emerged from years of intense civil strife and conflict, the mundanity of a large weekly market at Dadgiri-Hatisar can be seen as a symbol of hard-won peace. It stands as a testament to how market dynamics can weave cross-community linkages both within the area and across borders.

The border economy, especially in the post-conflict and post-pandemic scenario, provides a means of sustenance and livelihoods for thousands of vendors, who travel hours to reach the market every Thursday. The market has seen its own share of vicissitudes in recent times. The otherwise open border was closed initially in early 2020 due to protests in Assam linked to the Citizenship (Amendment) Act (which triggered curfews and bandhs in the area). Subsequently, the market was closed with the onset of the COVID-19 pandemic.



Bhutanese people at a footwear shop at Hatisar weekly market on a Thursday. Photo: Jignesh Mistry

Somewhere around September 2008, the Dadgiri-Hatisar border market, according to the market committee president, initially hosted vendors selling vegetables, meat and fruits, like many other weekly markets.

Prior to 2008, the original border market was closer to the Bhutan gate, however, given the security situation, and due to a series of incidents at that time, the market was shifted to its current location.

Joshi P, a vendor from Jaigaon, West Bengal recalls: “I have been selling second-hand clothes in these border markets since 1989. Back then, the markets were closer to the border, and we had a much larger area near the check-post. In 2008, we were shifted here.”

For Bhutanese living in the foothills of South Bhutan, the red soil and uneven topography makes cultivation an onerous task. It was, therefore, easier to buy than grow vegetables. When it was established, the market initially attracted local consumers from the Dadgiri-Hatisar area and few buyers from Bhutan.

Through concerted efforts of the market committee, and especially the local chapter of the Bhutan-India Friendship Association (BIFA), the market incrementally built up an increased consumer base from within Bhutan. The proximity of the market to Gelephu is a major advantage for Bhutanese customers.

Especially in days when the border area was considered as a remote area and roads were not well-developed, the market served as an additional avenue for purchase of day-to-day items for those residing in Bhutan (thus avoiding the long journey into the cities of Bongaigaon and Kokrajhar). Concomitantly, as the political situation and the road infrastructure gradually improved, and as consumer demand within Gelephu expanded, sellers started coming from other parts of Assam, West Bengal, and even Bihar.

From the perspective of those living in the border blocks of Chirang district, where the majority of the population depends on agricultural activities for their livelihood, the market holds certain advantages. Apart from the fact that the market is an additional option for supplementing household income, the market space provides a haven for sellers who would otherwise have to resort to street-selling, which fragments their consumer base and gives them minimal agency. Our centre's research team has observed similar importance held for semi-formal market spaces, during our previous work in [Cambodia](#), [Delhi](#), and [Kolkata](#).

[Also read: India's Real Problem Lies in Its Bhutan Policy, Not the Border](#)

Observing one of the largest semi-formal weekly border markets

During our field visits to Hatisar, valuable insights were provided by the president of the Dadgiri Indo-Bhutan Border Market Committee, Dhirath Basumatsry. He is also a member of the BIFA and was instrumental in founding the market. He believes that the good functioning of the market system has been pivotal for the shopkeepers and customers who rely on this source for their weekly needs.

The market is administered and maintained by the market committee which has representatives belonging to various ethnic communities who live in the border region (Bodo, Gorkha, Santhali, Rajbongshi, and Assamese, among others). Community-ownership has been a key variable in defining the continuity and expansion of the market, despite the ill-effects of the pandemic.

After its initial formation, and based on extensive consultations, the committee was initially allocated the land by various stakeholders. It is now responsible for the upkeep of the market infrastructure and has developed the outlying portions into parking lots. The committee is responsible for the allocation of stalls, collection of rent (from stalls and parking fees), and provision of security.

On being asked about the security measures which the committee needs to take, Basumatary said that even in a state of visible peace, the community recognises the potential of disruptions starting at an individual scale, which can have reputational costs for the market.

“We have to take extra care of the Bhutanese customers. In case there is a fight or conflict of any sort, it could escalate very quickly in a fragile area like this. So, the committee makes sure to avoid that by taking care of it diplomatically along with help from the police.”

They, therefore, have staff stationed to provide any support to customers who need items carried to their vehicles, and also coordinate with the police and Sasashtra Seema Bal (SSB), who guard the Indo-Bhutan border, to ensure smooth flow of traffic.

The diversity of goods available and widespread market linkages is a reflection of the social geography of the region. As one walks in the narrow lanes, one can find local women from the Bodo, Santhal, and Gorkha community selling fresh vegetables from their kitchen gardens and running food, tea, and stalls. The documentation team interacted with a woman as far afield as West Bengal selling vegetables in one corner and a cobbler from Bihar toiling hard with repair work.



Cobblers from Bihar at the Hatisar weekly market, Dadgiri, Chirang district. Photo: Jignesh Mistry

In its spatial design, the market has a ring-like structure with the innermost ring having basic concrete set-ups, followed by tin sheds and then tarpaulin stalls for food. The solid concrete structures are built for sellers who come from outside and tin sheds are organised for villagers and farmers who can sell their goods at a limited quantity.

Vendors who have slightly higher priced goods like electronics, clothing, home decor, kitchen utensils and plastic products are outsiders, mostly from West Bengal, and get solid concrete structure spaces to sell their goods. Local villagers who sell vegetables, meat, fruits, and operate small food stalls, mostly get spaces with the tin sheds across the market.

In terms of the market-size, the weekly border market now stretches for over 750-800 metres in length and it might take over an hour to simply cover the entire market. What is striking is the level of specialisation that undergirds the organisation of the market,

with vendors selling similar items being aggregated together. Apart from fresh local produce, such as vegetables and meat, we now see an intensive diversification of the goods and items available in the market. These range from apparel, consumer items, imitation jewellery, traditional medicines, spices, electronics, plastic items, and household items, including mattresses and furniture.



A concrete structure area occupied by regular vendors selling electronic goods at Hatisar weekly market, Dadgiri. Photo: Jignesh Mistry



Bhutanese monks at the Hatisar weekly market on Thursday at Dadgiri, Chirang district, Assam.
Photo: Jignesh Mistry



Local women sell Bhutanese Organges at the Hatisar weekly market. Villagers usually pay Rs. 10 for selling vegetables and fruits at the market. Photo: Jignesh Mistry

One of the unique features of the weekly border market is that as a medium of exchange, we see a dual currency system in place with transactions taking place in both Bhutanese Ngultrum and the Indian Rupee. And, though informal practices such as barter systems are not explicitly observed, bargaining is extremely common in the market, therefore, ensuring some degree of parity and equity in pricing.



A vendor holds Nu. 50 and Rs 200 note at the Hatisar weekly market. Photo: Jignesh Mistry)

Among the vendors, there are those who sell weekly and those who sell seasonal produce in small batches. The rent at the market ranges varies based on whether one is an out-of-state vendor or a local vendor. For a vendor requiring larger spaces for sale of electronics the rent may vary from Rs. 50-100 for the day, while for locals it is a minimal Rs.10 to Rs. 20. As mentioned by Rajish, who repairs shoes and charges Rs.70 per service told the team, “I earn a profit of Rs. 2,000-3,000 every Thursday and pay a rent of Rs. 10 to the Committee.”

Although the rent seems low, there is an underlying logic to this. By minimising the barriers of entry for local producers, the committee ensures that those living in the specific villages (represented in the committee) are not deterred from participating in the weekly market. This has been instrumental in reviving the market in the post-pandemic period, when Bhutan opened the border gate after two years.

Unsurprisingly, the demand for spaces in the Dadgiri-Hatisar market is very high, and as confirmed by Basumatary and the other committee members, most of the space has been allocated. However, given their ability to creatively manage the market all these years, they are hopeful of overcoming these constraints.



Bhutanese youngsters shop at the Hatisar weekly market, Dadgiri. Photo: Jignesh Mistry

The dual crises mentioned earlier (CAA protests and more so during the COVID-19 pandemic) deeply impacted the population who were linked to the market. On January 27, 2020, the Union government, state government of Assam, and representatives of the political groups of the Bodoland Movement (ABSU, NDFB, BPF and United Bodo People's Organisation UBPO) entered into a final political settlement.

The final Accord or Memorandum of Settlement (MoS) sought to establish a new political configuration, with the formation of the Bodoland Territorial Region (BTR), with several new proposals for enhanced administrative autonomy, reconstruction and economic development (as well as enhanced cultural and linguistic protection for the Bodo community).

Yet, despite the remarkable peace process in Bodoland with its promise of socio-economic recovery, the population in the border areas were not able to enjoy the dividends of peace. Similarly, in Gelephu (and the broader Sarpang district), the peace dividend would have been very real, given that the conflict in Assam, and in BTR, was one of the most serious bottlenecks to economic growth in South Bhutan. Thus, there were high expectations of a mutually beneficial economic revival on both sides of the border, an outcome that was severely disrupted by the pandemic.

[Also read: The World's 'Happiest Country' Needs a Peace and Reconciliation Process](#)

The shock effect of a pandemic and the post COVID-19 scenario

The onset of the pandemic highlighted the delicate institutional balance on which the market depends, i.e., free movement of people and open borders. On March 23, 2020, all entry points into Bhutan were closed as part of the country's pandemic preventive measures, with Bhutanese citizens barred from crossing the border. The exogenous shock of the COVID-19 pandemic, especially closures and lockdowns on both sides of the border, resulted in the sellers facing huge monetary losses as most of their customer base were Bhutanese.

Basumatary said that “approximately 80% of the customers were Bhutanese and just 20% are Indian, so the vendors suffered a lot.”

Apart from the consumers not being able to procure materials for their daily needs, the livelihoods of stakeholders, who depended on them indirectly or directly, suffered. More so, the border market needs to be understood as a social institution, and the loss of communication and contact with long-time customers across the border had social dimensions.

Conversely, for those living in Gelephu, the closure of the border gates meant a restructuring of household expenses and disruptions in social connections with the population of Hatisar, Dadgiri, and beyond.

The COVID-19 lockdown and various restrictions thus brought the market community to a standstill for almost two-and-a-half years. Despite these setbacks, it is important to note that the border market did not fully close, thus highlighting the importance of the social basis of the market.

The market committee had started preparations before the entry points of Bhutan scheduled to open on September 23, 2022, to improve the infrastructure. Apart from adding more concrete structures, new drinking water and sanitation facilities were also built. These new measures were needed as the post-pandemic revival meant an exponential increase in the footfall to the market since most restrictions on movement had been lifted:

“After the lockdowns, we had to remove the undergrowth and increase the size of the allocated land by a lot to meet the increased demand from the consumers and the sellers. We now have a total of 1,200 vendors across all businesses – big and small – who gather here every Thursday.”



Women vendors sell local fruits and vegetables at the Hatisar weekly market. Photo: Jignesh Mistry

In the near future, the Dadgiri-Hatisar border market is expected to be upgraded to a Border Trade Centre under the Bodoland Industrial Policy, 2019. While the formalisation of the market can imply a degree of recognition of its commercial importance, it would be important to note that this recognition would not have been possible without the early efforts and agency of the market committee, institutions like BIFA and the high level of community-ownership engendered by these stakeholders.

The governing dynamics of successful inter-border mobility of communities at the Indo-Bhutan border market area of Hatisar cannot be attributed to any one stakeholder involved, but rather can be seen as part of a collective effort of various local actors and a diverse group of ethnic, cross-border communities.

The market committee plays a role in the smooth functioning of market operations, but these operations further on the high levels of social cohesion and interpersonal trust that are observed in the micro-workings of the border market space. The market itself emerged from the larger need of local communities to move beyond narratives of conflict and security, and secure economic opportunities that can bring peace and prosperity for all communities in the region, including the Bhutanese.



A Bhutanese family waits next to the car parking at the Hatisar weekly market. Photo: Jignesh Mistry

Based on the insights gathered from a short ethnographic study, the curious case of Dadgiri-Hatisar provides an alternate narrative of cross-border market spaces that involve people-to-people cooperation across boundaries. While the impact of the border market on the larger scheme of the formal Indo-Bhutan trade relationship may be minimal, its effect on deepening formal bilateral relations between the two countries and promoting economic welfare should be explored in depth.

Dadgiri-Hatisar also provides an example of the effectiveness of limited intervention by formal governance institutions into economic systems, and highlights processes by which these systems flourish by promoting social norms and regional values. We feel more such field based studies can help highlight the role of these in the future.

Samrat Sinha is a professor at Jindal Global Law School, OP Jindal Global University. Deepanshu Mohan is an associate professor of Economics and director at the Centre for New Economics Studies (CNES), O.P. Jindal Global University.

Jignesh Mistry is the Visual Storyboard team lead and a senior research analyst with CNES, O.P. Jindal Global University. Ashika Thomas is a research analyst with CNES and the Visual Storyboard co-team lead.

This study is produced by the CNES Visual Storyboard Team. See its previous work accessible [from here](#).

Note: This field project and study is dedicated to the memory of the late Mr. Ugyen Rabten, Secretary-General of Bhutan-India Friendship Association (BIFA) who gave unwavering support to O.P. Jindal Global University faculty and students who participated in past cycles of the Border Studies Programme. The authors wish to thank Tshering Dema, principal, Losel Gyatsho Academy (LGA). We also acknowledge the kind support extended by Sunil Kaul (founder, The ANT), and all members of the ANT (Action Northeast Trust), Chirang, BTR-Assam.

The founding premise of The Wire is this: if good journalism is to survive and thrive, it can only do so by being both editorially and financially independent. This means relying principally on contributions from readers and concerned citizens who have no interest other than to sustain a space for quality journalism. For any query or help write to us at support@thewire.in

I would like to contribute

Once

Monthly

Yearly

Select amount

₹200

₹1000

₹2400

Type an amount