

## Empirical Study on the Informal Cross Border Trade Nexus between Bangladesh-India Land Borders: Bangladesh Perspective

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**ABSTRACT:** Bangladesh and India are economically and politically significant neighbours in South Asia region. These two countries share one of the most porous borders in the world. Bangladesh inherited disputed border with India as a bequest of the partition in 1947. The problem of faulty demarcation of the border is being addressed since the independence of Bangladesh and with the elapse of time mentionable progress has been made to solve many border related issues. The Border between Bangladesh and India is widely known for its Informal Cross Border Trade activities along with its nexus. This border is a major source of irritant in their mutual ties where informal cross-border trade practices between these two countries continue to persist with serious implications on economic, political and security aspects. This Study attempts to identify and measure the effects of informal cross border trade and its nexus between Bangladesh and India from Bangladesh perspective. To accomplish this, focus group discussion, interviews and survey method have been applied for collecting data. The total sample size is 160. It was found that, informal cross border trade is putting the border management in a challenge. To address this situation, a number of measures have been already taken by both the countries unilaterally as well as unitedly, the outcome of which appears to be positive. Beside the elucidation of the concept of informal cross border trade and the issues that kindle its implementation, this study endeavors to suggest some measures for encumbering this illegal trade practice effectively. Some recommendations are also made in this paper which should be implemented to enhance performance of bona-fide cross border trade that will in turn contribute in further strengthening Border Management between Bangladesh and India.

**Key words:** Porous Border, Informal Cross Border Trade, Border Management.

### INTRODUCTION

The Bangladesh-India border is often regarded as one of the most conflict-prone in the world, despite the fact that the Bangladesh-India relationship has been tested as amicable for almost five decades. Bangladesh's border with India is designated as a 'problem area of future'. There were no boundaries in South Asia before 1947 as all the countries in this region were in the form of the Indian Subcontinent. People and goods were often moved freely from one part to the other without much

hindrance. When the British departed the Indian subcontinent in 1947, borders were hastily drawn along religious, linguistic and ethnic fault lines, ignoring other critical demographic considerations such as socio-cultural and ground reality perspectives. Though Bangladesh's border with India is the third biggest in the world, it is meagerly managed. Indeed, border management has grown as a concept through time and is no longer limited to policing the border. However, there are additional geopolitical, geoeconomic and geostrategic factors complicating border management in this area. The Indo-Bangladesh border is heavily inhabited, particularly in Bangladesh's south-western and north-western regions. Additionally, the boundary is extremely deviant and does not follow any natural barrier, meandering across communities, rivers and agricultural land. All of these factors contribute significantly to the border's complexity. The porous nature of the border creates a string of complications. These issues jeopardize security, growth and peace. Bangladesh and India have recently agreed to cooperate to combat border smuggling and to increase collaboration in order to make border control and management more functional and effective.

The development of borders within the Indian subcontinent has a prolonged legacy, which repeatedly has been a root of tension and conflict (Das, 2010). Bangladesh shares 4156 kilometres (km) of the border with India (Border Guard Bangladesh Headquarters) out of which approximately 4096 km is land border. Bangladesh inherited a disputed border with India, which was very hurriedly drawn under the overall plan of Lord Mountbatten. During the Pakistan era in 1958, a treaty was signed which is known as Nehru-Noon Agreement to resolve the issue of the disputed border, though it could not be implemented. In 1974, Mujib-Indira Agreement was signed to solve border-related issues among India and Bangladesh, which took about 41 years to be ratified by the Indian parliament. However, after having continuous efforts, a lot of progress is made to solve borders related issues. Issues related to the exchange of enclaves, adversely possessed land, dispute of land demarcation are apparently negotiated and implemented by both countries. But yet to systematize the long-standing issues of border management effectively. Some odd happenings along the border put the management in challenges such as; informal trade/smuggling, drugs, arms and human trafficking, killing and torturing of Bangladeshi nationals etc.

Border management among India-Bangladesh can be made more effective. Border management is one of the key state functions because of many important cross border exchanges like: trade, investment, migration, tourism and sharing of natural resources. An effectively managed border can bring dividends to the government and foster inter-state relations. Unfortunately, both Bangladesh and India failed to gain expected economic benefits due to poor border management system (Aniszewski, 2009). The inter-dependency of border area populace having a large amount of exchanges in terms of trade in goods and services, as well as life as a whole, in the context of socio-economy and socio-culture, including P2P (People to People), B2B (Business to Business) and B2C (Business to Consumer) is mentionable. As a result, cross-border trade occurs in a variety of forms in those areas, including Formal cross border trade (FCBT), Informal cross border trade (ICBT) and Quasi-formal cross border trade (QFCBT). Bilateral trade between Bangladesh and India has an effect on the economies that thrive in border regions. The impact of this trade on the local economies of both nations comes with its own set of benefits and drawbacks. Due to the favorable trade environment around the border region, the economic condition of the neighborhood populace has improved. In both countries, a significant limitation of trade competitiveness and development is the lack of transportation and B2B connectivity. In comparison to Formal cross border trade (FCBT) with India, Informal cross border trade (ICBT) accounted for almost 04 times more than that of FCBT

between India and Bangladesh. ICBT between Bangladesh and India increases the trade deficit in Bangladesh's economy. The poor economic condition due to remoteness of border areas, easy availability of the goods and the socio-cultural kinship between the populace of the bordering regions etc. stimulates profit-seeking traders to engage in Informal Cross Border Trade. Thus, it was found that informal cross border trade is putting border management in a challenge. To address this situation, a number of measures have been already taken by both the countries unilaterally as well as unitedly, the outcome of which appears to be positive. Hence, the policy and wisdom of the decision-makers in eradicating the informal border trade odds based on research may play a significant role. This study attempts to identify and measure the effects of informal cross border trade and its nexus between Bangladesh and India. Besides, the elucidation of the concept of informal cross border trade and the issues that kindle its implementation, this study endeavors to suggest some measures for encumbering this illegal trade practice effectively. Some recommendations are also made in this paper which should be implemented to enhance performance of bona-fide cross border trade that will in turn contribute to further strengthening Border Management between Bangladesh and India.

## 2. Literature Review

Cross border trade (CBT) is the selling or buying goods and commodities with the neighbouring countries (Business Dictionary, 2020). It is the most favoured trade as it comprises of nearest outsource. It is relatively significant for nearly every country. Countries that lack in agricultural manufacturing or production of basic food substances are the primary traders of CBT. CBT takes gain of geographical proximity and permits traders to take advantage of Demand-Supply gaps on the border localities. CBT is the trade of products or goods and services between two countries. It is similarly referred to as global exchange and global selling. Bilateral trade among the international localities influences the economies that continue to exist across the border areas. CBT forms a part of the border locality development plan because it presents a changing way of livelihood to the border citizens withinside the economically depressed areas. The very geostrategic location offers Bangladesh to become a communication hub between South and Southeast Asia on communication, economic, cultural, and political issues with her bordering countries which make her borders important to neighbours. Bangladesh and India engage in three distinct categories of bilateral border trade. Bilateral trade between Bangladesh and India has an effect on the economies that persist and thrive in border regions. As a result, individuals living along porous border regions facing a variety of problems must be integrated into the country's mainstream development process and become more involved in socioeconomic activities. To foster a favorable business climate in the border region, the economic situation of the border region's residents has improved. This has benefited a diverse range of parties executing a variety of functions, ranging from backward and forward links to financial and commercial operations associated with trade. Border trade is motivated by two primary considerations. The first issue is the distance of the border regions, which prevents the local people from selling their commodities and purchasing daily necessities inside the national boundaries. The second aspect is that the historic sociocultural linkages and economic complementarity that these people share across the border provide an ideal setting for increased economic interaction.

There are three types of border trade: formal, informal, and quasi-formal. Informal cross-border trade is described as trading in legally produced goods and services that occurs outside of the government's regulatory framework, allowing for the avoidance of some tax and regulatory costs (Lesser and Moise Leeman, 2009). These commodities and services can be traded by either (1) informal (unregistered)

traders who operate wholly outside of the formal economy and use unofficial methods, or (2) formal (registered) traders who dodge trade-related restrictions and duties entirely or partially. Partially evading customs duties by passing through official border posts involves illegal practices such as under-invoicing (i.e. reporting a lower quantity, weight, or value of goods in order to pay lower import tariffs), misclassification (i.e. falsifying product descriptions in order to misclassify them as products subject to lower tariffs), misdeclaration of the country of origin, or bribery of customs officials (Ama et al. 2013).

There is no dearth of literature on Bangladesh-India informal border trade predicament, issues, concern, management, etc. However, in those literature, dimensions are different and not exactly addressed the intended objectives. The Authors' perspectives are different from each other in the available literature. Premeditated questions are also not adequately answered, which leads to the birth of new research on the subject matter. Some related literature is reviewed below:

The research paper titled "Indo-Bangladesh Informal Trade: India's Security Predicament" (Chakraborty 2009) deals with the illegal trade along the Bangladesh-India border, migration, politico-security aspect, porous border and Indo-Bangladesh relations. The paper also mentions the socio-economic condition of the bordering people and the role of the BSF. The author of the paper emphasizes the infrastructural development in the bordering area and having better ties concerning formal and informal trade relations. However, the paper does not cover the Bangladesh management system of few burning issues of present time like; strategies and tactics involved in informal cross border trade in Bangladesh, derivation and routes of informal cross border trade, causes and pattern of informal cross border trade, the impact of illegal border trade on Bangladesh economy, border fencing, incidents of killing by BSF etc.

Some chapters on border problems are included in an edited book titled "Bangladesh – India Dialogue: Vision of Young Leaders" (Sobhan et al. 2006). The book contains eight different chapters written by seven writers. The edited chapters reflect vivid differences in style, approach and perceptions of various authors. Border trade and management, as a concept, has evolved over time and is no more confined to merely policing the border.

Traditionally, most of the literature attempted to analyze the border problems between the two countries is based on the narrow interpretation of border management. This literature often recommended more stringent controlling measures or an early resolution of the border disputes as a way forward to achieve amity. Analysts tend to view specific border issues in isolation, resulting in a fragmented perspective of problems arising out of poor border management.

Therefore, this study is designed to fill these voids.

### **3. Significance of the Problem**

The very geostrategic location offers Bangladesh to become a communication hub between South and Southeast Asia on communication, economic, cultural, and political issues with her bordering countries which make her borders important to neighbours. And thus, the issues and problems related to borders may not always be seen through the security lenses only, as has been the case in the past. The problems of border management between Bangladesh and India have strategic significance from many points of view. The Bangladesh-India border is defined as a problem area of future' (Das, 2008). The problems comprise of smuggling, unlawful migration and cross-border

movement of miscreants, which are major risks to the safety and security of the state. Bangladesh shares her longest border with India, yet this boundary is not carefully managed. Moreover, border management and border related problems are not simple, these are a grave problem since the solution of which are not readily available, and are dependent on many complex internal, regional and international interests, both conflicting and complementary (Kamrul, 2013). Besides, formal cross border trade relations between Bangladesh and India are facing various trade constraints. There is compelling evidence that quasi-formal and controlled informal cross border trade can serve as a mechanism for reducing rampant smuggling and creating alternative job opportunities for positive engagement in impoverished areas along the Bangladesh-India border by generating revenue for business establishments and opportunities for business in cross border trade-related activities.

In this backdrop, this study will make an endeavor to find out the impacts of Cross Border Trade on Bangladesh-India Land Border Management. In order to get a clear understanding about the impacts of border trade, there is a need for a detailed study. Because there is no single-authored comprehensive study that addresses the complexity and intricacies involved in the border trade, the solution of which contributes to the improvement of land border management.

Therefore, every effort must be put in to solve the border management-related issues having a special focus on informal border trade which can contribute positively to enhance bona-fide cross border trade and strengthen the Bangladesh-India border management. All these reasons imply the significance of the problem for this study.

#### **4. Objective of the Study**

- > To identify and measure the effects of ICBT in the Bangladesh-India land borders.
- > To analyze the strategies and tactics involved in ICBT in Bangladesh.
- > To analyze and determine the derivation and routes of ICBT among Bangladesh and India.
- > To suggest measures/strategies culminating the ICBT between Bangladesh and India with the fundamental aim of improving Bangladesh-India bilateral relations and border management as well.

#### **5. Research Methodology**

A Multiple Instrumental Approach was adopted for this study. Primary data was collected through interviews with the help of a semi-structured questionnaire, observations and Focus Group Discussion. The main source of evidence used in this study is qualitative data which was collected through interviews of respondents with semi-structured questionnaire. Interviews with personnel of border security agencies and people from different strata of bordering area have also been incorporated for a perspective of the ground realities to complement the documentary source material and add importance to the study output. In addition, discussions and consultations with the officials of the Ministry of Commerce, Foreign and Home Ministries have been incalculably beneficial for understanding and synthesizing the perspective of border management and cross border trade. Impressions and first-hand knowledge gained through visits to the bordering area have facilitated further comprehension of the ground realities and problems in the Bangladesh – India informal cross border trade.

Hence, data for this study were collected from 160 respondents. This study has involved with in-depth interviews and observations across different districts of Bangladesh. This included 8 Districts, namely; Sathkhira, Jashore, Jhenidah, Chapainawabgonj, Kurigram, Sunamgonj, Sylhet and Brahmanbaria.

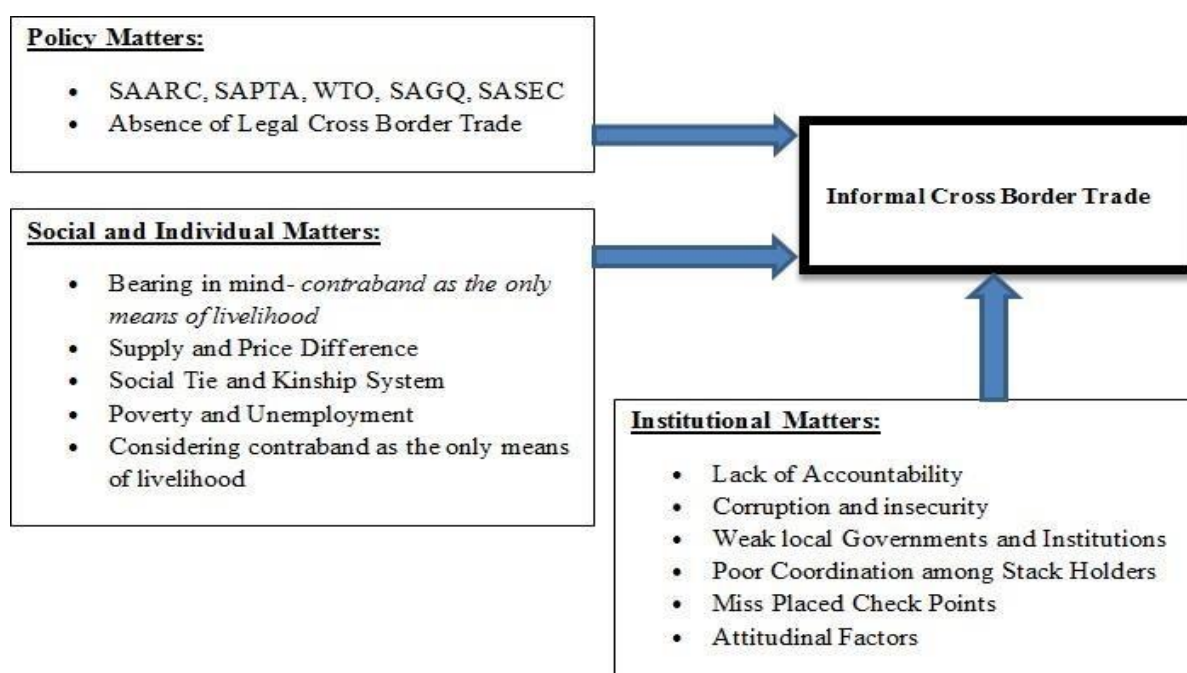
### The population of this study are:

- The community members of the area.
- The community leaders (Chairman and Members of Union Parishad).
- Members of Border Guard Bangladesh (BGB) and Police.
- Smuggling Goods Carrier and Cattle Handler.
- Government Officials, Political leaders.

The findings of the study are presented mostly in a qualitative manner. Qualitative data have been processed and analyzed manually. All the data and findings of the study are described and analyzed in detail according to the conceptual framework. The objective of this study survey was to develop an idea from the opinion of the target population about ways and means to overcome existing issues.

## 6. Analytical Framework

To carry out an analytical study on this issue it is felt essential to highlight the existing Bangladesh-India border scenario that affects the bordering citizens. Contributing factors and pattern of informal trade has been illustrated along with its impacts on society from the security point of view. Arbitrary gunfire in the bordering areas demands extra focus as it originates from the informal trade and may have damaging consequences. Security concerns and people's perceptions linked to the informal trade are quite significant to both the neighbours for a friendly mutual relation. A cordial bilateral relationship between Bangladesh and India would contribute to the peace of the citizens especially those who are living in the bordering areas. This study has been designed to analyze these aspects and make out the way forward. Simultaneously and almost in a linear manner, a well-orchestrated scheme of informal trade persists between India and Bangladesh, the magnitude of which coincides with the scale of bilateral formal trade. An analytical framework of the research is given below:



## 7. Analysis and Discussions

### 7.1. CROSS BORDER TRADE BETWEEN BANGLADESH AND INDIA LAND BORDER

Bangladesh-India bilateral trade affects both country's economies and it has its own rewards and damages. There has been an enhancement and development in the economic situation of border area local people due to the favourable business environment around the Bangladesh-India border area. Bangladesh's formal trade with India is marked by a significant trade imbalance on Bangladesh's side. Bangladesh's exports to India climbed by 171 percent between 1990 and 2019, while imports increased by 650 percent. Bangladesh's main exports to India in 2019-20 were textiles, jute products, ceramics, frozen fish, and plastic products. Computer gear, machinery, car parts, chemical products, mineral products, rubber articles, and live animals were among the most common items imported from India. The key constraint to trade growth and competitiveness between Bangladesh and India is poor transport and business-to-business connectivity.

Despite the fact that Bangladesh-India relations have been tested amicable for the past five decades, the Bangladesh-India border is regarded as one of the world's most conflict-prone frontiers. While many believe that cattle trade, as part of informal cross-border trade (ICBT), is one of the primary causes of conflict along the border between Bangladesh and India, this study contends that a better understanding of border trade can help to clarify conflict and border management. Drugs, illegal weapons, gold, hundi, and other items are frequently smuggled alongside cattle.

For example, cross-border 'informal trade' in agricultural items, primarily with India and Bangladesh, is dominated by cattle traffic flow. 'Formal border trade' includes coal imports from India. Textiles, vegetables, jewelry, vehicle parts, medications, herbal products, cosmetics, herbs and spices are among the items in concern along the Bangladesh-India border. Because these items entail informal procedures, they have an impact on formal CBT. Improving commerce with Bangladesh will alleviate many of India's concerns about economic segregation in its backward north eastern regions, as well as provide new market opportunities for small-scale traders from the country's backward hinterlands. With expanded trade opportunities with India, Bangladesh will have access to new areas of cooperation, investment, and development chances. It's worth noting that a variety of non-tariff barriers have made this trade exorbitantly expensive, making many high-potential commodities unfeasible.

### 7.2. Strategies and Tactics/Techniques Involved In Informal Cross Border Trade

ICBT is also referred to as "Bootleg" smuggling because it typically involves a large number of local individuals delivering tiny quantities of goods—often merely as head loads or by bicycle or rickshaw. On the other hand, there is trade in larger quantities, mostly by trucks, through formal legal customs channels, but this also includes explicitly illegal practices like under-invoicing, misclassification, and bribery of Customs and other officials, which is sometimes referred to as "Technical" smuggling. The popular image of smuggling perceived by the common man relates to an illegal as well as immoral act perpetuated by organized underground networks of gangsters. This image also portrays such acts as being performed after nightfall at deserted/dissolute places in total secrecy. While this image of smuggling indicates unlawful, reprehensible acts of trafficking in narcotics, arms, ammunition, etc., there are a number of variants of illegal trade flows depending upon the nature of goods traded and the form of illegality resorted to. The trend of India-Bangladesh unrecorded trade confirmed that the trade is essentially one-way, from India to Bangladesh. For instance, though the illegal goods may be

carried across the border in small quantities by large number of people, trucking to the border areas and storage is frequently organized by medium and large traders. It found that the gangs are very often organized in associations and “syndicates”. These protect the interest of the smugglers and “manage” the law enforcing agencies through pay-offs, subscriptions for which are raised from the “members”. Modern communication facilities like; telex, phone, fax, international dialing and coded messages are frequently used in smuggling. A good number of Customs, BGB and Police personnel is alleged to connive at smuggling.

### 7.3. NATURE OF ILLEGAL TRADE VIA LEGAL CHANNELS IN BANGLADESH-INDIA BORDERS

It was indicated that this component of the illegal trade flows usually takes any of the following forms or combinations thereof:

- (i) *Faked (under/over) invoicing of exports and imports.*
- (ii) *Misclassification of exports/imports.*
- (iii) *Misweighing of exports and imports.*
- (iv) *Under payment (under assessment) or non-payment of customs duties via mis-declaration of goods.*

Apart from the above forms of illegal trade flows through customs points, illegal transactions such as capital transfers, transfer pricing by multinationals, over-invoicing of foreign aid financed imports, etc., are other trade related illegal flows which lead to capital flight. Misclassification and misweighing of traded goods cannot be identified without direct inspection or physical checks. For detection of under-assessment of legal duty, import statistics need to be kept on the same basis as tariff schedules which is not the case. Complicity and gullibility of enforcement agencies leads to falsified trade accounts. Subsequent attempts in its detection do not permit tracing such forms of illegal trade flows. Conceptually, one country's exports should be identical in value and type with the imports of the other receiving country. But in practice there can be differences due to transport and other service charges, time lags, differences and inconsistencies of classification, exchange rates, transit trading, etc. The magnitude of these causes of divergence is rarely measured quantitatively. Rather, differences in two records are usually assumed to be caused by these obvious factors, especially the transport, insurance, freight margins (c.i.f. imports and f.o.b. exports).

### 7.4. Demographic Information of Respondents

TABLE-1: DEMOGRAPHIC FEATURES OF RESPONDENTS

Demographic Features		Number of respondent's	%
1.	Respondent's Gender (in number)	126	78.75
	Male and Female	34	21.25
		<b>160</b>	<b>100%</b>
2.	Respondent's Position (at level)	22	13.75%
	Smuggling Goods Carrier and Cattle Handler		
	Community Members	25	15.62%
	Community Leaders	16	10.00%
	Businessmen	23	14.38%



	Government Officials	18	11.25%
	Security forces personnel	24	15.00%
	Political leaders	17	10.63%
	Reporters	15	09.38%
		<b>160</b>	<b>100%</b>
3.	Respondent's Age (in years)		
	25-35 years	51	31.88%
	36-45 years	48	30.00%
	46-55 years	28	17.50%
	56-65 years	21	13.12%
	66 years and above	12	07.50%
		<b>160</b>	<b>100%</b>

SOURCE: FIELD INVESTIGATION

Table-1 represented that the maximum number of respondents are male (78.75%). Community Members (15.62%), Security forces personnel (15%), Businessmen (14.38%) and Smuggling Goods Carrier and Cattle Handler (13.75%) are top four types of respondents. The above table also lucidly represents that maximum numbers of respondents were in the age group of 25-45 years.

### 7.5. Causes of Working as Carrier of Smuggling Goods

TABLE-2: CAUSES OF WORKING AS CARRIER OF SMUGGLING GOODS

Causes	Frequency	Percentage of respondents (%)
Unavailability of other jobs	37	23.12%
Easy to earn money	14	08.75%
Inherited occupation	5	03.13%
Forced by Influential personnel	8	05.00%
Due to poverty	91	56.88%
Influence from family members	3	01.88%
Others	2	01.25%
	<b>160</b>	<b>100%</b>

SOURCE: FIELD INVESTIGATION

As far as causes of working as carrier of smuggling are concerned, 56.88% of the respondents are found to have stated that due to poverty reason they chose carrier of smuggling goods as a profession. 23.12% of the respondents said that the unavailability of other jobs is another cause of working as carrier of smuggling goods. The survey reveals that easy to earn money (8.75%) and forced by influential personnel (5%) are other causes.

## 7.6. Major Smuggling Routes in Bangladesh

In survey, it was found that there is 05 (five) major smuggling routes in Bangladesh.

TABLE-3: MAJOR SMUGGLING ROUTES IN BANGLADESH

Routes	Percentage of respondents (%)
Land borders (India)	56.88%
Border land customs stations	09.75%
Chottogram and Mongla sea ports	23.12%
Airports (Dhaka, Chittagong and Sylhet)	07.11%
Coastal regions	03.14%
	<b>100%</b>

SOURCE: FIELD INVESTIGATION

According to the findings, the majority of smuggling between Bangladesh and India occurs via land routes. Smugglers buy commodities in India and sell them at local border markets, from which they are distributed throughout the country via riverine channels and highways.

### 7.1. COMMON SMUGGLING GOODS IN INFORMAL CROSS BORDER TRADE IN BANGLADESH

Common smuggling goods in ICBT between Bangladesh and Indian border are:

TABLE-4: COMMON SMUGGLING GOODS

 <b>From India</b>	<b>To</b>	 <b>Bangladesh</b>	<b>From Bangladesh</b>	<b>To</b>	 <b>India</b>
<ul style="list-style-type: none"> <li>• Cattle</li> <li>• Narcotics, Phensedyl and Drugs</li> <li>• Weapons, Ammunition and Explosives</li> <li>• Cosmetics</li> <li>• Clothing items specially <i>Sarees</i></li> <li>• Low Quality Medicine</li> <li>• Low Quality Motor Parts,</li> <li>• Yaba Tablets</li> </ul>			<ul style="list-style-type: none"> <li>• Cotton and Clothing</li> <li>• Gold bar</li> <li>• Fish</li> <li>• Electronics and Computer Parts</li> <li>• Contraception Pills</li> <li>• Fertilizer</li> <li>• Fuel and Edible oil</li> <li>• Brass, Touch stone</li> </ul>		

Source: Field Investiaation

## 7.2. Seized Goods in Informal Border Trade between India and Bangladesh Border

The total cost of the seized goods from 2009 to December 2020 shown in the table below:

Table-5: Seizure Goods from 2009 to December 2020

Year	Cost of Incoming Item (Taka)	Cost of Outgoing Item (Taka)	Total (Taka)
2009	430,74,13,739	33328790	4643742529
2010	5132661587	330062009	5462723596
2011	3701576202	533559348	4235135550
2012	5603237789	322695609	5925933398
2013	518,48,28,805	48,27,88,196	566,76,17,001
2014	781,62,91,329	59,65,60,762	841,28,52,091
2015	776,81,34,398	34,76,82,489	811,58,16,887
2016	953,42,84,686	156,22,20,052	1109,65,04,738
2017	1112,71,23,222	104,84,51,265	1217,55,74,487
2018	7616817490	1420585231	9037402721
2019	6747775990	957281383	7705166678
2020	4656632962	281402792	4938035754
<b>Total</b>	<b>79196778199</b>	<b>8219617926</b>	<b>87416505430</b>

SOURCE: BGB HQ

Table-5 statistics reflects that more than 9.39 times more goods are smuggled into Bangladesh than that of India.

## 7.3. Cattle Smuggling as Informal Border Trade in Bangladesh-India Land Border

Table-6: Cattle smuggling from 2009 to 2020

Year	No of Cattle	Revenue
2009	6,14,972	31,65,36,005
2010	5,40,034	26,35,11,200
2011	10,06,383	50,12,59,100
2012	14,43,405	76,60,77,027
2013	23,76,048	118,13,99,500
2014	20,33,109	101,66,47,900
2015	8,14,744	40,73,94,600
2016	11,32,243	56,60,09,700
2017	10,87,446	54,09,69,200
2018	7,13,065	35,59,51,200
2019	6,99,921	34,21,20,109
2020	2,13,543	17,14,11,769
<b>Total</b>	<b>12784917</b>	<b>6479287305</b>

SOURCE: BGB HQ

Cattle is the most commonly smuggled item along this border. The Indian Border Security Force (BSF), which is mostly focused on cattle smuggling, kills and harasses Bangladeshi citizens on a regular basis. The demand-supply theory, as well as other related issues such as porous border, ban on cattle export, prohibition of cow slaughtering in India except in West Bengal, Kerala, and parts of the North-East ("Cattle slaughter"), and large price differences between cows in the two countries, remain the main reasons for the massive amount of smuggling.

TABLE-7: REASONS OF CATTLE SMUGGLING INTO BANGLADESH

Reasons for Cattle Smuggling into Bangladesh	Percentage of respondents (%)
Price gap	29.81%
Easily available along the border	25.75%
Easy to earn more money	07.10%
Demand for cows in Bangladesh	23.20%
Prohibition on cow slaughtering in India	14.14%
	<b>100%</b>

SOURCE: FIELD INVESTIGATION

From Table-7, it was found that the price gap, easily available along the border and demand for cattle in Bangladesh are the major reasons for cattle smuggling into Bangladesh.

TABLE-8: MEASURES TO REDUCE/STOP COW SMUGGLING INTO BANGLADESH

Measures to Reduce/Stop Cattle Smuggling	Percentage of respondents (%)
Establishing cattle farms in Bangladesh	28.10%
Creation of job opportunities	24.46%
Motivation at different level	10.09%
Increases security forces in the border area	22.21%
Strictness on smuggling nexus	15.14%
	<b>100%</b>

SOURCE: FIELD INVESTIGATION

It is observed (Table-8) that 28.10% of respondents think that establishing cattle farms and creating job opportunities are the major measures to reduce/stop cattle smuggling into Bangladesh.

#### 7.4. DRUGS AND NARCOTICS SEIZED IN INFORMAL BORDER TRADE BETWEEN INDIA AND BANGLADESH

Apart from informal trade, drugs, guns, and people trafficking are all frequent along the Bangladesh-India land border. Terrorist activity and unlawful border crossings occur as a result of this. Human trafficking, smuggling, and drug trafficking across the border are all problems that both countries are concerned about. Bangladesh's pharmaceutical rule prohibits the production of phenethyl since 1982, while the same rule does not apply in India. Many people in Bangladesh, particularly the younger generation, are addicted to this narcotic. Not just phensedyl, but also heroin, Yaba pill, cannabis, narcotics wine, and other drugs are transported across the border. More than 7,00,000 Bangladeshi people, especially youths, are addicted to this drug having huge demand in different parts of Bangladesh. Annually 32 types of drug costing approximately 2500,0000000 takas are smuggled into Bangladesh. Phensedyl and Yaba dominate over other drugs, and sources of these two types are respectively India and Myanmar.

TABLE-9: REASONS OF DRUGS AND NARCOTICS TRAFFIC INTO BANGLADESH

Reasons of Drugs and Narcotics Traffic into Bangladesh	Percentage of respondents (%)
Demand for drugs in Bangladesh	28.89%
Easily available along the border	26.75%
Easy to earn more money as carrier	25.12%
Because of huge price gap between India and Bangladesh	05.11%
Comparatively easy to carry than other goods	14.13%
	<b>100%</b>

SOURCE: FIELD INVESTIGATION

On the basis of above respondents' (Table-9) observations, it was found that demand of drugs in Bangladesh, easily available along the border and easy to earn more money as carrier are the major reasons of drugs and narcotics Traffic into Bangladesh.

#### 7.5. Human Trafficking in Informal Border Trade between India and Bangladesh

Lack of surveillance along the long and porous border, as well as sloppy border control, encourage trafficking. Furthermore, a large stretch of this long border is open and uncontrolled by border security forces. One of the causes of trafficking is the weak and vulnerable borderline, which is exacerbated by poverty. The boundary between trafficking and illegal border crossing is not always evident, making it difficult to determine when trafficking occurs. Men, women, and children are trafficked mostly for labour and forced prostitution. The following are the figures for victims rescued by BGB between 2013 and December 2020:

TABLE-10: STATISTICS OF VICTIMS RESCUED BY BGB

Year	Traffickers Arrested	Recovered from traffickers		
		Man	Women	Children
2013	16	0	736	186
2014	26	0	852	317
2015	10	1067	385	147
2016	05	600	198	81
2017	0	623	152	91
2018	0	581	208	113
2019	03	124	198	89
2020	02	34	41	12
<b>Total</b>	<b>62</b>	<b>3029</b>	<b>2770</b>	<b>1036</b>

Source: BGB Headquarters, 2021

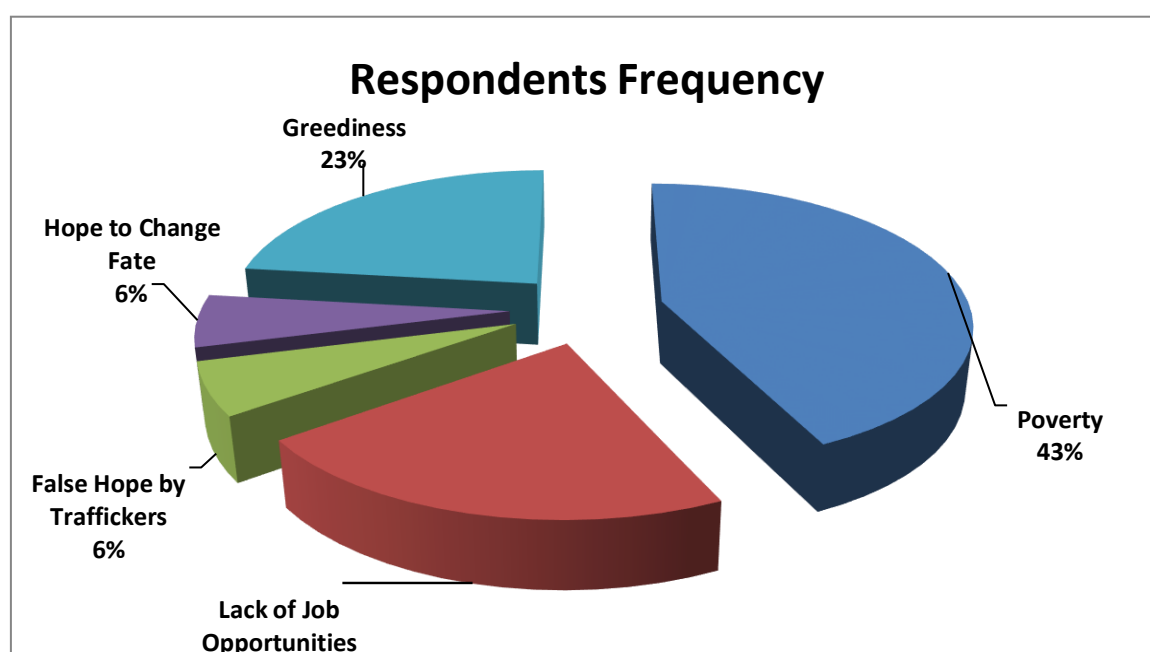


FIGURE-1: REASONS OF HUMAN TRAFFICKING ALONG BANGLADESH-INDIA BORDER

Figure-1 showed that poverty and lack of job opportunities are the major reasons of human trafficking along Bangladesh-India border.

TABLE-11: MEASURES TO REDUCE/STOP HUMAN TRAFFICKING

Measures to Reduce/Stop Human Trafficking	Percentage of respondents (%)
Creation of job opportunities	58.10%
Creating awareness	22.46%
Motivation at different level	02.09%
Strengthening security and law enforcement agencies	12.21%
Strictness on trafficking nexus	05.14%
	<b>100%</b>

SOURCE: FIELD INVESTIGATION

It is observed (Table-11) that 58.10% of respondents think that the creation of job opportunities is the main measure to reduce/stop human trafficking along the Bangladesh-India border.

### 7.6. Smuggling of Arms, Ammunition and Explosives

At the same time, the border is utilized to smuggle weaponry, ammunition, and explosives. Gunrunning occurs in some form or another all along the border. The following are details on the smuggling of weaponry, ammunition, and explosives:

TABLE-12: SMUGGLING OF ARMS, AMMUNITION AND EXPLOSIVES – 2013 TO DECEMBER 2020

Serial	Name of Items	Quantity								
		2013	2014	2015	2016	2017	2018	2019	2020	Total
1.	Firearms (numbers)	63	164	112	79	119	73	78	29	717
2.	Ammunitions (rounds)	231	906	4047	255	295	237	201	119	6291
3.	Grenade	02	01	0	01	06	01	00	00	11
4.	Bomb & Shell	07	26	26	08	42	13	00	00	122
5.	IED (numbers)	0	0	29	02	0	0	0	0	31
6.	Magazines (numbers)	13	90	63	43	61	43	38	32	383
7.	Explosive with Gun Powder (kg)	2.8	03	44.9	31	13.95	500	431	133	1159.6
8.	Cocktail (numbers)	12	0	27	13	64	56	21	8	201

Source: BGB Headquarters, 2021

7.7. EFFECT OF INFORMAL BORDER TRADE ON BANGLADESH ECONOMY

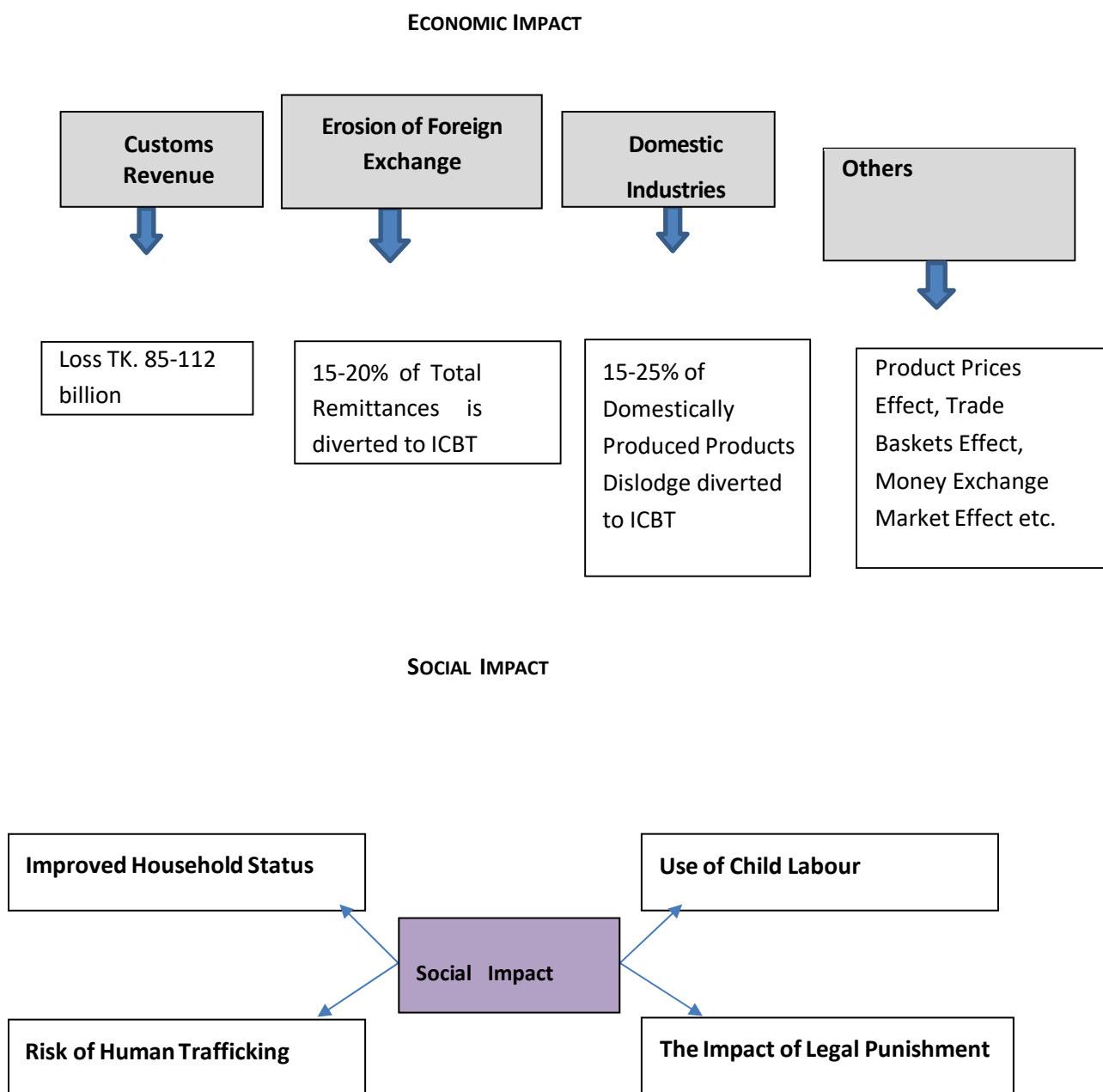


Figure-2: Effect of ICBT on Bangladesh Economy



### 7.8. Barriers of Getting Suitable/Preferred Jobs in Bangladesh and India Border Area

TABLE-12: BARRIERS OF GETTING SUITABLE/PREFERRED JOBS

Barriers	Percentage of respondents (%)
Lack of educational qualification	19.18%
Unavailability of job opportunities in the area	21.35%
Unwillingness to leave the area	11.09%
Lack of information about the availability jobs in different sectors	12.21%
Lack of vocational training	17.14%
Not offered expected wages	19.03
	<b>100%</b>

SOURCE: FIELD INVESTIGATION

It is observed (Table-12) that 21.35% of respondents think that unavailability of job opportunities in the border area, 19.18% lack of educational qualification and 19.03% not offered expected wages are the main barriers of getting suitable/preferred jobs in Bangladesh and India border area.

### 7.9. Means to Refrain the Carriers of Smuggling Goods from the Smuggling Nexus in

#### BANGLADESH AND INDIA BORDER

TABLE-13: MEANS TO REFRAIN THE CARRIERS OF SMUGGLING GOODS FROM THE SMUGGLING

Means to Refrain	Percentage of respondents (%)
Providing alternative jobs / creating job opportunities	23.06%
Motivation at different levels	5.39%
Strengthening social bonding	11.99%
Enforcement of strict rules and laws on all stakeholders involved	16.11%
Erection of Barbed wire fence	3.59%
Deployment of more forces	5.88%
Creation of awareness	12.87%
Kingpins of the smuggling nexus to be rooted out	21.11
	<b>100%</b>

SOURCE: FIELD INVESTIGATION

On the basis of the above respondents' (Table-13) observations, it was found that 23.06% of respondents think that, providing/creating job opportunities in the border area, 21.11% kingpins of smuggling nexus to be rooted out and 16.11% of respondents give the opinion on enforcement of strict rules and laws on all stakeholders involved are the main means to refrain Carriers of Smuggling Goods from the Smuggling in Bangladesh and India border area.

#### 7.10. FACTORS CONTRIBUTING TO INFORMAL BORDER TRADE

From Bangladesh's perspective, there are many factors or reasons recognized to be responsible for the informal border trade and those factors may not equally be applicable for India. These are as under:

- **Institutional Factors:** The main issues that encourage informal trade are; quick realization of payments, no paper works, no procedural delays and lower transportation costs. Bottlenecks like; port congestion, excessive documentation, the slow movement of goods, inadequate transport, transshipment and other indirect costs also contribute to informal border trading. The thoughts are further augmented with the low level of education of the bordering population, as lack of knowledge deter them to use the formal channel.
- **Policy Framework:** Trade policy barriers and quantitative restrictions are important factors that contribute to informal border trading. Non-Tariff Barriers (NTB) often undermine the potential benefits that could be taken by Bangladesh from South Asian Free Trade Agreement (SAFTA). Indian high custom surcharges varying from 8.3 to 12.7 is a routine complaint of exporters that makes Bangladeshi goods less competitive in India. India has a counter-argument on this subject saying that the issue is not country-specific, rather imposed on all imports. Indian measures on the NTB and Para-tariff matters also avert smooth formal trade to India by Bangladeshi businessmen.
- **Non-economic Factors:** Issues like; migration, border disputes, religious violence, water sharing and trade disputes could be non-economic factors that contribute to informal border trade.
- **Border Price:** Price difference on two sides always attracts the informal traders to utilize the opportunity of easy earning. This is more applicable to the items which face legal restrictions e.g. phensidyl is of high demand in Bangladesh but not met by the legal trade policy. Border price may also vary based on the production season.
- **Ground Realities:** There are many other reasons that could be comprehended during the course of discussion with the high officials of BGB/customs and public representatives who have practical knowledge of border affairs. Poverty, unemployment, unaware of the offence related to smuggling and its consequences, people's choice of foreign goods combined with increased demand, lack of detection mechanism of BGB, uncontrolled population etc. directly contributes to informal trade.

#### 8. CHALLENGES IN INFORMAL CROSS BORDER IN BANGLADESH-INDIA BORDER

The major challenges identified by the study are as follows:

- Most of the people in the bordering area are poor; their involvement in informal cross border trade or smuggling is mainly to earn their daily livelihood.

- Informal cross border trade or Smuggling or working as a carrier of smuggling goods is easier in comparison to getting other jobs, and they can earn more money with minimum effort.
- Involvement of the smugglers is influenced by drug traffickers from both sides of the border.
- Requirement of supply from Indian side vis-à-vis demand requirement from Bangladesh is more regarding cattle and drugs especially phensedyl.
- Bangladeshi citizens are killed mainly during the smuggling of cattle. The demand for cattle is high in Bangladesh. On the contrary, India has a surplus, where slaughtering of cattle is also prohibited in most of the provinces of India. Moreover, selling cattle is also a religious taboo in India which restricts her to export cattle officially into Bangladesh.
- Smuggling of cattle is risky but they can earn huge money within a short while. Transportation of phensedyl and other drug items is easier than that of other goods.

## 9. RECOMMENDATIONS

Based on the study, the following aspects are recommended:

- To restrain the bordering area people from committing informal cross border trade offences, both the Governments should make some mega income-generating project. Thereby ensuring that they earn minimum possible wage to meet the basic needs and live peacefully with their family members. It will help them to refrain themselves from illegal activities in the bordering area. Therefore, both governments should initiate development policies, which can help those earning basic needs at the poverty stricken bordering regions.
- Ensuring social security and better life of the border area people, like; construction/maintenance of roads, water supply, education, health facilities, sports, development of infrastructure etc. steps may be taken.
- To overcome cattle smuggling, the Bangladesh government may establish a huge number of dairy farms all over the country which will create job opportunities, and from that the nation will be able to meet up its requirement of beef and dairy products. These farms may be established in the bordering areas on a priority basis with quota systems which is likely to absorb jobless people and smugglers so that they do not fall prey to greedy people.
- Concurrently projects like fisheries, poultry farms including other livestock farms may be planned to create job opportunities along the border. Before the implementation of the project, a detailed in-depth study is required by the expertise.
- People involved in illegal activities across the border must be taken into custody for justice. The firing of unarmed civilians in the bordering area is simply inhuman in the present day civilized world, which strongly demands alternative means. Restriction of using firearms/ lethal weapons by BSF against unarmed civilians will play a positive role to stop or reduce killing in the border area.
- India has many drug factories, mainly of phensedyl, along Bangladesh-India Border. On the contrary, the production and use of this drug are prohibited in Bangladesh. Indian businessmen in coordination with Bangladeshi counterparts smuggle drugs, especially phensedyl into Bangladesh. They recruit jobless needy people living in the bordering areas. India should close phensedyl factories located along the border which are involved in supplying their products into Bangladesh. These factories may also be used for the production of other items instead of drugs which are harmful to both countries. Bangladesh should also

take drastic action against the drug trafficking nexus to save the young generation as well as stop draining out huge amounts of currency.

- Every year a huge number of Bangladeshi citizens visit India only for medical treatment. To meet up the requirement of so many applicants, the visa process gets delayed at Indian Embassy in Bangladesh. Fearing the deterioration of the patients' criticality, some people adopt to cross the border illegally. Steps may be taken to ease up the visa process and thereby lessen the situation of illegal border crossing. Simultaneously, the Bangladesh government should make an endeavour to make the treatment facilities effective for its citizens. Confidence building of the citizens about the medical facilities in the country is also an important issue.
- Illegal migrants from Bangladesh to India remain as an unsettled debated issue. On the contrary, huge earning of remittance by India from Bangladesh clearly signifies that Bangladesh hosts a huge number of Indian citizens as circular migrants. Thus, Bangladesh offers a conducive environment for Indian citizens to work here. In this perspective, India may also offer opportunities for Bangladeshi citizens to work in India, and thereby grow together. Instead of fencing the border, some alternative modus operandi may be worked out which will be beneficial for both of the nations.

## 10. CONCLUSION

The study reveals that, the informal cross border trade, security and bilateral relationship all are interconnected phenomenon. Prevailing physical environment and border irritants of Bangladesh-India border often facilitate informal trade that has significant economic, social and political impact. Informal cross border trade causes sufferings to domestic industries, legal business, low revenue collection etc. which are linked to the economic security of the country. Low education, arms, human and drug trafficking leads to moral degradation creating societal insecurity and unrest. These events cripple the young generation that ultimately hindering the development of Bangladesh. Bangladesh-India border problems inherited by Bangladesh are prevailing mainly due to incongruous attention to the issue. Bangladesh-India border area is heavily populated, and the people of both sides use almost every inch of bordering areas' land in a different form. Poverty-stricken people continuously struggle for meeting their basic needs and indulge themselves in different odd activities. One of those is informal trade which has become part of their life and the easiest way to earn a livelihood. Informal cross border traders smuggle goods in any side, where they find some profit. Bangladesh and India should jointly engage to improve the border security situation and reduce the informal border trade that will have a direct impact on better relationships. Statistical findings and arguments may draw a conclusion that informal trade is a phenomenal demeanour that has a number of detrimental consequences which could be economic, political, social or non-economic. Bangladesh and India need to support each other on all cross border related issues which is essential for peaceful living. Both the neighbours should jointly work out the modalities to comprehend the way forward measures as identified in ICBT channels. Reduction of the informal trade along with the removal of other contentious issues would certainly enhance bilateral relations between the two neighbours and border management as well.

## CONFLICTS OF INTEREST

There are no conflicts to declare.

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