Tension in the *Rolling Hills*:
Burmese population and Border Trade in Mizoram

Julien Levesque
&
Mirza Zulfiqur Rahman

Institute of Peace and Conflict Studies
New Delhi, INDIA
The Institute of Peace and Conflict Studies (IPCS), established in August 1996, is an independent think tank devoted to research on peace and security from a South Asian perspective.

Its aim is to develop a comprehensive and alternative framework for peace and security in the region catering to the changing demands of national, regional and global security.
CONTENTS

Executive Summary...................................................................................................................... 1
Introduction.................................................................................................................................. 3
Burmese Population in Mizoram................................................................................................ 5
Border Trade ............................................................................................................................. 11
Government Responses............................................................................................................ 17
Conclusions............................................................................................................................... 19
About the Authors................................................................................................................... 20
Recent IPCS Publications....................................................................................................... 20
Executive Summary

In the past two decades, two phenomena have placed Mizo society under strain – the inflow of people from Myanmar and border trade. Unfortunately, the authorities’ passivity in monitoring these issues, has further led to their exacerbation rather than their containment.

Mizoram has been hosting temporarily a Burmese population – almost entirely from Chin state – of 70,000 to 100,000 people, who have fled political repression, military oppression and economic impasse. To grasp the social complexity of the situation, three main points are addressed: description, categorization, and integration.

The Chins migrate to Mizoram for linguistic, cultural and religious proximity with the Mizo, as they share a common historic and genetic background. The difficulties that have cued their migration lead them to take up low paid jobs. Thus, Chins are found working as maids, labourers, coolies and street vendors, and often cheated. Some also take part in informal border trade and in illegal activities – drugs trafficking, theft, liquor brewing – that raise ill fame of which they subsequently fall victim.

But a closer look at the Burmese in Mizoram reveals that a large part of them is floating, coming in and out at ease, in search of better economic opportunities and employment. Hence, except from the crossing of an international boundary, their migration resembles very much that of seasonal migrant workers within India, which make it difficult to categorize who is a political refugee and who is a migrant. The Chins living in Mizoram fall into a judicial loophole denying help and protection. The Indian Parliament never approved the refugee law that was drafted in the late 1990s. Besides, the UNHCR is not allowed by the Government of India to work in the Northeast and considers most Chins living in Mizoram as economic migrants. Finally, the International Labour Organization does not have proper protecting laws, nor the means to enforce such rules, for international migrants.

Based on discussions in Aizawl, the Burmese population in Mizoram could be classified into two main groups: Refugees on the one hand (approximately 50-70 per cent of the population) and economic migrants. The former can be further subdivided between political activists who cannot return without facing trouble, and settlers, who have fled a miserable life in Myanmar and built a new home in Mizoram.

Therefore, the integration of the Chins in Mizo society oscillates between rejection, solidarity and dependency, along a more or less typical pattern, in which the incoming population is welcomed as long as it serves the locals’ needs – by providing, for instance, cheap labour – but becomes a nuisance as soon as it challenges local life through criminality, cultural, linguistic and religious ostentation and expansion. This maintains a tension that ends in spurts of violence when an occasion comes up, such as a crime committed by a migrant on a local.

In Mizoram, what differs from the usual pattern is that Mizos and Chins are ethnically related, winning the Chins a better treatment compared to that reserved for the Chakmas or Brus. Nevertheless, violence regularly erupts, such as in 2003, when the Young Mizo Association led a movement to drive out the Chins.
Another element that strains Mizoram is border trade. The border post at Zokhawthar in Champhai district was inaugurated in 2004 to bring much of the existing exchanges into the legal fold. However, the 1994 India-Myanmar border trade agreement only mentions 22 items that can be traded legally, and thus never managed to reduce informal trade, which includes mainly third country manufactured products (from China or Thailand). The annual formal trade volume should be around Rs. 100,000,000 and the informal trade around Rs. 230,000,000.

Three main implications of border trade can be identified in Mizoram. First, the influx of cheap manufactured goods makes it hard for local or Indian goods to compete. Second, the enrichment of some Burmese traders in informal trade creates jealousy and resentment. Third, the influx of narcotics and alcohol leads to a moral radicalization of society. These implications are visible in Aizawl’s main market, Bara Bazaar, and do not contribute to the state’s communal harmony but rather aggravate tensions.

The passivity of the authorities in monitoring both the immigration from Myanmar and informal border trade has thus done nothing to ease these tensions. On the inflow and activity of the Burmese, local authorities invoke the difficult terrain as well as physical and linguistic similarities to justify their non-keeping track of immigrants. A system to count the Burmese based on the issue of temporary permits used to be enforced in Aizawl but has been abandoned. As for the monitoring of informal border trade, the authorities have not shown active and earnest commitment, as the Land Customs and the police do not admit calculating any estimates of informal transactions.

Such passivity can only stir up existing tensions between Mizos and Burmese. Moreover, drugs could substantially hamper the state’s development by spoiling Mizoram’s best asset – its educated population. On the other hand, unmonitored immigration could deteriorate Mizoram’s second advantage: its peaceful situation, rare in the Northeast. Therefore, initiatives to develop the state – such as the recently inked Kaladan project – should not ignore such issues.
Introduction

I gently weep in the hills of Mizoram,
Thinking about the streets of Yangon,
The people of Yangon,
The divided people under a common moon.
- Rosangliana, a.k.a. ZoRock

When asked about Mizo and Chin’s ambiguous relation of brotherhood and mistrust, tears flowed down ZoRock’s cheeks.¹ The Mizo rock legend, in one song in particular, conveys a message he holds dear of unity for the partitioned Zo land and people. However, such is not the general feeling towards the large Burmese² population present in Mizoram, often stereotyped as source of trouble. This animosity most spectacularly burst out in 2003, when a large movement was conducted, notably by the Young Mizo Association, to drive the Burmese out of Mizoram.

Mizos and Chins share the same genetic, cultural, historical, and linguistic heritage, as they all descend from the Zo people that have settled in the Lushai hills some seven centuries ago. They also practice the same religion since they were converted by western Christian missionaries in the late 19th century. Although now separated by the Triau river that delineated the 500 km-long Mizoram-Myanmar border, most of the tribes in Mizoram and in Chin state (Myanmar) would accept the designation of people (“mi”) of the hills (“zo” or “zoram”), and speak quite similar Tibeto-Burman languages. Part of this common heritage are the “zawlbuk,” bachelors’ house placed in the centre of the village and where young boys receive their education, and the “Rihdil,” venerated lake located a few kilometres east of the border.³

Despite extensive similarities, variants can be found throughout Zo land, and are put forward when it comes to distinguish Mizos from Chins. Differences concern language – different accents and dialects, that some call different languages –, but also lifestyle – eating habits, education.

Today, about 70,000 and maybe up to a 100,000 Burmese live in Mizoram, as a result of oppression led by the Myanmar military government since 1962. Fleeing forced labour, ethnic persecution, economic deadlock and political restrictions, people cross the porous border and take refuge in Mizoram. However, although hardships cue their migration, simply defining Mizoram’s Burmese population as refugees appears inappropriate. In Aizawl, one could see many equally fitting in the category of migrant workers.

In addition, (mainly informal) border trade has now grown to certain proportions that allow some Burmese traders to realize non negligible profits. As a source of income that attracts people from Myanmar, border trade is both an occasion for contact between Chins and Mizos and an additional point of contention.

² The term “Burmese” is generally used to designate a citizen of Myanmar/Burma (one sometimes also reads “Myanmarese”), while “Burman” describe ethnic Burmans, or Bamar, Myanmar’s largest ethnic group (68 percent of the population).
³ For an exhaustive description of Mizo society, see Lal Pudaite, “Chapter 6 – Mizoram,” in Sub-Regional Relations in the Eastern South Asia: With Special Focus on India’s North Eastern Region, Institute of Developing Economies, Japan External Trade Organization (http://www.ide.go.jp/English/Publish/Jrp/pdf/jrp_133_06.pdf).
How can this tension be explained, considering that Mizos and Chins are the same people, that the Chins’ migration results of terrible political and economic conditions, and that border trade profits both sides of the frontier?

This paper first describes Mizoram’s Burmese population and its integration in Mizo society. It then examines border trade and its implications, with a particular focus on Aizawl’s central market, Bara Bazaar, to end with the role and attitude of the central and state governments in the tensions facing Mizoram.
Burmese Population in Mizoram

Mizoram is inhabited by about 70,000 people that have come from over the border, from neighbouring Chin state\(^4\) for a large majority of them (more than 98 per cent). The campaign of Burmanization\(^5\) launched by military dictator Ne Win in 1967 cued the Chins' migration towards India, as they felt doubly marginalized. First, because of their language, very different from Burman (Bamar) spoken by 68 percent of Myanmar's population; and second, because of their religion, Christianity. Literally driven out of their land, about 17,000-20,000 Chins fled at the time, choosing Mizoram because of geographical, cultural, religious and linguistic proximity. They were followed by another substantial wave of refugees in 1988-1990, when Myanmar's present day military junta, then naming itself State Law and Order Restoration Council, came into power by brutally cracking down on democracy protesters. A more diverse population has since then been entering Mizoram, including the activists of the National League for Democracy, in a minor but constant flow.

Among the diverse Burmese coming from Myanmar, most Burmans settle temporarily in Mizoram, waiting to grab the opportunity to reach Delhi and apply for refugee status at the UNHCR; from then on, many manage to sneak through to a western country; the few Burmans remaining, perhaps a thousand, work in the weaving industry. On the contrary, Chins have settled in large numbers throughout Mizoram, in urban areas (probably about 40 per cent of them) and in the countryside (60 per cent).

Having braved the risk to flee repression and economic stagnancy, the Burmese staying in Mizoram live a miserable life and consequently take up almost any job offered to them. Many Burmese men work on daily wages as underpaid labourers and coolies, getting Rs. 80-100 a day (whereas the average would be Rs. 130 for a Mizo). They often are cheated on and not paid at all in the end.

Almost every middle class household employs a Burmese domestic worker for Rs. 800-1000 a month, much below the salary of a Mizo domestic worker (at least Rs. 1500). There have been cases of exploitation and/or abuse (mental, physical, sexual), causing these girls to flee the family that employs them and sustain their living by drug peddling or prostitution. Some Burmese also work in more traditional sectors, such as handicrafts making and weaving, or farming for those on the countryside.

Many Burmese are also involved in illegal activities. In absolute terms, Burmese seem to commit as many crimes as Mizos. However, in comparison to their respective total population, this supposes that the proportion of Burmese involved in illegal activities stands much higher than that of Mizos. In drug dealing, it has been observed, that while most drug peddlers are Mizo, Burmese largely hold the wholesaling market, as drugs arrive from the infamous Golden Triangle where Myanmar, China and Laos meet. As Mizoram's legislation totally prohibits alcohol, liquor brewing is illegal. Here, unlike in the drug sector, liquor factory owners are almost always Mizos who employ Burmese for the low tasks. Finally, many Burmese also get caught robbing. Pulsar bikes were a popular item to be stolen, as their engine can be sold for Rs. 200,000 in Myanmar to be fitted onto boats.

---

\(^4\) There are three main subdivisions in Chin state: Tiddim, Falam, Haka.

If a probable majority of the Burmese population of Mizoram has settled permanently, the whole has not, and a large floating population, at least a third and perhaps up to 50 per cent of Mizoram’s total Burmese population, comes and goes at ease. Although all Burmese present in Mizoram have faced or are facing military oppression and economic hardships, it seems that a large part of them are migrant workers rather than simple refugees, as they come to India in search of economic opportunities (employment, higher wages, entrepreneurial freedom) and regularly go back to their relatives – often during Christmas. Except for the presence of an international border, the situation does not differ much from the case of economic migrants in the quest for employment within India.

Based on field research in Aizawl, Burmese population in Mizoram can be classified into two main groups: refugees (approximately 50-70 per cent of the population), and economic migrants. The former can be further subdivided between the political activists who are identified by the Burmese authorities and thus cannot return without being arrested, and settlers, who have fled a miserable life in Myanmar and built a new home in Mizoram.

### Refugees

50-70 percent of total population

**Political activists** (1000 people maximum)
- among which a core of 50-100 works full time to promote democracy in Myanmar
- for all of them, it would be dangerous to go back to Myanmar.

**Settlers** (probably around 40 to 50 thousand people)
- have fled hardships, military oppression, political repression, economic impasse
- could probably go back permanently to Myanmar but have no intention or interest in doing so until democracy is restored
- do probably go back occasionally to visit friends and family
- probably send money to relatives
- for some of them, may have obtained a voter's ID
- must be settled largely in the countryside (60 percent)
- some of them must take part in cross border trade, money exchange, but also informal trade

### Migrants

30-50 percent of total population

- come and go
- escape or compensate economic hardship, repression and lack of freedom by seeking a source of income in India
- most of them occupy low paid jobs (housemaids, coolies, street vendors)
- some of them take part in cross border trade
- all of them must benefit from the discrepancy between official exchange rates and black market exchange rates; is this sustaining the whole process?
- we may assume that most crimes committed by Burmese are committed by Burmese migrants rather than by Burmese who have settled in Mizoram.

However, it is the international border that makes the situation different by placing the Burmese immigrants into a judicial loophole. The 1951 International Convention relating to the Status of Refugees defines a refugee as a person who, “owing to well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable, or owing to such fear, is unwilling to avail himself of the protection of that country; or who, not having a nationality and being outside the country of his former habitual
residence as a result of such events, is unable or, owing to such fear, is unwilling to return to it.”

Mizoram’s Chins do fall under the above definition, but a number of them, are equally well defined by the International Labour Organization’s Thesaurus: “A person who migrates or who has migrated from one country to another with a view to being employed other than on his own account.” However, no legal norms protect migrant workers

The legal void is completed by India’s refusal to ratify the 1951 Refugee Convention or the 1967 additional Protocol. Therefore, no international law binds India to welcome on its soil either refugees or the UN High Commissioner for Refugees (UNHCR). Similarly, no national law defines the status of refugees. As a result, refugees entering India come under the legal category of illegal immigrants, which does not confer them any rights, and the UNHCR operates within the limits of the Indian government’s goodwill that have always kept it from working in India’s Northeast. Not having the chance to reach Delhi and obtain refugee status, the Burmese living in Mizoram do not enjoy the Rs. 1400 allotted to refugees and are subjected to occasional repatriation, happening when the Young Mizo Association raises its voice against them.

Integration into Mizo society

The integration of the Burmese in Mizo society oscillates between rejection, solidarity and dependency, along a more or less typical pattern, in which the incoming population is welcomed as long as it serves the locals’ needs – by providing, for instance, cheap labour – but becomes a nuisance as soon as it challenges local life through criminality, cultural, linguistic and religious ostentation and expansion. This maintains a tension that ends in spurts of violence when an occasion comes up, such as a crime committed by a migrant on a local. For example, the Bihari and Bangladeshi migrants in Assam and Meghalaya, despite being needed for all types of labour, are at times subjected to violence and rejected by locals. Similar phenomena can be observed in Arunachal Pradesh with the Chakmas and Hajongs as well as with the Bengali presence in Tripura and Manipur.

The immediate reaction of Mizos when asked about the inflow of Burmese people is one of mistrust and rejection that emphasizes on the Burmese involvement in illegal activities, in particular theft, drug peddling, and alcohol brewing. Whether Burmese commit more crimes than Mizos remains unclear, but they are certainly perceived as doing so, and thought to have a bad and “unchristian” influence on Mizo society, who named them derogatorily

6 In spite of which the UNHCR consistently maintains that no more than ten per cent of the Chins in Mizoram are refugees, while minimum 90 per cent are economic migrants.


8 The main reason explaining this refusal is simply that India does not want to be bound by supranational laws that challenge its territorial sovereignty by forcing it to accept refugees, which is quite a logical justification considering that most of India’s neighbours experience a conflict of some sort.


“Burma-mi,” meaning simply “Burma people.”

The question of alcohol illustrates with accuracy the way Mizos believe the Burmese presence to be harmful. The Mizoram Liquor Total Prohibition Act (MLTP) was passed in 1997 under pressure from the Church and the Young Mizo Association. However, this has not brought down the demand for alcohol. All over the state, numerous brewing factories have sprung up to supply this demand. For example, three places in Aizawl, Rangvamual, Phunchhown and Turail, are famous for illicit liquor brewing. While most workers in breweries have been found to be Burmese, property of these factories largely lays in Mizo hands.

Similarly, Mizos often accuse the Burmese for the spread of drugs that mar the state. The provenance of drugs, and particularly heroin (“Number Four”), is indeed Myanmar, and most particularly the infamous Golden Triangle on the Myanmar-Thailand-Laos border. Drug peddling is done by locals, while Burmese control the wholesale market. This only confirms Myanmar as the origin of drugs, but also nuances Burmese involvement and responsibility in spreading drugs. Because drug abuse among Mizo youth has become a major problem, a local NGO called the Society for Recovering Addicts (SORA) has been campaigning against drug abuse by promoting music. SORA organized on 31 August 2007 the first “Addicts’ Day” to convey the message that drugs addicts are not leeches sucking the society but can contribute to it.

In its fight against the two “evils” of alcohol and drugs, the Young Mizo Association (YMA), a NGO founded in 1935 on the model of the Young Men’s Christian Association (YMCA), acts as the moral guardian of the society. The YMA originally devoted itself to community work, such as cremation ceremonies, an activity which has ensured its presence in every locality of Mizoram and garnered a wide array of supporters that confer legitimacy to the organization. It counts more than 500,000 members, more or less all the Mizo youth (YMA has a very large understanding of youth: between 12 and 45). The YMA’s networking base also exceeds Mizoram to other states of Northeast India. Its proximity with the Church and the authorities has endowed it with considerable power and influence. Consequently, it provides assistance to various government projects and supervises electoral rolls for the state.

This gives the YMA a substantial say in the integration of the Burmese into the Mizo society, as getting registered on electoral rolls is the first step for illegal migrants to acquire Indian citizenship. Having lived in Mizoram for years and established extended contacts with locals, some Burmese have been able obtain a voters’ registration, and, later on, citizenship. Other ways include obtaining ration cards or enrolling in the army to blur one’s origin. Political parties are often associated in this process, as they

11 Many of these factories have however been destroyed in 2007 during a campaign led by the Young Mizo Association. 2007 had been declared the “year against the two evils” by the central YMA.


13 Interview with David Zothanpuia, founder of SORA, and other members of SORA Family, Aizawl, 15 December 2007; and “SORA prepares for Addicts Day”, Aizol Times, 13 August 2007.

14 The organization evolved out of the traditional young men dormitory, or “Zawlbuk,” later became the Young Lushai Association and then ultimately the Young Mizo Association. It aimed at leading the Mizo society and youth on to a good Christian path.

15 Interview with R. Thanga, Registrar of the Mizoram Bench of the Guwahati High Court and member of Mizoram Human Rights’ Committee.
have no scruple facilitating registration of illegal Burmese immigrants in order to win votes. For example, the Congress Party tries to lure the Burmese by offering them voters’ registration because the party believes most of them support the Mizo National Front (MNF). The local YMA branches therefore keep a strict vigil on the electoral rolls revision process and bring up objections if they find any Burmese trying to register as voters in the state.

But the YMA’s approach often goes much too far against the Burmese population, attracting critics from the press. In July 2003, a rape case, commonly called the Vancy Hotel case, of a minor Mizo girl by a Burmese brought to the fore hatred and distrust between the two communities. The girl happened to be the granddaughter of a prominent political leader, while the rapist’s sister ran a well established hotel in Aizawl named the Vancy Hotel, where the crime took place. Clashes broke out almost instantaneously and the Burmese community was attacked by local Mizo youth all over Aizawl. The YMA issued a general order for the Burmese to leave Mizoram. Houses were checked and whoever was suspected of being Burmese was ordered out of Aizawl. People began amassing at the border town of Champhai but their fear of capture by the Tatmadaw (Burmese army) prevented them from going further. Ultimately the volatile situation was resolved by the intervention of Church leaders, district administration personnel with the YMA which later withdrew its threat order. People describe this episode as one of the darkest in Mizo-Burmese relations in Mizoram. Some say such an event could have been predicted amidst the general feeling of discontent among Mizo society against the Burmese living in Mizoram.

However, the stereotypes targeting Mizoram’s Burmese population are often counterbalanced by invoking solidarity and brotherhood based on ethnicity and religion. All in Mizoram recognize the Chins and the Mizo’s common lineage, history and culture that, according to many, should supersede a narrow-minded attitude of rejection towards the Burmese living in Mizoram.

The strongest symbol of Zo identity is certainly the great lake known as “Rihdil,” located in Myanmar, and in which people in Mizoram and Chin state take immense pride. Mizos often say with irony that the largest lake in Mizoram lies outside of the state! The traditional belief goes that the soul of a Zo leaves earth through this lake to reach heaven. Therefore it is said that even if a Mizo has never visited Myanmar, his or her soul will have to ultimately travel over the border after death in order to attain salvation.

Within the larger Zo identity, we have been pointed out that differences exist between people on each side of the border, especially in their accent or language as well as food habits. It is quite understandable that people of a same population being cut in two for sixty years would evolve differently. Though not infallible hints, these small differences make it possible for local Mizos to determine whether a person has come from Myanmar or not, a distinction that physical features do not allow. Language proximity seems greater than dissimilarities, as the Burmese seem to quickly pick up the local accent.

Such reinforced sub-national identities undermine the sense of solidarity that Burmese activists in Aizawl try to promote. Nevertheless, Suan Tung Parte, Aizawl’s most prominent Burmese activist, explained


that the YMA’s attitude has changed in the past year, and that it is now widely understood (although it may not be the first impulsive reaction) that the solution to the Burmese presence in Mizoram lies in political change in Myanmar. On 2 October 2007, a march for democracy in Myanmar was organized in Aizawl and joined by most political parties’ leaders. On this occasion, Burmese activists, the Editor-in-Chief of the Aizol Times, as well as the YMA president delivered speeches.

The Burmese living in Mizoram and Mizos also share the same religion, Christianity. Thus, in addition to ethnic brotherhood, Chins and Mizos view each other as brothers in religion, despite the fact that the Chins have their separate Methodist Church service. This factor contributes to maintaining a Burmese population in Mizoram because it upholds the tolerance level of the Mizo society towards them as they are encouraged to follow a good Christian life.

Comparing Mizos’ attitude towards the Chins and towards other communities that have migrated to Mizoram highlights this ethnic and Christian solidarity. The Bru and the Chakma communities, present in dwindling numbers in Lunglei, Lawngtlai and Mamit districts, do not get the same kind of support and sympathy from the Mizo society. They are seen as a direct threat to Mizo identity, emanating from their demands for Union territory status for their respective areas of influence in these three districts of Mizoram. Similarly, Mizos resent Bangladeshi migrants constantly growing in number, and migrants from mainland India are seen as outsiders not welcome in the state. This resentment is not visible when it comes to the Chin population, considered part of the Zo people.

The preferential treatment that Mizos grant Chins also appears in the question of border fencing. While the border with Bangladesh has been fenced where Chakmas and Brus intrude into Mizoram, and that the rest of it is in the process of being fenced to prevent from further influx of Bangladeshi migrants, fencing the Burmese border would face strong resistance by both the state government and the people of Mizoram.

But in the end, the Manichean dichotomy of rejection and solidarity has already lost its relevance, as many realize how dependent on the Burmese population Mizoram has grown over years of Burmese presence. As cheap and enterprising labourers or domestic workers, they contribute significantly to the Mizoram economy. Some Mizos even jokingly say that they have turned so dependent on Burmese labour that they themselves have become lazy! Mizos may accuse the Burmese to come make profits or to disloyally compete with local labourers by accepting underpaid work, but should not ignore their own responsibility in exploiting this cheap labour. Although many consider that they cannot be trusted, Mizos keep employing Burmese young women as maids, which can only attract more domestic workers from over the border.


19 Interview with the Deputy Secretary, Home, Government of Mizoram, Aizawl, 12 December 2007.
Border Trade

Walking down the streets of Aizawl, one cannot ignore the vast number of street vendors, displaying toys, DVDs, clothes, food, inscribed with Chinese characters or peculiar Burmese round letters. Sitting at night in Bara Bazaar, an inquisitive but prudent lady pointed at a sports bag and tried to sell us some clothes, “good quality, from Thailand, China.” A few days later, when leaving Aizawl, our bus companions going back to Guwahati or mainland India - all carried cardboard boxes, full of Chinese goods. These examples show the state of Mizoram’s border trade with Myanmar which renders Thai and Chinese items available all over the markets of Aizawl. Border trade has now become an essential feature of Mizoram’s economy.

But this phenomenon is quite recent, as border trade officially commenced in 2004. In 1986, the Memorandum of Settlement that consecrated Mizoram as a new state of India contained the following clause: “Border trade in local produced or grown agriculture commodities could be allowed under a scheme to be formulated by the central government, subject to international arrangement with neighbouring Countries.”

On 21 January 1994, India and Myanmar signed the agreement officializing border trade. However, it took ten more years for the border trade point to be opened at Zokhawthar20 in the district of Champhai, where a bridge had already been built in 2002 across the river Triau that delineates the border. In September 2007, a Land Customs composite building that includes telecom, bank, post, immigration, and security offices was finalised and handed over to the Trade and Commerce Department.

Volume of Trade: The volume of border trade is particularly difficult to assert. Paul S. Songate21 establishes that on 2 June 2007, Rs. 283,500 worth of urea (fertilizer), in 630 bags and 11 vehicles, was exported to Myanmar (only one more vehicle crossed the border that day, carrying goods). If one accepts this figure and assumes that trade goes at the same pace 300 days a year, then Mizoram exports Rs. 85,050,000 of urea per year through Zokhawthar, not even 0.4 percent of Mizoram’s GDP in 2002-2003.22

According to some Burmese refugees in Aizawl, legal trade represents only 30 percent of total exchanges. Let’s assume that total official trade amounts to Rs. 100,000,000, which would mean that about Rs. 230,000,000 worth of merchandise is traded yearly on an informal basis, between Mizoram and Myanmar, for a total volume of Rs. 330,000,000.

From April 2006 to March 2007, the Land Customs at Zokhawthar have seized Rs. 7,308,091 worth of goods coming in and Rs. 2,792,700 worth coming out of Mizoram.23 Though a small fraction of the actual informal trade, these figures show nevertheless the discrepancy between incoming and outgoing trade – a reflection of India’s general trade deficit.

---

20 The border trade point was inaugurated on 30 January 2004 by the Commerce Minister of Myanmar Pye Sone and the acting Chief Minister of Mizoram Shri Tawnluia.

21 Paul S. Songate, Indo-Myanmar Border Trade – Socio-Economic and Political Dynamics in Mizoram, paper presented at the National Seminar on “Peace and Development in Mizoram: The role of State and Civil Society” organised by the Deparment of Political Science, Mizoram University, on 2-3 November 2007 in Aizawl, Mizoram.

22 Rs. 21,931,300,000. These are the most recent statistics compiled and made available by the Department of Economics and Statistics, Government of Mizoram (http://desmizo.nic.in/).

Content: The 21 January 1994 agreement allows for 22 items\textsuperscript{24} to be traded legally, largely locally produced agricultural goods. In this regard, the legislation fits in the traditional trade system of the Lushai hills, in which people relied on two parallel economies: one internal subsistence economic system, based on agriculture and to a limited extent on hunting and fishing; and one external economic system consisting of trade with people down in the plains.\textsuperscript{25}

The same pattern is followed today, in which goods made in India or Myanmar can legally be traded, while products manufactured in a third country compose the informal trade, as has been pointed out by M. P. Bezbaruah.\textsuperscript{26} Indeed, textiles (from Thailand and China) represent about 40 percent of Mizoram’s informal imports, and electrical and electronic items almost 17 percent.\textsuperscript{27} Livestock (mostly pigs) constitutes more than a quarter of informal imports; the informal exchange of pigs has probably come up since the import of all domestic animals was banned in March 2006 because of an Avian Flu case reported in Mandalay.

Trading community: According to a Chin National Council representative,\textsuperscript{28} Chins control 90 percent of the border trade, and the whole trading community amounts to a maximum of 5000 people. If the goods cross the border legally, traders cannot do so, forcing the goods to be transferred from a truck to another at the border. Coming from Myanmar, carriers are first unloaded on the Myanmar side by mutias\textsuperscript{29} and then reloaded on Indian trucks that are driven to the Importers-Exporters Syndicate in Zokhawthar. Trucks crossing the border come back within an hour. Therefore, the traders who cross the border do not do it legally. While traders remain in Myanmar, their representatives proceed to a door to door retailing system that allows people to buy or order the exact product they need from over the border. Besides, people commonly still barter goods in the border areas; for example, a tube of toothpaste bought in Aizawl for less than Rs. 20 can be bartered for a 15L mustard oil tin full of rice.

The transportation system is largely based on trust. On the Myanmar side, transporters are all Burmese. But in Mizoram, only 40 percent of them are Mizo and the rest are Chin.\textsuperscript{30} Counting a little less than 2000 inhabitants\textsuperscript{31} of which 80 percent are Burmese, Zokhawthar, has transformed into a bustling little town shaped by border trade. But trade suffers from the conflict between the Champhai Transport Union (CTU) and Zokhawthar Welfare Committee (ZWC). CTU used to contribute a Rs. 10,000 per month for the development of schools in Zokawthar. But, because of the growth of

\textsuperscript{24} Exchangeable items are the following: “mustard/rape seed; pulses and beans; fresh vegetables; fruits; garlic; onion; chillies; spices (excluding nut meg, mace, cassia and cloves); bamboo; minor forest products excluding teak; betel nuts and leaves; food items for local consumption; tobacco; tomato; reed broom; sesame; sesin; coriander seeds; soyabean; roasted sunflower seeds; katha; ginger; any other commodities as may be mutually agreed.”


\textsuperscript{26} M. P. Bezbaruah, op. cit.

\textsuperscript{27} Ibid.

\textsuperscript{28} Interview with Thanglen Piang, Chin National Council representative in Aizawl, 17 December 2007

\textsuperscript{29} Coolies. According to Paul S. Songate, there are 28 mutias in Zokhawthar who earn each about Rs. 350 a day by unloading and reloading 7 vehicles.

\textsuperscript{30} Interview with Thanglen Piang, Chin National Council representative in Aizawl, 17 December 2007.

\textsuperscript{31} Paul S. Songate, op. cit.
the town, the ZWC has started asking for Rs. 30,000 a month and has expressed the demand that the CTU pays the debt of Zokhawthar’s schools, or Rs. 80,000. Zokhawthar’s transporters’ bitterness lies in the monopoly that the CTU enjoys on transportation of goods from Zokhawthar to Champhai. Zokhawthar’s transporters are not allowed to carry goods beyond their town. This quarrel bears responsibility for the closing of trade between Mizoram and Myanmar issued by the Champhai District Council on 19 November 2007. The ban was lifted in mid-December, after intervention of the Champhai District Commissioner and the Champhai YMA.32

Apart from the Champhai-Zokhawthar route which absorbs most of the trade, goods are also carried over to and from Myanmar on numerous other points: Zo Te, Vaphai and Tlangsam in Champhai district; Para, Hlung Mang, Chapui-Matupi (an illegally constructed road recently destroyed on the Myanmar side under orders by the military), Sangau-Lunger, but also a waterway down the Kaladan river, all link Mizoram’s Saiha district to Southern Chin state in Myanmar.

**Dual currency exchange system and hawala:** As inflation is rampant in Myanmar (estimated around 40 per cent in 2007), Burmese need to secure their assets in gold or stable currencies such as dollars. Just like exporting provides a country with foreign currency, border trade is the opportunity for many Burmese to obtain money that does not depreciate by the day. This phenomenon is accentuated by the overvaluation of Kyats by the military government that turned the Burmese economy into a dual-currency system in which Kyats and dollars coexist. The official rate for a hundred Indian rupees is 95 Kyats. However, in the black market, the same amount of rupees can be traded against as much as 2700-3000 Kyats on the border.33 The exchange black market will get you about 31 times what the official exchange market offers; in other words, the Kyat to the rupee is officially about 31 times overvalued. The same profitable circuit can be reproduced including the dollar. Ten thousand Indian rupees can easily be changed against 240-250 dollars on the black market (at a rate of 40-41.7 rupees to a dollar), that can then be converted into Kyats at a rate fluctuating around 1200-1400 Kyats per dollar (very far from the official 490 Kyats to a dollar).

This dual currency exchange rate system dissuades traders from employing official channels.34 In his paper, M. P. Bezbaruah also explains that “the existing border trade mechanism of formal Indo-Myanmar border trade is akin to barter trade in the sense that export from one country needs to be balanced by import to that country by individual trader.”

Therefore, informal border trade comes as a solution to these disincentives. Traders send border trade profits made in Mizoram through unofficial means, such as the hawala system, an informal remittance system based on trust often used by migrant workers. Under the very efficient hawala system, a Burmese trader in Aizawl only needs to give the money he wants to send to Yangon to the hawaladar, who, against a commission, ensures that his counterpart in Yangon will hand the money to the beneficiaries. Only a phone call is required and as hawaladars keep track of their debts rather than their deposits (or depositors), the Burmese trader whose profits emanate from informal border trade avoids the risks of official channels.35

---


33 In December 2007.

34 M. P. Bezbaruah, ibid.

35 For a detailed study of the hawala system, see Patrick M. Jost and Harjit Singh Sandhu, *The hawala alternative remittance system and its role in money laundering*, Interpol General Secretariat, Lyon, 2000 ([http://www.interpol.int/Public/FinancialCrime/MoneyLaundering/hawala/default.asp](http://www.interpol.int/Public/FinancialCrime/MoneyLaundering/hawala/default.asp)).
Implications of Border Trade
Border trade between Mizoram and Myanmar has various and wide ranging implications in Mizoram, on the local Mizo population and the migrant Burmese population living in Mizoram, as well as on the local economy. These implications are economic, social and political in nature – although these aspects are closely interwoven – and largely due to informal border trade, as it is much more significant in volume than formal border trade. The goods being imported informally should be divided between consumer goods on the one hand, and, on the other hand, arms, narcotics, and chemicals used for brewing alcohol.

Consumer goods being mainly dispatched to urban areas, implications of informal border trade can mainly be felt in Aizawl. The border towns of Champhai and Vaphai also experience impacts in their respective local markets, as they act as major transit points to Aizawl.36 Informal border trade influences neighbouring states, in Assam where the busy commercial centre of Silchar both depends and supports this large informal border trade network.37

The implications of informal border trade in arms, narcotics, and chemicals used for brewing alcohol are far more scattered out. The transit points being Champhai and Vaphai, these arms and narcotics reach Aizawl, and are then sent further through many other routes in Assam and Nagaland. The arms and narcotics in Mizoram cater to busy and profitable transit routes such as Aizawl-Silchar-Bangladesh, Aizawl-Silchar-Guwahati and Aizawl-Silchar-Dimapur, where they are further traded to Nepal, Bhutan and mainland India, but also locally consumed. These routes are a central component of the narco-terrorism network funding various insurgent groups of Northeast India. Chemicals used for liquor brewing are transported from Myanmar to large scale illicit alcohol brewing areas such as Rangvamual and Phunchhown in Aizawl district, or Silchar, which acts as a hub, supplying Assam as well as Mizoram and Nagaland, where alcohol is prohibited. Implications of informal border trade can be summed up in three couplets of cause to consequence.

Influx of cheap goods and difficulties for local goods: The major implication of the informal border trade is the influx of cheap consumer goods from China, Thailand and Myanmar to the local markets, which makes it hard for the local and the Indian goods to compete. The reason why local and Indian goods find it hard to compete can be found in the protectionism offered by the government to Indian businesses through subsidies or tariff barriers. Therefore there is no incentive for these local or Indian manufacturers to produce cheaper and better goods.

Enrichment of Burmese Traders – Jealousy and resentment: Because informal trade provides competitive goods that are in high demand, some Burmese traders register considerable profits. This translates into jealousy in the Mizo society against the Burmese traders, criticized as profiteers. Apart from consumer goods, the involvement of Burmese in narcotics and alcohol trade generates profits that equally fuel resentment.38 The Mizo society views the Burmese businesses and profits as illegitimate, thereby amounting to animosity between the two communities.

Influx of narcotics and alcohol – Moral radicalization: The influx of drugs and alcohol from Myanmar leads to moral radicalization in the Mizo society. Many

36 Interview with Lallianchhunga, Lecturer, Department of Political Science, Mizoram University, Aizawl, 13 December 2007.
37 Interview with R.Thanga, Registrar of the Mizoram Bench of the Guwahati High Court and Member of the Mizoram Human Rights Committee, Aizawl, 12 December 2007.
38 Ibid.
Mizos qualify drugs and alcohol as immoral and “unchristian,” throwing all responsibility on the Burmese for their spread and consumption.\(^3\) These prejudices result in greater communalization between the two communities and favor the growth in power and influence of reactionary activist organizations like the YMA,\(^4\) translating into knee-jerk reactions of violence against Burmese migrants when a pretext comes up.

**Bara Bazaar: A Case Study**

Bara Bazaar, Aizawl’s central market, is a bustling centre of commercial activity in the heart of Aizawl, where most of the goods from the informal border trade end up. This small area is an interesting case study to assess the socio-economic impact of the border trade on the local economy, on the Mizo society, on the Burmese migrant community, and on their interrelations. These complex socio-economic dynamics as well as the implications arising out of border trade are seen every day in Bara Bazaar.\(^4\)

There are numerous players in the market. Big businessmen, generally wholesalers and big retailers, mostly belong to the Mizo community, while wealthy Burmese traders are only a few. Among small retailers and shopkeepers, there is a greater number of Burmese, but the majority is still Mizo. Street vendors are mainly Burmese. Whereas transport companies are mostly owned by Mizos, the truck drivers are a mix of Mizos and Burmese. Finally, coolies are a mix of Mizos, Burmese migrants, Bangladeshis and migrants from other parts of India — from Northeast India, Silchar in Assam for example, as well as mainland India, like Bihar and Uttar Pradesh.\(^4\)

Burmese labour migrants, coming to Mizoram in search of a job, should be distinguished from Burmese trading migrants, who are personally involved in informal border trade. Some of the labour migrants are indirectly linked with border trade, while some others' activity has nothing to do with border trade (for example, a domestic worker). Bara Bazaar is an area where both types meet. According to various estimates, about ten per cent of the Burmese migrant community in Aizawl is directly connected with the informal border trade and another 20-30 per cent of them are connected indirectly with the dynamics of border trade.

The Burmese migrants’ involvement may sound marginal, but they still constitute an influential presence in Bara Bazaar. Due to the high demand of the cheap goods they supply and the informal nature of their activity, certain Burmese-owned businesses register large output and profits. Operating on their own or working in conjuncture with Mizo businessmen, Burmese traders compete strongly with local businesses and have a lot of influence as they become very prosperous.\(^4\)

Burmese coolies in Bara Bazaar are often preferred over Mizo coolies as they prove to be more enterprising and work for lower wages. Moreover, in a sense of community, Burmese traders tend to favor Burmese coolies. This strong sense of community generates animosity, since it gives Burmese traders a competitive advantage compared to other. The Burmese coolies and other economic migrants connected to border

---

\(^3\) Ibid.

\(^4\) Interview with Lalruatkima, Assistant Secretary, Central Young Mizo Association, Aizawl, 17 December 2007.

\(^4\) Visits by researchers to Bara Bazaar, Aizawl, 11 December to 17 December 2007.

\(^4\) Random interactions in Bara Bazaar area by researchers, Aizawl, 11 December-17 December 2007.

\(^4\) Interview with R.Thanga, Registrar of the Mizoram Bench of the Guwahati High Court and Member of the Mizoram Human Rights Committee, Aizawl, 12 December 2007.
trade in Bara Bazaar have their own trade and labour associations – corporatist organizations which divide them further from Mizos. They do not intermingle much, thereby creating separate communities in the society.\textsuperscript{44} This social tension is not translated into much visible animosity but nonetheless fuels a certain resentment.

In addition, Burmese migrants often help more people from Myanmar come in to Mizoram, thereby enlarging their community in the market and aggravating competition with Mizos or other migrants. Burmese migrants come in direct clash with economic migrant workers from Assam as well as from Bihar or Uttar Pradesh. The Burmese community in Bara Bazaar works collectively towards making the dynamics of the informal border trade more profitable for itself.

Although working as a tightly knit community gives the Burmese an advantage, business sometimes dictates cooperation between Mizos and Burmese. Both communities realize the interdependence of their business activities, whether in border trade or in markets such as Bara Bazaar. Interdependence implies that interaction takes place between the two communities. Indeed, we have heard of some wealthy Burmese businessmen wedding local Mizo girls. However, as intermarrying facilitates the settlement and integration of the Burmese person, it also becomes a platform to help more relatives enter Mizoram and then try to legalize their stay by registering the whole family during electoral rolls revision.\textsuperscript{45} Thus the money earned in the informal border trade supports the inflow of Burmese people in Mizoram, a question that should be of concern to both the central and state governments.

\textsuperscript{44} Ibid.

\textsuperscript{45} Ibid.
Government Responses

The attitude of the state government with regard to informal border trade and the Burmese living in Mizoram also needs to be examined. Our experience led us to conclude that the authorities generally adopt a passive stance towards informal border trade instead of actively trying to tackle the issue. Therefore, it appears that the fight against informal border trade by the state government is not fully earnest, and one can sense a conspiracy of silence in addressing certain issues relating to the influx and presence of Burmese migrants and the overall informal nature of the border trade. What could be the reasons for such passivity?

The state government provides no official assessment of the overall presence of Burmese migrants in the state and tends to underassess their total strength in Mizoram. When asked, officials maintain that given the difficult terrain and the physical and linguistic resemblance, it is practically impossible to monitor the flow of Burmese migrants at the border. There seems to be no particular effort or urgency in tackling the social animosity expressed towards the Burmese, despite the government’s capability to conduct such an exercise. During an interview, the Superintendent of Police of Aizawl district, Mr. L T Hrangchal, invoked the larger Zo identity and the ethnic similarity of the Mizo and the Chins as a reason for the authorities’ passive attitude. The officer maintained that this voluntary ignorance is done by the police on humanitarian grounds, considering the circumstances in which the Burmese come to Mizoram. He also invoked the lack of policing infrastructure and manpower to conduct frequent checks both in Aizawl and in the border areas. Nevertheless, he mentioned about a method of determining the number of Burmese migrants in Aizawl which was carried out by his department in the past – on the basis of temporary permits issued to them. But this was subsequently discontinued. Today, as no registration system exists, the Burmese living in Mizoram can freely come and go.

The crimes committed by the Burmese are often ignored and the large scale illicit liquor brewing activity is also given the pass. Many people drive down from Aizawl every evening to the two villages Ranguamual and Phunchhown to purchase illicit liquor where mainly Burmese migrants are involved in liquor brewing, and this continues unabated even in the face of the MLTP Act.

The police administration in Aizawl does sometimes arrest Burmese migrants who are involved in illegal activities and try to deport them to Myanmar. But as no order compels them to hand the Burmese to the Myanmar authorities, they simply drop them off at the border. Most of these deportees manage to return to their activities in Mizoram soon after. The joke goes that when the Aizawl police transport Burmese migrants in jeeps or buses to the border at Zokhawthar, the migrants manage to return to Aizawl faster than the police. When asked this question, the Superintendent of Police in Aizawl replied that the police did not even have enough jeeps and other vehicles to conduct this activity, forcing them to rely on public transport.

The state government acts with similar nonchalance when it comes to border trade.

---

46 Interview with the Deputy Secretary, Home, Government of Mizoram, Aizawl, 12 December 2007.
47 Interview with L T Hrangchal, Superintendent of Police, Aizawl district, Aizawl, 12 December 2007.
48 Interview with Angela Chralte, Centre for Peace and Development, Aizawl, 16 December 2007.
49 Interview with David Thangliana, Editor, Aizol Times, Aizawl, 16 December 2007.
50 Interview with L T Hrangchal, Superintendent of Police, Aizawl district, Aizawl, 12 December 2007.
Apart from the lack of proper infrastructure, officials also invoke the role of the central government and central customs department in the entire border trade issue. True, a large informal border trade creates a loss in revenue to the state exchequer, but on an individual basis, corrupt politicians and officials do stand to gain from this informal trade structure through payoffs. Suggesting a sense of large scale corruption in the state government machinery, the Director of Trade and Commerce in Aizawl was very uncooperative and evasive about informal border trade, when approached with a questionnaire on border trade.\textsuperscript{51} He denied any role of the state government in border trade and maintained that it did not keep any records, despite having the duty to do so.

The central government also has a crucial role to play in the overall informal border trade issue in Mizoram. Border trade falling under the competences of the central government, the centre should provide adequate manpower and resources to the state government in order to make it effective in regulating and checking the flow of informal trade in the border. This has been the complaint of many state governments in the Northeastern region. The Indian government is not at all in control of such commercial activity at its frontiers and it should seriously introspect in this matter.\textsuperscript{52}

The central government should take adequate steps in border trade policy in the Northeast and in Mizoram in particular. This involves developing regulating infrastructure, as well as enlarging the basket of goods allowed to be officially traded so that it could at least offset the flow of informal goods exchanged at the border. Hopefully, the integrated checkposts that the government is setting up will respond to that challenge.\textsuperscript{53}

\textsuperscript{51} Interview with Director, Directorate of Trade and Commerce, Government of Mizoram, Aizawl, 17 December 2007.

\textsuperscript{52} An excellent example is the Moreh border post in neighbouring Manipur where goods from across the border are in tremendous demand and literally flood the market while Indian goods have no chance to withstand any competition. The central customs is also facing infrastructure crunch in the frontier states.

\textsuperscript{53} For more information on integrated checkposts, see the website of the Ministry of Home Affairs (http://mha.gov.in/BM_Div/BM_IntCheck(E).pdf).
Conclusions

Substantial inflow of Burmese migrants and the development of border trade have put strain on Mizoram’s society, confronted with the difficult question of accepting a population that once was its own but has grown to be different.

Because Chins are Mizos’ brethren and because they run away from a miserable life, Mizos’ treatment of Chins incomparably outdoes that of other intruding groups. However, Mizos have grown wary of hosting temporarily for over 20 years a population that often creates trouble, or is at least seen as such. Some say: “Chins are our brothers, but a criminal Chin is not.” People now worry about a temporary situation turned permanent: “After spending years in Mizoram, will they go back if democracy is restored in Myanmar?”

In any case, border trade is bound to flourish, formal or not. Therefore, the central and state governments should promote, ensure and monitor an all-inclusive development of the region through border trade, but also appease the tensions it engenders. Bringing peace and prosperity implies greater mobility and interaction of Mizos with their close neighbour, to fulfill ZoRock’s dream of unity and brotherhood.
About the Authors

Julien Levesque is a Research Intern at IPCS and a graduate student from the Institute of Political Studies of Paris (Sciences po). He has been an exchange student at the Nelson Mandela Centre for Peace and Conflict Resolution at Jamia Millia Islamia. His areas of interest include India’s policy in Myanmar, Pakistan, Central Asia.

Mirza Zulfiqur Rahman is a former Research Assistant at IPCS. He is now completing his MA from the School of International Studies at Jawaharlal Nehru University, New Delhi. His areas of interest include India’s Northeast and its linkages with Southeast Asia.

Recent IPCS Publications

April 2008
Thailand’s Investment in India’s Northeast: Strategies, Potentials and Risks
Vibhanshu Shekhar
Research Paper 13

Radiological Terrorism: Threats to India
Reshmi Kazi
CBRN Issue Brief 4

China’s Rising Defence Expenditure Implications for India
Gurmeet Kanwal
Issue Brief 65

Shaping a ‘New Forward Policy’ Tibet and India’s Options
Jabin T Jacob
Issue Brief 64

Situation in Sri Lanka: Options for India
N Manoharan
Issue Brief 63

March 2008
Malaysia: March Elections
Baladas Ghoshal
Issue Brief 62

Return of the Democrats: Pakistan After Elections
D Suba Chandran & Rekha Chakravarthi
Issue Brief 61

Lords of Jade: Mismanaging Myanmar’s Natural Resources
Julien Levesque
Issue Brief 60

Between Safeguards and Crossroads: India and the IAEA
Arun Vishwanathan
CBRN Issue Brief 3

India & Russia: Revisiting Defence Relations
Air Cmde (Retd) Prashant Dikshit
Special Report 52

India and the FMCT: Issues and Concerns
Sameer Suryakant Patil
CBRN Issue Brief 2

Afghan-Pak Joint Peace Jirga
Mariam Safi
Special Report 51

February 2008
In ChinaTown: The Indo-US Nuclear Deal
Jabin T Jacob
CBRN Issue Brief 1

Linking SouthEast Asia & India
Anusree Bhattacharya
Special Report 50

Pakistan Elections 2008
D Suba Chandran & Rekha Chakravarthi
Issue Brief 59

January 2008
Connecting India: A Road Map for New Roads
D Suba Chandran, N Manoharan, Vibhanshu Shekhar, PG Raja Mohan & Jabin T Jacob
Issue Brief 58