Bleeting-Namtsering and Pangsau-Nampong Cross Border Trade Centres of Arunachal Pradesh- An Application of SWOT Analysis

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Abstract: Socio-economic development along international boundaries has been directly contingent upon nature and magnitude of cross border trade. Literally, it construes flow of goods and services across international borders within an easy reach of up to 30 kilometers. Also, it is an active agent of social changes. Arunachal Pradesh has long international boundary with Bhutan to the West sharing 160 km, China to the North and North-East sharing 1,080 km and Myanmar to the East sharing 440 km respectively. Altogether, she has 1,680 km long international boundary. Further, the strategic location of Arunachal Pradesh supports its growing economic links with neighboring countries like- Bhutan, China and Myanmar. The state may even upscale India’ trade ties with ASEAN and SAARC nations. In the present study, the result of SWOT shows that the Bleeting-Namtsering and Pangsau-Nampong cross border trade centres are unfavorable from Indian perspective as, it has negative figures. The degree of unfavourability have been identified as (-) 02 and (-) 04 respectively. With this background, the paper makes an attempt to provide an overview of cross border trade of Arunachal Pradesh. Further, it endeavors to apply SWOT Analysis on two functional cross border trade centres of Arunachal Pradesh namely- Bleething-Namtsering and Nampong-Pangsau respectively.

Keywords: Arunachal Pradesh, Bleething, Cross Border Trade, Pangsau and SWOT Analysis

INTRODUCTION

Cross-border trade is seen as an effective mechanism of economic as well as social development especially along international boundaries. It may be perceived as a flow of goods and services across international borders within an easy reach of up to 30 kilometers. However, most cross-border trade activities are not reported in foreign trade statistics of a country. Basically, cross-border trading is carried out by small traders with the help of their family members. Usually, they trade in homemade or self produced products in small quantities less than one quintile that worth less than a few hundred dollars in value. In the regime of cross-border trade, agricultural products and consumer goods are primarily traded. Around the world, most of the cross-border traders carry goods by walking on foot, by using draught animals like donkey, camel, yak, horse etc, by using a bicycle, or hire minibus or a car, to the other side of the border. Generally, traders need not to recourse to big carrier like train or trucks etc, because they mostly trade in small quantities. Infact, price differentiation of products along either sides of the border is the raison-detre of cross-border trade. Even, it offers lot of employment and income opportunities to women traders (Jackson, 1996 and Cagatay & Ozler, 1995) around the world. Moreover, it plays a vital role in alleviating poverty and promoting women economic empowerment (Chen & al., 2006).

Arunachal Pradesh- ‘Land of Rising Sun’ is located in the eastern most part of India. It lies between latitude 26°-28°N and 29°-30°N and longitude 91°-31°E and 97°-30°E covering an area of 83,743 sq.km. Arunachal Pradesh has long international boundary with Bhutan to the west sharing 160 km, China to the north and north-east sharing 1,080 km and Myanmar to the east sharing 440 km respectively. Altogether, she has 1,680 km long international boundary. Along the boundary line, there are ten major cross-border trade centres namely- Bumla, Bleething, and Lumla in Tawang District; Dongsengmang in West Kameng district.

1 'Cross-border trade within the central Asia regional economic cooperation': A World Bank Report, 2007

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Arunachal Pradesh represents a fine example of mutually dependent cross-border trading Indian state especially along with Bhutan and Myanmar. People of Arunachal Pradesh have been crossing 1680 km long international boundaries back and forth for trade for many centuries. However, it is carried on in traditional way by small and local traders. Arunachal traders export items like- edible oil, potatoes, ginger, Kasturi, local papers (Mon Shuk), traditional necklace & beads, traditional wooden mask (Sheng Bha), local colour (Naktsi), Mishmi Teta, Sword (Syabrey), tea, rice, dry fruit, kerosene oil, seasonal green vegetables, tomatoes, mushroom (both moist and dry), green chilies (Sula) fodder for cattle, bamboo and bamboo products, woollen carpet, fruits like apple, kiwi, orange and Thanka painting etc. Likewise, some of the notable items of import along borderline by local traders from China, Bhutan and Myanmar consist of ornaments (Ziroo and Nayu), Pots (Kho), shoes, dresses (Shinka, Chola), milk and milk products, yak and sheep wool, silk, gold, silver, precious stones & gems, articles of religious importance, cooking utensil (Hayang and Bangla Thal), rock salt (Tamin), beads (Krunung), wine (Chang), blanket (Thanga), electric goods, electronic products, China clay bowl, dry meat, Tibetan sword (Sabre), computer parts and software etc (Mody, 2012).

Cross-border trade is considered as one of the most important potential agent for socio-economic development of the Arunachal Pradesh in India. The centrality of the Arunachal Pradesh and its strategic location supports its growing economic links with neighboring countries like- Bhutan, China and Myanmar. Even, this locational advantage hold lot of promises to upscale India’ trade ties with even ASEAN and SAARC nations.

Cross-border trade has tremendous effect on prominent economic variables like saving, income, investment and consumption. It has also far-reaching effects on geographical features. Cross-border trade has reshaped the settlement pattern, immigration rate, sex ratio, population and density of population, urbanization and pace of environmental degradation. Moreover, cross-border trade has been an active agent of social change. It has been significantly changing, modifying, and replacing the customs, traditions, socio-economic institutions, religion, educational system, general aspiration, belief, outlook, marriage system and demographic composition of the Bleeting-Namtsering and Pangsa-Nampong cross border trade centres hereafter, called as ‘Study Centre’.

Thus, Arunachal Pradesh has huge potential of cross-border trade in India as she share a very long boundary with three countries viz- China, Bhutan and Burma with whom she has been maintaining informal cross-border trade relation since times out of mind.

**OBJECTIVES**

The main objectives of the paper are:

1. To provide an overview of Cross Border Trade of Arunachal Pradesh.
2. To administer SWOT Analysis on the Bleeting-Namtsering and Pangsa-Nampong cross border trade centres.

**METHODOLOGY**

Methodology adopted in conducting the research pertaining to cross border trade in Bleeting-Namtsering and Pangsa-Nampong centres are as follow:

- **Research Methods & Tools:** An effort has been made to make the study an empirical. Field Survey Method has been used for the present study. Again, personal interview, informal discussion, internet social networking, telephonic contacts and observation methods have been used during the field study to collect primary data. Structured schedules, digital camera, video camera, telephone and other stationeries have been the prominent research tools used to collect field data during the field survey.

- **Sources of Data:** The study in its entirety is based on both primary and secondary data. Personal interview and observation have been the main sources of primary data. For better analysis of the topic, various secondary data have been collected from various books, journals, reports, magazines etc., of national and international repute. Also, reports and publications of department of trade and commerce, Government of Arunachal Pradesh and official websites have been referred to for better understanding of the research problem. However, internet is one of the most used sources of secondary data for the study.

- **Sampling Technique and Size:** Convenience sampling under non-probability sampling technique has been applied during the study. The samples encompass respondents from various professions like- teachers, traders, farmers, public leaders, government officials etc. Altogether, 150 samples have been drawn from the two cross border trade points to draw inferences on the population parameter. Moreover, the selected samples consist of 75 samples from Pangsa-Nampong trade centre.

3Tibet province is dependent on Tawang for variety of chilies.
and another 75 samples from Bleeting-Namtsering trade point respectively.

- **Universe of the Study:** The study covers the entire population of Nampong and Pangsau area in one hand and Bleeting and Namtsering area in other hand. The population includes Burmese traders, Bhutanese traders, Indian traders, students, public leaders, village elders and others from the two selected centres.

- **Period of the Study:** The reference period of the study is from 2015-16 to 2017. Data over these three years have been used for analysis for the study.

- **Tools of Data Analysis:** For analysis of data, statistical tools of data analysis like percentage, bar diagram etc have been used. Also, SWOT Analysis has been administered on the Study Centre. Moreover, statistical packages like SPSS, MS Excel and Minitab are used to process and analyze the field data.

### ANALYSIS AND INTERPRETATION OF DATA

SWOT analysis has been administered in the current study by the researcher. SWOT analysis stands for Strengths, Weaknesses, Opportunities and Threats Analysis. It is a framework for identifying and analyzing the internal and external factors that can have an impact on the viability of a project, product, place or person. It helps to see competitive advantages and positive prospects, potential problems etc. Also, it helps to develop plans to capitalize on positives conditions and address deficits as well. Development of SWOT Analysis is credited to Albert Humphrey. He tested the approach in the 1960s and 1970s at the Stanford Research Institute. It is basically a decision making tool for any organization.

#### A. SWOT Analysis on Bleeting-Namtsering Cross Border Trade Centre

For the present study, the researcher has made an attempt to design a new model of SWOT analysis hereafter, called as Philip’s Model which is presented as follows:

\[ V = \frac{(S_1+S_2+S_3+\ldots+S_{nth}) + (O_1+O_2+O_3+\ldots+O_{nth})}{(W_1+W_2+W_3+\ldots+W_{nth}) + (T_1+T_2+T_3+\ldots+T_{nth})} \]

Or

\[ V = \frac{S+O}{W+T} \]

Whereas, \( V \) stands for the Value of SWOT analysis.

\( S = \) Total Strengths; \( O = \) Total Opportunities;
\( W = \) Total Weaknesses; \( T = \) Total Threats

In the model, (+) 01 point is awarded for each Strength and Opportunity as these are considered as ‘Helpful’ or that contributes certain value. However, (-) 01 point is given to each Weakness and Threat as these factors are considered as ‘Harmful’ or which degrades the value. Value (V) may be negative, positive or even zero. If it is negative than, the subject on which analysis is made is unfavorable. Likewise, it is considered favorable if, it is positive. However, in case of zero, it shows neutrality i.e., neither favorable nor unfavorable. Also, higher the figure of a positive value, the more favorable and vice-versa. In addition, the value of a SWOT analysis must be ≤ 01 in order to consider the subject favorable under a consideration.

3 The Model is named after Dr. Philip Modi, Assistant Professor and Researcher at Department of Commerce, Rajiv Gandhi University- India. He has conceived the idea and formulated the model in which Strengths, Weaknesses, Opportunities and Threats are expressed numerically.
### Table 1: SWOT Analysis of Bleeting-Namtsering Cross Border Trade Centre

<table>
<thead>
<tr>
<th><strong>HEALTHFUL</strong></th>
<th><strong>HARMFUL</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STRENGTHS</strong></td>
<td><strong>WEAKNESS</strong></td>
</tr>
<tr>
<td><strong>POINTS</strong></td>
<td><strong>POINTS</strong></td>
</tr>
<tr>
<td>1. Cultural Homogeneity</td>
<td>(+) 1</td>
</tr>
<tr>
<td>2. Flexible Security</td>
<td>(+) 1</td>
</tr>
<tr>
<td>3. Availability of Bhutanese products</td>
<td>(+) 1</td>
</tr>
<tr>
<td>4. Cheap prices</td>
<td>(+) 1</td>
</tr>
<tr>
<td>5. Tax free</td>
<td>(+) 1</td>
</tr>
<tr>
<td>6. Nearness of Bhutanese Markets</td>
<td>(+) 1</td>
</tr>
<tr>
<td>7. Accept Indian Currency</td>
<td>(+) 1</td>
</tr>
<tr>
<td>8. Establishment of Trade Hut</td>
<td>(+) 1</td>
</tr>
<tr>
<td>9. Establishment of Custom Office</td>
<td>(+) 1</td>
</tr>
<tr>
<td>10. Setting up of currency exchange centre</td>
<td>(+) 1</td>
</tr>
</tbody>
</table>

**TOTAL S or S**² (+) 07 **TOTAL W or W**² (-) 10

<table>
<thead>
<tr>
<th><strong>OPPORTUNITIES</strong></th>
<th><strong>THREATS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>POINTS</strong></td>
<td><strong>POINTS</strong></td>
</tr>
<tr>
<td>1. Competition</td>
<td>(-) 1</td>
</tr>
<tr>
<td>2. Changes in demographic composition</td>
<td>(-) 1</td>
</tr>
</tbody>
</table>

**TOTAL O or O**² (+) 03 **TOTAL T or T**² (-) 02

**Source:** *Field Study, 2017*

\[
V = (S+O) - (W+T)
\]

Now, by substituting the actual values in the model \(V\) is calculated as follows:

\[
V = (07+03) - (10+02)
\]

\[
V = 10 - 12
\]

\[
V = (-) 02
\]

In this case, result of SWOT analysis shows that Bleeting-Namtsering cross border trade centre is unfavorable from Indian perspective as it has negative figure. The degree of unfavourbility is \((-) 02\). It is revealed from Table 1 that Bleeting-Namtsering cross border trade centre has highest *Weaknesses* with \(-) 10 points. However, it has least *Threats* as such, with only \(-) 02 points. On the positive note, it has \(+) 07 points as *Strengths* and \(+) 03 points for *Opportunities*. 

B. SWOT Analysis on Pangsau-Nampong Cross Border Trade Centre

Table 2: SWOT Analysis of Nampong-Pangsau Cross Border Trade Centre

<table>
<thead>
<tr>
<th>HELPFUL</th>
<th>HARMFUL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STRENGTHS</strong></td>
<td><strong>WEAKNESS</strong></td>
</tr>
<tr>
<td>POINTS</td>
<td>POINTS</td>
</tr>
<tr>
<td>1. Acceptance of Indian currency</td>
<td>1. Poor Medical Facilities</td>
</tr>
<tr>
<td>2. Organic vegetables and products are being traded</td>
<td>2. Non existence of Trade Centre</td>
</tr>
<tr>
<td>3. No child and human trafficking</td>
<td>3. Inadequate communication facilities</td>
</tr>
<tr>
<td>4. No prostitution business</td>
<td>4. No banking facilities</td>
</tr>
<tr>
<td>5. Marriage of Burmese ladies by Indians</td>
<td>5. Poor economic background of the people</td>
</tr>
<tr>
<td></td>
<td>6. Alcoholism</td>
</tr>
<tr>
<td></td>
<td>7. No currency exchange centre</td>
</tr>
<tr>
<td></td>
<td>8. No black topped road on Myanmar side</td>
</tr>
<tr>
<td></td>
<td>9. Very inadequate electricity</td>
</tr>
<tr>
<td></td>
<td>10. Vehicles are not allowed to make entry into either side of territories.</td>
</tr>
<tr>
<td></td>
<td>11. No tourist lodges</td>
</tr>
<tr>
<td></td>
<td>12. Cash restrictions up to Rs 5000/-</td>
</tr>
<tr>
<td></td>
<td>13. Multiple checks and formalities by Indian and Burmese armies</td>
</tr>
</tbody>
</table>

**Total S or Sʰ** (+) 05

<table>
<thead>
<tr>
<th>OPPORTUNITIES</th>
<th>TOTAL W or Wʰ</th>
</tr>
</thead>
<tbody>
<tr>
<td>POINTS</td>
<td>POINTS</td>
</tr>
<tr>
<td>1. Establishment of Trade Centre</td>
<td>1. Negative Balance of Trade</td>
</tr>
<tr>
<td>2. Construction of all whether roads and communication</td>
<td>2. Insurgency Problems</td>
</tr>
<tr>
<td>3. Promotion of tourism vis-a-vis trading</td>
<td>3. Changes in the demographic characteristics</td>
</tr>
<tr>
<td>4. Setting up of Ayurvedic or herbal medicines firms</td>
<td>4. Drugs smuggling into Indian territory</td>
</tr>
<tr>
<td>5. Scope of increasing trading items beyond 62 items</td>
<td>5. Illegal immigration of Burmese people to India</td>
</tr>
<tr>
<td>6. Scope for setting up of Theological Colleges, Educational institutions, private nursing homes in Indian side</td>
<td></td>
</tr>
<tr>
<td>7. Corridor for trading via Pangsau even to China, Thailand and other South-east Asian nations</td>
<td></td>
</tr>
<tr>
<td>8. Provide trade license to even small traders</td>
<td></td>
</tr>
<tr>
<td>9. Scope of opening the market throughout a year</td>
<td></td>
</tr>
</tbody>
</table>

**Total O or Oʰ** (+) 09

Result of SWOT analysis shows that Pangsau-Nampong cross border trade centre is also unfavorable

Source: Field Study, 2017

Also, \[ V = (S+O) - (W+T) \]

Now by putting the actual values in the model

\[ V = 14 - 18 \]

\[ V = (-) 04 \]

Result of SWOT analysis shows that Pangsau-Nampong cross border trade centre is also unfavorable

Available Online: http://www.easpublisher.com/easjebm/
as it has negative figure. It is unfavorable for India to extends of (-04) given the present total conditions.

Further, it is revealed from Table 2 that Nampong-Pangsau cross border trade centre has highest Weaknesses with (-13) points. However, it has good scope of opportunities for further development as the points of Opportunities is (+09). Interestingly, it is observed from the Table 2 that Strengths and Threats share same points i.e. (+05) and (-05) respectively.

On comparison note, Bleeting-Namtsering cross border trade centre with V = (-02) is more favorable than Nampong-Pangsau cross border trade centre with V = (-04) in present overall conditions.

C. SWOT Analysis on the Study Centers

SWOT Analysis of the Study Centres = SWOT Analysis of Bleeting-Namtsering + SWOT Analysis of Pangsau-Nampong = (S^A W^A O^A T^A) + (S^B W^B O^B T^B) = (S^A+O^A+S^B+O^B) = (W^A+T^A+W^B+T^B) Or

(S^A+S^B+O^A+O^B) = (W^A+W^B+ T^A+T^B) -- ------- (ii)

Note: Model (ii) may be applied in case of two subjects.

Whereas, S^A = Total Strengths of Bleeting-Namtsering trade centre
S^B = Total Strengths of Nampong-Pangsau trade centre
O^A = Total Opportunities of Bleeting-Namtsering trade centre
O^B = Total Opportunities of Nampong-Pangsau trade centre
W^A = Total Weaknesses of Bleeting-Namtsering trade centre
W^B = Total Weaknesses of Nampong-Pangsau trade centre
T^A = Total Threats of Bleeting-Namtsering trade centre
T^B = Total Threats of Nampong-Pangsau trade centre

Result of SWOT analysis or ‘V’ of the Study Centres shows a negative result i.e. (-06) which imply that existence of Bleeting-Namtsering and Nampong-Pangsau cross border trade centres do not stand favorable for India. In order to consider it favorable, the SWOT analysis value must be <= to 01. Altogether, degree of unfavourability of the Study Centre is (-06). In addition, it is unveiled from Table 3 that Weakness stands highest with (-23) points. However, both Strengths and Opportunities share equal points i.e (+12) each. Also, it is uncovered from Table 3 that the Study Centre has least Threats with (-07) only.

Table 3: SWOT Analysis of the Study Centers

<table>
<thead>
<tr>
<th>HELPFUL</th>
<th>HARMFUL</th>
</tr>
</thead>
<tbody>
<tr>
<td>STRENGTHS</td>
<td>POINTS</td>
</tr>
<tr>
<td>TOTAL (S^A)</td>
<td>(+) 07</td>
</tr>
<tr>
<td>TOTAL (S^B)</td>
<td>(+) 05</td>
</tr>
<tr>
<td>TOTAL (S^A) + (S^B)</td>
<td>(+) 12</td>
</tr>
</tbody>
</table>

SUGGESTIONS

Following are some of the important suggestions made in the light of negative SWOT Analysis values of the Study Area namely- Bleeting-Namtsering and Pangsau-Nampong cross border trade centres.

❖ Tourist lodge should be established at the Pangsau, Bleeting and Namtsering for overnight stay of visitors and traders. It may increase the trading activities and transactions manifolds.

❖ Tourist tour cabs and private buses should be allowed to operate business from Jairampur to Pangsau trade point. Likewise, the same should be permitted to ply between Tawang to Bleeting-Namtsering area.

❖ Indian vehicles should be permitted to make entry up to the Pangsau trade point which falls under Myanmar side.
Usually, Burmese are allowed to come at Jairampur and Nampong every Friday for trading. In this regards, it is suggested that they should be allowed to come into Nampong or Jairampur at least thrice a week. This effort shall flip the trading activities.

Pangsau trading point should be used as a medium or corridor to stay connected with Thailand, China and other South East Asian nations.

Indian Govt. should provide trade license to even small traders of Bleet, Nampong and Pangsau-Jairampur areas without much hardship so that they can operate their business along with well established traders.

Higher educational institutions at Nampong and Bleet should be established. It may change the educational scenario of the regions and also attract Burmese and Bhutanese students.

Private mobile phone service providers like Airtel, Jio Vodafone etc, should be allowed to setup towers nearby International boundary. It may, not just helps Indians but also Burmese and Bhutanese too.

There Should be currency exchange centre for bulky and better trading activities between India in one hand, and Burma and Bhutan in other hand.

Border trade hut should be setup at Bleet, Namtsering and Pangsau. This facility shall legalize the trade and helps in proper official documentation of the transactions.

CONCLUDING REMARKS

Cross-border trade is one of the most important potential agents for socio-economic development of the Arunachal Pradesh. Infact, it has been an active agent of social change. The centrality of the Arunachal Pradesh and its strategic location supports its growing economic links with neighboring countries like- Bhutan, China and Myanmar. The state may even upscale India’ trade ties with even ASEAN and SAARC nations. The result of SWOT analysis applied in the present study shows that the Bleetung-Namtsering and Pangsa-Nampong cross border trade centres are unfavourable from Indian perspective as, it has negative figure. The degree of unfavourability is (-) 02 and (-) 04 respectively.

So, in the light of negative values of the SWOT Analysis, Indian government should come forward for development of these cross border trade centres as it has numerous potentials for development. In this regard, construction of all weather border roads, opening border huts, setting up currency exchange centres, opening of tourist lodges, providing Visa facility, establishment of power plants, providing telecommunication facility so on and so forth shall go a long way in developing the cross border trade centres along Indo-Myanmar and Indo-Bhutan boundaries. In addition, tourist cabs & private bus operators should be permitted to operate their businesses in the study centre. Moreover, private phone service providers should be allowed to operate services at Bleet-Namtsering and Pangsa-Nampong areas in the quest to assured of positive figure of SWOT Analysis.

So, Arunachal Pradesh has tremendous opportunities of cross border trading as it shares a very long international boundary with Bhutan, China and Burma.

Thus, the erstwhile state may be seen at top in the table of cross border trading in India as the opportunity is very high so is the speculation.

REFERENCE: