

Mobility and Exchange Systems in Western Himalaya: Historical Patterns, Political Regulation and Economic Transformation

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Abstract: *This paper examines the historical evolution of mobility and exchange systems in the Western Himalayas, focusing on the districts of Kinnaur and Lahaul-Spiti in present-day Himachal Pradesh, India. Drawing on colonial gazetteers, post-independence administrative records, and secondary ethnographic and economic literature, this study traces three analytically distinct phases: the pre-colonial multi-circuit economy organised around pastoral transhumance, long-distance trade through the nangba partnership system, and pilgrimage; the colonial period of qualified regulatory intervention that modified but did not dismantle the trans-Himalayan axis; and the post-1962 rupture caused by India's executive closure of all traditional border crossings with Tibet following the Sino-Indian conflict. The study argues that the 1962 closure constituted a civilisational economic rupture rather than a temporary disruption, destroying the relational infrastructure — embedded credit networks, hereditary trading partnerships, and seasonal mobility circuits — upon which the regional economy depended for centuries. Contemporary livelihood transitions towards horticulture, tourism, and emerging digital employment have produced measurable income gains but have not restored horizontal economic integration across the Himalayan zone. The study further identifies a structural shift from multi-circuit resilience to single-sector vulnerability and highlights the gendered dimensions of this transformation as a critical gap in the existing literature. The findings contribute to theoretical debates on path dependence, borderland economies, and the long-run consequences of politically induced economic disruptions in highland South Asia.*

Keywords: Borderland Economy, Himalayan Trade, Institutional Lock-in, Mobility Systems, Western Himalaya

INTRODUCTION

The Western Himalaya mountains have never formed a wall; they have long been a passage, one among the most momentous in the social and economic history of the subcontinent. The Shipki La, Rohtang, Baralacha, and Kunzam La passes transported wool, salt, grain, animals, pilgrims, and concepts up and down the altitude gradients, which, when viewed with an ignorant eye, would seem to be completely prohibitive. The fact that these movements have helped to support whole societies over centuries is a known but little-studied historical fact.

Theorisation of the borderlands as productive spaces is a conceptual scaffolding that is important in providing important conceptual frameworks to scholars like Rizvi (1999) about the caravan economy of Ladakh and van Schendel (2002). More proximate to this area, Joshi (1996) has followed the hereditary networks of trade of the Western Himalayan sub-region of Sharma (2009) has discussed the effects of sedentarisation on the pastoral communities in Chamba, and Bhattacharyya (2017) has examined the civilisational dimensions of the 1962 border closure on Spiti. However, an artificial, historically based explanation of the way mobility systems have developed, and how different political regimes have influenced the development of mobility systems, is not easy.

This essay will follow the exchange and mobility systems in Kinnaur, Lahaul-Spiti, and the neighbouring Ladakhi and Tibetan borderlands, from the pre-colonial days, the colonial interlude, to the post-independence days. The enquiry was conducted with three questions: What was the pre-colonial mobility economy like? What are the changes in its conditions in the colonial and postcolonial state setups? What economic innovations have communities devised for the various regulatory interventions leading to the border being closed after the Sino-Indian conflict of 1962?

The threefold argument is that, to begin with, the pre-colonial economy of mobility was not a primitive form of the barter system but a complex, seasonally timed exchange system within kinship, pastoral organisation, and inter-regional political relations. Second, the border closing of 1962 was the fatal break, which was more destructive than colonial policy since it broke the trans-Himalayan axis which had given the region its economic rationale over a generational span. Third, there have been material gains that have been realised with the help of contemporary

developmental interventions that have not reconstituted the relational economy that has been broken by border closure.

REVIEW OF LITERATURE

Himalayan mobility and exchange literature is scattered over various fields of discipline that have seldom addressed each other. Each of the geographers, historians, anthropologists, and economists has done important work, and this siloing has seen the field disaggregated.

The first systematic descriptions are found in colonial administrative texts. The extent of the wool-and-salt trade between Himalayan foothills and the Tibetan Plateau is recorded in the gazetteers of Kangra, Kulu, and Lahul (Barnes, 1855; Hutchison and Vogel, 1933). By the mid-nineteenth century, trade had been carried out via well-established networks of hereditary merchant families, the most notable of which were the Kinnauri Lohara traders and Lahauli brokers, in a political economy across what now are international borders.

Rizvi's *Trans-Himalayan Caravans* (1999) is the most authoritative monographic treatment that re-creates the commodity paths that linked the Ladakh, western Tibet, and Punjab plains on an archival scale. Rizvi stated that the main integrative process of the highland economic zone as a whole was the caravan economy. Joshi (1996) further analyses this in the Western Himalayan sub-region, where the nangba relationships (hereditary credit and exchange relationships) that organised trade between Kinnauri intermediaries and Tibetan producers were seen between a variety of commodity groups.

Van Schendel (2002) and Donnan and Wilson (1999) have applied the theoretical literature on borderlands fruitfully and, specifically to the Himalaya, Pande (2018) applied it in her analysis of frontier governance. This literature proves that borders are politically made economies that create economies of their own: of smuggling and cross-border arbitrage, and what Scott (2009) called the art of not being governed. Bhattacharyya (2017) states that the closing of the border in 1962 not only affected the communities of Kinnaur and Spiti as an economic shock but also as a break in civilisation, with the two communities losing kin ties and pilgrimage routes that formed part of their social world over centuries.

Sharma (2009) discussed the reworking of Himalayan livelihoods in Chamba and Sundar (2009) in forests and sovereignty by the Indian postcolonial state. The state, as both agent of development and dispossession, is what is seen: building roads and closing borders, subsidising orchards, and limiting grazing. Here, the political ecology framework developed by Forsyth and Walker (2008) is helpful, as it asserts that there is no need to analyse ecological and economic systems analytically, but is instead a co-constitutive whole. There is a major knowledge gap in the literature on gender. Although Mackay and Jassal (2010) studied the role of women in agriculture, little has been done to rebuild the contribution of women to the pre-closure trade economy.

METHODOLOGY

In this study, a qualitative, historically oriented research approach based on the combination of archival research and the critical reading of the secondary

ethnographic and economic literature will be utilised. The structural changes that take place over the long run cannot be classified under the category of quantitative measurements; the evidence can only be mediated by the records of the colonial administration, reports of government agencies, or monographs of the result of extended fieldwork. The sources are listed in Table 1.

The gazetteers of the old Punjab Hill States in the Punjab State Archives, the Imperial Gazetteer of India series, and documents in the Himachal Pradesh State Archives such as settlement revision reports of the districts of Kinnaur and Lahaul-Spiti and the files of the Himachal Pradesh Tribal Advisory Council are primary archival sources. The records of the Indian Border Trade Committees of the 1990s were reviewed to gather evidence of the re-opening of commerce to some extent at Shipki La.

The systematic review of the Indian Economic and Social History Review, Himalayan and Central Asian Studies, Studies in History, Mountain Research and Development, and the Journal of the Economic and Social History of the Orient were used as sources of secondary literature. The interpretive framework draws on three bodies of theory: the historical institutionalism of North (1990) and Acemoglu and Robinson (2012), the borderland anthropology of van Schendel (2002) and Scott (2009), and the political ecology of Forsyth and Walker (2008).

This study does not draw on original fieldwork; therefore, the argument is structural and diachronic. The voices of individual traders, pastoralists, and women who navigated these systems remained outside its frame; closing this gap is the primary agenda for future field-based research.

Table 1: Sources Framework by Category and Period

Source Category	Type	Temporal Coverage	Principal Items Consulted
Colonial gazetteers	Primary archival	1855–1933	Kangra, Kulu, Lahul (Barnes, 1855; Hutchison & Vogel, 1933)
Imperial Gazetteer series	Primary archival	1908	IGI Provincial Series: Punjab (vol. 2)
HP State Archives	Primary archival	1947–1990s	Settlement reports: Kinnaur, Lahaul-Spiti; Tribal Advisory Council records
Border Trade proceedings	Primary official	1990s	Indian Border Trade committees on Shipki La re-opening
Peer-reviewed monographs	Secondary	1975–2019	Rizvi (1999), Bhattacharyya (2017), Sharma (2009), Scott (2009)
Journal articles	Secondary	1996–2019	Joshi (1996), Pande (2018), Plachta (2019), van Schendel (2002)

Note. HP = Himachal Pradesh; IGI = Imperial Gazetteer of India.

RESULTS AND ANALYSIS

The Pre-Colonial Mobility Economy

The pre-colonial economy of the Western Himalaya was organised around three overlapping mobility systems

(pastoral transhumance, long-distance trade, and pilgrimage) that were not separate activities but interpenetrating practices sharing routes, personnel, seasons, and pack animals. The ecological logic was identical across all three areas: the extraordinary altitudinal diversity of the zone made each subregion productive of different goods, and exchange was the mechanism by which communities accessed what their immediate environment could not provide.

The pastoral economy centred on the seasonal movement of sheep, goats, and the yak-cattle hybrid dzo between summer meadows and sheltered winter valleys. The Gaddi shepherds of the Dhauladhar range, the Kinnauri herders of the Pin and Baspa valleys, and the Bod-pa of Lahaul all operated within seasonal circuits centuries old, incorporating exchange transactions at defined halting points (Hutchison & Vogel, 1933; Parmar, 1975). The herder and trader were frequently the same person.

Long-distance trade was conducted by specialised merchant families through the nangba system of hereditary commercial partnerships (Rizvi, 1999; Joshi, 1996). The prevailing commodity chain was the salt-grain trade: Tibetan rock-salt of the Chang Tang salt lakes was traded southwards to grain, sugar, tea, and cloth of the Punjab plains. These alliances were implicitly credited: the Kinnauri trader, who sold a Tibetan one some grain when the plateau had a shortage, could look forward to a special supply of wool and salt in favourable seasons. It was this reciprocity which was the institutional essence of trans-Himalayan trade. Table 2 provides a summary of the main arteries and the commodity flows linked with them, where the market towns of Pooh and Nako in Kinnaur and Losar and Kibber in Spiti are the nodal aggregation and redistribution centres. It was structurally imperative: none of the nodes could operate independently, and the operation of each depended on efficient functioning of the entire network.

Table 2: Principal Trans-Himalayan Trade Routes and Commodity Flows (Pre-1962)

Pass / Route	Connecting Region	Primary Commodities	Key Market Nodes
Shipki La	Kinnaur – Ngari, Tibet	Rock salt, wool, borax, pashmina	Pooh, Nako, Sumdo
Baralacha La	Lahaul – Rupshu / Ladakh	Wool, livestock, dried fruit	Keylong, Darcha, Korzok
Kunzam La	Spiti – Ladakh circuit	Salt, dzo, grain	Kaza, Kibber, Losar
Rohtang Pass	Kullu – Lahaul corridor	Grain, cloth, manufactured goods	Manali, Beas Kund

Note. Compiled by Rizvi (1999), Joshi (1996), and Imperial Gazetteer of India (1908).

Colonial Intervention: Disruption and Qualified Continuation

The integration of the Western Himalayan states into the British colonial system, which was largely accomplished by the end of the 1840s following the First Anglo-Sikh War, brought about regulatory measures that impacted mobility and exchange. Strategic anxiety concerning frontier action

and monetary concerns over taxing commerce, which had hitherto been beyond colonial reckoning, motivated colonial administrators.

Customs duties were introduced at the Shipki La customs post in 1873 and gradually to other crossings (Barnes, 1855). Colonial settlement processes established rights in agricultural land, which crossed through the informal negotiations that the pastoral and agricultural communities had traditionally used to negotiate cross-ecological access to resources. In 1878 and 1927, the Forest Acts criminalised customary forest and grazing practices which were measured with centuries of ecological management.

However, in the longer view, colonial influence was more equivocal than the mere narrative of disruption implies. In fact, the trade volumes in wool, pashmina, and borax rose during colonial rule to the highest levels in the history of trade in the early parts of the twentieth century (Imperial Gazetteer of India, 1908). The colonial experience, as we know, can be seen as a qualified continuation: a new system of exchanges was overlaid onto the old circuits of exchange without destroying their trans-Himalayan axis. It was the Indian hand that brought that down.

The 1962 Rupture and Its Structural Consequences

On the Sino-Indian border, the October–November 1962 border conflict, through executive decree, led to the closure of all the traditional trade passes linking the Western Himalaya districts with Tibet, such as Shipki La, Baralacha La, and Kunzam La. This closure was initially introduced as a temporary security measure but became functionally permanent over the next 30 years, the most economically significant occurrence in the recent history of these communities.

Short-term effects were dire. Pastoral families that used Tibetan rock salt as their main source and market were deprived of both at the same time. The dzo-breeding economy of Spiti, which was geared towards providing pack caravans across the Himalayas, became deprived of a functioning market overnight (Bhattacharyya, 2017). According to estimates made by the government at the end of the 60s, as quoted in Himachal Pradesh Planning Commission Reports, per capita income in the Spiti district decreased by about 30 percent in five years of closure.

In 1994, when border trade was reopened at Shipki La, this came as some relief. The categories of commodities which were authorised were limited, the quotas were very small, and the cost of transacting the goods was prohibitive through the customs and security documents which applied to small-scale traders who had, in the past, dominated the circuits on a relationship basis. The yearly volumes of trade via the post-1994 arrangement had never surpassed a fraction of the trade in past periods, which validated the fact that the harm done to the economy was structural and not just a momentary outcome of physical closure.

Contemporary Economic Reconfigurations

Since the systematic introduction of horticulture by the Himachal Pradesh government promotion programs in the 1970s, horticulture, mainly apple cultivation, has become the main cash economy in Kinnaur and lower

Lahaul-Spiti. Kumar et al. (2012) project a figure of more than sixty percent of household income in the twenty-first century in the agro-climate appropriate villages in the Kinnauri villages. However, the apple economy has also established new dependencies on agrochemical suppliers of the economy, the commission agents in the Shimla and Delhi wholesale markets who have disproportionate pricing power, and weak road infrastructure.

Tourism has emerged as a secondary income source in areas that combine scenic value with road access. Post-liberalisation growth of adventure, cultural, and ecological tourism has generated homestay, guiding, and transport livelihoods, although the tourism economy is sharply seasonal, heavily concentrated in road-accessible villages, and characterised by significant earnings leakage to tour operators outside the region (Plachta, 2019).

A third current, modest but analytically significant, is the growth of digital commerce and remote employment. The extension of cellular broadband to previously isolated valleys since approximately 2015, accelerated by the BharatNet initiative, has enabled individuals with sufficient educational capital to access remote employment without physical migration. These three transitions in livelihood and their structural nature are summarised in Table 3 and reveal the change in horizontal, multi-circuit integration towards vertical, sector-specific market dependency.

Table 3: Post-1962 Livelihood Transitions in Kinnaur and Lahaul-Spiti

Livelihood Sector	Period of Expansion	Income Share (approx.)	Primary Dependencies	Structural Character
Trans-Himalayan trade (pre-closure)	Pre-1962	Primary	Tibetan salt/wool markets; nangba credit networks	Horizontal; multi-circuit; relational
Horticulture (apple)	1970s – present	>60% (Kinnaur villages)	Suppliers of agrochemicals: Shimla/Delhi wholesale agents.	Vertical; single-sector; market-dependent
Tourism	1990s – present	Supplementary; seasonal	Infrastructure: external tour operators.	Seasonal; geographically concentrated; volatile
Digital / remote employment	c. 2015 – present	Emerging; limited reach	Bharat Net broadband: Capital of learning.	Nascent; potentially structural

Note. The figures are indicative; precise district-level data remain limited. HP = Himachal Pradesh.

DISCUSSION

What has been so long-lived about the consequences of border closure in 1962, even when it was partially reversed in the 1990s? The solution lies in its structure. The pre-closure trade system was successful since it was intertwined within relationships: between the broker and the Tibetan herder-producers, and between pastoral and agricultural communities at various altitudes, which had been built up and honed by several generations. These ties provided invaluable data on creditworthiness, the rhythms of the seasons, and the assurance of mountain passes on various weather formations. The fact that regulatory closure does not simply interfere with such systems, it kills the social and informational infrastructure on which they are based. By the time the trade was partially opened 30 years later, the institutional memory that perpetuated the trade had mostly gone. This is in line with the path dependence and institutional lock-in literature (North, 1990; Acemoglu and Robinson, 2012) that suggests that politically motivated regulatory interventions may create economic lock-in even after the initial justification is outdated.

The fact that the pre-closure economy was multi-circuit (pastoral, commercial, pilgrimage) and gave it resilience that the single-sector integration could not replicate was an underappreciated aspect of the pre-closure economy. The family which might sell salt one year, shear sheep the next, and crop barley the next, was much less subject to any one market failure than nowadays the apple grower who earns his full yearly wages at the August price of the Shimla commission agent. The diversification of exchange networks was also a distributed risk management by itself; not only has its forced disintegration exposed mountain communities to structural vulnerability to economic shocks, but the average income has also increased.

The third issue concerns gender. Traditional pastoral-agricultural households were organised around gendered divisions of labour in which men's extended trading absences left women as effective managers of domestic economies, controlling grain stores, and managing local credit relationships. The apple economy tends to concentrate on marketing decisions and cash income control in male hands, given its integration into a male-dominated wholesale market system. The social costs of economic transformation measured in this dimension remain invisible in the aggregate income data.

Taken together, these three dimensions (institutional lock-in, loss of multi-circuit resilience, and gendered redistribution of economic agency) show that this transformation is not adequately captured by income growth or market integration alone; communities are materially better off in narrow terms and structurally more precarious in broader ones, a disjuncture that a historically grounded political economy framework, rather than a development economics one, is better equipped to reveal.

CONCLUSION

Three decades of border closure and three more stretches of only partial re-opening have produced an economic geography in the Western Himalaya that bears little resemblance to the one that existed before 1962. The trans-Himalayan axis was the organisational spine of a sophisticated, multi-circuit exchange economy, calibrated across altitude zones and sustained by hereditary credit relationships. It was chop-blocked into one executive ruling, the economic implications of which were much longer lasting than the political builders of that edifice had ever dreamed possible.

Subsequent developmental interventions (horticulture, road connectivity, tourism, and currently digital employment) have provided real benefits in material welfare. However, it is not structural recovery, but welfare gains. What is lost is more of a relational infrastructure: the horizontal solidarity of communities across the Himalayan region through embedded exchange which brought resilience, autonomy, and a kind of economic citizenship that cannot be replicated by ration shops and apple commission agents.

The political implication of the policy is straightforward: the economic logic of border communities that the political decision has been ruined can be restored by developmental expenditures only. The answer to the question involves recovery and political decision: in particular, it is a serious and long-term re-opening of trans-Himalayan trade which transcends the limited quota system which has been in force since 1994. The question of whether the geopolitical environment to such a decision will become a reality is another issue; it is the correct question to pose, and this paper has endeavoured to do just that.

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