

India's Strategic Interests in Myanmar

An Interview with Shyam Saran

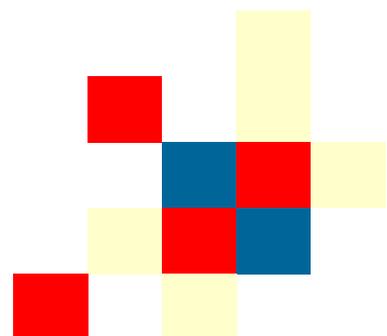
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Myanmar is of extreme strategic and economic importance for India. The two nations share a 1,600km land border and a long maritime boundary in the strategically important Bay of Bengal and Andaman Sea; they are bound by religious, cultural and ethnic linkages and four of India's politically-sensitive Northeastern states share international borders with Myanmar. India has been pursuing friendly relations with its eastern neighbour since the early 1990s with the goal of countering China's influence in the region as well as exploiting the tremendous energy resources of Myanmar. Critics have however, argued that India's Myanmar policy is flawed and have called for a re-valuation.

Medha Chaturvedi from the IPCS spoke to Ambassador Shyam Saran, acting Chairman of Research and Information System for Developing Countries (RIS), a New Delhi based autonomous think-tank under the Ministry of External Affairs, on the subject. Ambassador Saran was a former Indian Ambassador to Myanmar and later, Indian Foreign Secretary and the Prime Minister's Special Envoy on Climate Change

Medha Chaturvedi: What is the historical perspective of modern relations between India and Myanmar?

Shyam Saran: There have been historical and cultural linkages between India and Myanmar, in particular, through the spread of Theravada Buddhism to the country. During the Second World War, parts of Burma were taken over by the Japanese forces along the Irrawaddy River. However, the Arakan peninsula was somewhat untouched. Sittwe port was one of the routes used to ferry supplies to the northeast of India. The goods were then taken up to Palewa town where the transport encountered rapids and human porters were used to ferry goods across to Mizoram where they followed the river again.

The Kaladan River rises in the Chin Hills in Myanmar, flows through Mizoram and back into Myanmar's Sittwe Delta. It was infrequently used as a trade route because of all the rapids and other obstructions. However, Sittwe has been an important port even historically since the rule of the Sultans over Arakan. It was, from ancient times, among the three most important trading sea ports in the Bay of Bengal, especially for India. Later, Myanmar became a major rice exporter. The coastal trading route followed for this trade between India, Myanmar and Sri Lanka lay through Kolkata in India, Sittwe and Yangon in Myanmar to Chennai in India, and finally to Colombo in Sri Lanka. However, in addition to rice trade, this route was also used for illegal trade in drugs and for human trafficking. Thus, Sittwe's importance cannot be underestimated.

With Myanmar being ruled as part of the British Indian Empire till its separation in 1937, there was a heavy Indian presence in trade and utilities and services, including education, railways, power, and business. Yangon's population at the time was over 60 per cent Indian.

MC: Politically, India-Myanmar relations have seen several ups and downs. What are the reasons for this?

SS: Strong personal relations, first between Gen. Aung San and Jawaharlal Nehru and then between Nehru and Burmese Prime Minister U Nu, contributed to good relations between the two countries. Then came the period of Retrenchment starting in the 1950s when the Indian Chettiyar community was dispossessed of their land by Gen. Ne Win following his military coup. He started imposing Burmanization/Nationalization from 1961-64 due to which 350,000 Indians were dispossessed and had to return to India.

At this time, critical sectors like the railways, public services, banking, insurance, wholesale retail, trade, and commerce, were all taken back from declared foreigners, including Indians. Burmese language was declared the official language and as a result, Yangon University, which was the best in the region, suffered. Except the absolute lowest rung of labour, Indians were disallowed from every other employment.

There were continued friendly relations between the two countries despite these developments as Burma was a crucial transport hub of Southeast Asia at that time. However, due to the decline of the Burmese economy, this role too disappeared. Burma retreated into a shell. The long years of Ne Win's rule ended in 1987 due to discontent in the army, and the economic crisis, a result of his isolationist policies. Prices of commodities were at an all time high and inflation skyrocketed. The National League for Democracy (NLD) took advantage of the situation and emerged as the voice of the people.

At the same time, Myanmar was facing constant challenges of insurgencies from its ethnic armed groups on the peripheries of the country. The challenge was to maintain political unity despite insurgencies. Myanmar faced pressures

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from China and other large neighbours to maintain its sovereignty. Elections in 1988 did not sort out the ethnic problem and posed a challenge to the military in neutralizing the ethnic groups. With China's help, Myanmar managed to get most of the ethnic armed groups to sign Arms for Peace and ceasefire agreements.

After this, for many years, there were very thin India-Myanmar relations despite some positive political exchanges like the visit of the then Indian Prime Minister, Rajiv Gandhi, to Myanmar in 1987. Meanwhile, relations between Myanmar and China started improving as they found themselves on the same side of ostracization: Myanmar for the military takeover post-1988 elections and China for the Tiananmen Square incident in 1989.



MC: Why were India's relations with Myanmar not consistently good for a long time?

SS: India assumed that the longevity of the military regime was limited which did not prove to be true.

Having neutralized the insurgencies by ethnic groups, the junta tried to bring together the civilians and ethnic groups. When it realized that this regime was here to stay, New Delhi started its constructive engagement policy with Yangon. India-Myanmar relations point out the salience of threat perception that Chinese influence in Myanmar poses to India's position in the region. China has majorly expanded in Myanmar and this has facilitated China's entry into the Bay of Bengal. India needs to have a countervailing presence in Myanmar to ensure its own interests are not jeopardized.

MC: Would Aung San Suu Kyi's release after the elections last year have any impact on India's relations with Myanmar?

SS: India had a democratic connection with Myanmar along with the element of support for Aung San Suu Kyi and her Indian connection, due to her education in India. During the early years of military rule, India was a big supporter of Suu Kyi, bestowing upon her the Jawaharlal Nehru Award for International Understanding in 1992. The reluctance in maintaining friendly relations by India was to the Chinese advantage as they made inroads in Myanmar around the same time. After the release of Suu Kyi, some transformation for Myanmar is on the cards and India needs to be alert to the developing situation as it unfolds. Tensions between ethnic groups, military and civilians may escalate, forcing the government to take some strong actions. A second Panglong agreement under Suu Kyi will lead to some progress for India in the country.

MC: Sittwe lost its importance for sometime in between. To what do you attribute this change?

SS: Sittwe lost its importance due to many reasons. The rice trade saw a sharp decline after its independence. Moreover, the Myanmar government neglected the Arakan region due to its ethnic diversity and Muslim population. Also, connectivity between Arakan and the rest of Myanmar was difficult.

MC: How is Sittwe important for India in the present context?

SS: Sittwe's importance for India has magnified under the shadow of access problems between Southeast Asia and the Indian Northeast due to the presence of Bangladesh and India's difficult relations with the country. So, India took into account the history of this route as a solution to the access problem and tried to put the Sittwe route back in place as an alternate access route from its Northeast. India was also looking for closer trade relations with Myanmar and the development of onshore and offshore gas blocks there. Even China has a stake in some of Myanmar's onshore blocks in Arakan and is looking to acquire some offshore blocks in the Bay of Bengal.

MC: What should be the focus of development in Sittwe in the present scenario?

SS: It would be beneficial for India to develop the gas blocks present in Myanmar for our domestic use by drawing a pipeline between the Indian Northeast and Bonai village in Sittwe. The idea should be to enhance river transport and develop a point to get off from boats and a highway up to Mizoram to support the idea of having a gas pipeline. Under the river project, certain measures need to be taken on an immediate basis. The development of Sittwe is critical. Obstructions upstream of Kaladan River should be removed for the smooth transport of large container ships up to Palewa town.

MC: What is India's present status on oil and natural gas trade with Myanmar?

SS: There is the possibility of Myanmar becoming a major source of energy and Assam oil belts spilling into Northern Myanmar. It is a zone of energy security for India which needs to be maintained. In India, no development has really taken place in terms of gas and oil purchases. It has remained only an idea which has not yet materialized into an organized plan of action. It has not been followed up properly so far. A detailed project report (DPR) on infrastructure of the Sittwe Project has already been drawn up and the government has sanctioned funds for it. As far as my information goes, construction on the A1 and A3 gas blocks has also begun. The problem with India's energy interests in Myanmar is that even if it develops A1 to A7 energy blocks or any other offshore Bay of Bengal blocks, how will it be transported back to India? The original plan for the Kaladan project was to provide a transit route from Sittwe to Bongaigaon in Assam through the river. Energy transit is not India's primary concern with this project as we lost out on A1 and A7 blocks.

MC: What is the Chinese interest in Myanmar's gas reserves?

SS: Chinese interest lies in building the pipeline from A1 to A7 blocks from Myanmar to China. For that, they want to develop deep sea water ports on west Arakan alongside a petrochemical complex. India was earlier looking for control of these ports.

MC: Do you think India should have done more to explore and develop its stake in Myanmar's natural resources?

SS: India should have been more aggressive in exploring and developing gas reserves available in Myanmar. At present, we only hold a 30 per cent stake in A1 and A3 blocks, and that too we are forced to sell to China because of the absence of a proper pipeline between India and Myanmar. China is purchasing gas from

all seven known gas blocks in Myanmar (A1 to A7 blocks). There is no officially known proven surplus in Myanmar gas blocks for export except in A1 and A3 blocks in Yadana and Yatagun areas. There are estimates of a surplus, but nothing concrete so far.

MC: What is Myanmar's interest in aligning with India as a trade partner?

SS: In Myanmar's interest, the Indian government is planning to assist it with technology and infrastructure to set up gas-based power and fertilizer plants. This is because after meeting their contracted amount to Thailand, Myanmar is left with no surplus gas for its own consumption. However, there is no clarity on where to build these factories. If they are built in Yangon, a transport corridor first needs to be made between Yangon and Arakan region due to geographical constraints.

MC: Are there any more gas blocks available for India to develop? If so, can India formulate a more aggressive strategy to acquire and develop them?

SS: Yes, there are some unexplored gas blocks still available even along the Arakan region. There are also some known unexplored oil fields in northern Myanmar contiguous to Assam. But, is the Indian government ready to make that investment in exploring and developing them? It is unlikely that there are any more off-shore blocks available though.

MC: Why is Myanmar inclined towards China as a trading partner rather than India?

SS: Myanmar is inclined towards China to trade their available gas and energy because India is not taking a firm strategic decision on this issue.

MC: Are the regional cooperation agreements of any help in energizing India-Myanmar relations?

SS: Regional cooperation agreements are certainly important catalysts for energizing development in the Indian Northeast. Such platforms are critical in the Bay of Bengal economic community in terms of India's Look East policy as these measures are not subject to Pakistan-related problems in the SAARC. After Myanmar's integration into ASEAN in 1997, it became a big part of the Look East Policy as Myanmar was considered India's gateway to ASEAN countries because of a contiguous land and maritime border. It was for this reason that India invited Myanmar to join BIMSTEC in December 1997. India realized that no Bay of Bengal community initiative could be successful without the inclusion of Myanmar. Many cross-border highways are being planned to connect India to Myanmar and beyond, like the Rhi-Tidim and Rhi-Falam projects or the Moiwa-Chindwin-Thailand trilateral highway project. As with Bhutan, India can find a strong cooperation for hydroelectricity with Myanmar based on the upcoming 2000MW Tamanthi river project in Chindwin.

MC: Should India pursue a parallel alternate strategy to engage with Myanmar?

SS: If India develops institutional linkages with Myanmar through cultural exchanges, the problems of integration between the two nations can be handled effectively. With China, and especially its south, the question is whether it should be a part of the Bay of Bengal community. Myanmar has a lot of agricultural land and is the chief source of pulses for India. India's food security is thus significantly dependent upon agricultural exchanges with Myanmar. India at present enjoys a large presence in Myanmar; but slow delivery from the Indian side is hampering the true potential of this cooperation. India-Myanmar trade is increasingly gaining steam and it will continue to grow as long as Myanmar remains an agro-based economy. Military-military training can provide an opportunity to have a countervailing presence to China in the region. India is right to not get involved in Myanmar's domestic politics. India must be more aggressive in developing border trade now as western Myanmar is where most of trade with India takes place.

MC: Are the recently signed MoUs on criminal matters an indication of positive counterinsurgency operations between the two nations along the India-Myanmar border in India's Northeast? What results are they expected to yield?

SS: The MoUs are a positive step. Myanmar has so far been helpful and forthcoming in helping deal with insurgency problems in India's Northeast. The MoUs are only a culmination of what has been informally going on for the past decade.

MC: The perception however, is that Myanmar is less than interested in dealing with Northeast Indian insurgents in its territory. Why is this the case?

SS: Many of the insurgent groups operating along the India-Myanmar border are well-armed and highly trained. Myanmar has helped flush some of them out but there is not much incentive for Myanmar to take any action against them. For instance, Myanmar lost 20-25 soldiers in an operation against an NSCN (K) faction recently. Unless, India is willing to provide them with better logistical support and a stake in the maintenance of better relations, Myanmar would not be very keen on helping India with its insurgency problem. The Tamanthi river project is one more such multi-modal projects in the pipeline which will provide an incentive to Myanmar for stable border management. There are various other constructs to India-Myanmar relations. India's four highly sensitive states in its Northeast share a common border with Myanmar. In these states, insurgency and ethnic unrest are constant problems that spill across the border as well, and having a hostile Myanmar would only make matters worse for India. Even if Myanmar is not helpful in tackling these problems for India, which it is at present, it is still reassuring that it does not intend on getting hostile and hosting China against India if the need arises.

If we want Myanmar to be helpful in dealing with insurgencies which have sanctuaries on the Myanmar side, we have to give them a stake in keeping the border safe. Therefore, the Indian government-initiated cross-border projects like the Tamu-Kalewa highway, Tamanthi River hydroelectricity and offshore blocks in Bay of Bengal and the A1 and A7 gas blocks in Arakan region become important. India needs to push for infrastructure and energy projects in Myanmar. Since 1997, when the Myanmar army conducted a large scale operation against NSCN (K) and ULFA camps around the border areas, Myanmar's attitude has been very positive on anti-insurgency operations along the border.