



Connecting South Asia The Stilwell Road & Sub-Regional Networks

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The 'reopening' of the Stilwell Road, as it were, has come to occupy news space with renewed vigour in the past few of years. The road finds its inception at Ledo Road in Assam, through Nampong and Pangsau Pass in Arunachal Pradesh (the latter is the international border point) through Bhamo and Myitkina in Kachin State of Myanmar, to Kunming in China's Yunnan Province. The largest section of this currently dysfunctional route lies in Myanmar (1,033 km), a 61 km stretch traverses India and the remaining 632 km passes through China. It must be noted that this road was operational only during the period of World War II, during which time it was used as a military supply line. It lay redundant after this, as it does to this day. However, of late, the momentum for its operationalization has been gathering speed for a variety of reasons, which shall be explored in the paper. The calls for its 'reopening' are invariably used in the context of overland, cross-border trade. This however is a fallacy, since the route was never used as a trade conduit. This paper shall therefore refer to the reopening of the 'route', or the opening of the road.

In the mobilization of sentiment in favour of its opening, the five Ws have been recurrently posed and often answered: what, where, who, why, when. However, the debate has been unsuccessful in going beyond rhetoric to what is practical and achievable because of an inability to acknowledge three other omniscient questions: How would the task be undertaken? Would any challenges arise in its implementation? Are there

alternatives if the agenda for Stilwell cannot be met?

I WHY STILLWELL ROAD?

The primary reason for the renewal of interest in the route's reopening is due to the passage it provides to China. Apparently, it would help reduce transportation costs between India and China by 30 per cent, thereby giving a fillip to Sino-Indian bilateral trade. It would also provide a platform for synergy between India's Look East Policy (LEP, 1991) and the Vision 2020 document for the development of the Northeastern region (NER) released by Prime Minister Manmohan Singh in 2008. Engaging in trade through Myanmar, which is considered to be India's gateway to Southeast Asian markets, would allow for regional growth and development in the Northeast. It could also help develop niche production efficiency in the Northeastern states by attracting more investors to the region. In addition, this is thought to be a propitious time for the operationalization of Stilwell Road because of the present drive in Indo-Myanmarese relations, which are at an all-time high. Myanmar has also declared its intention to implement market reform within the country, which would ease bilateral trade negotiations and agreements.

Myanmar has in the past expressed serious reservations about opening the road, but recent reports suggest that the junta may have adjusted

its view. Previously, the expressions of doubt were a direct corollary of the control exercised in Kachin by the Kachin Independence Organization (KIO). However, the change in perspective suggests that although repeated peace talks have proved to be unsuccessful thus far, as evidenced by the latest round which took place in March 2012, the junta is more confident this time around of reaching a position of compromise that would be acceptable to both parties. Finally, India may also want to raise its profile in trade relations with and through Myanmar to counter China's entry into Southeast Asian markets. Currently, China is one of Myanmar's top two trading partners; India comes in at seventh place. Also, China's side of the Stilwell Road has been developed into a six-lane mountain highway, whereas the Indian side has regressed from a two-lane all-weather road to a partially paved, one-lane track. Interestingly, the construction of the stretch between Myitkina up to Pansau Pass in Arunachal Pradesh has been handed to China's Yunnan Construction Engineering Group which may be a clever Myanmar ploy to encourage a more active Indian engagement, or it can simply be attributed to Chinese efficiency which gives it an edge over India.

II HOW?

The discussion on the opening of Stilwell Road is unlikely to move from rhetoric to reality until micro-detailing is undertaken by policy and decision-makers. For this, a few specific observations may be flagged, most of which derive from lessons learnt from the border trade conducted at Moreh in Manipur and Tamu in Myanmar, which is

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currently one of two operational border points in existence. It could provide a blueprint of what not to do if Stilwell Road were to come online at some point in the future, and stress the importance of an all-round conducive environment for the conduct of bilateral relations instead narrowly focusing on mere trade requirements.

It would do well to keep in mind that one of the final goals of this project is enhanced sub-regional connectivity. Trade is only one of many factors that may lead to this. For the holistic development of a system for the sustenance of Stilwell Road if and when it becomes operational, structural changes on the Indo-Myanmar border will have to be undertaken.

Moreh in Manipur has both Land Customs and Currency Exchange Centres, but those who have visited the field reveal that they are under-staffed and dysfunctional. Therefore, while the government may stress that the institutions necessary for the smooth flow of trade are in place, their existence is no measure of their functionality. For instance, despite the signing of the Double Taxation Avoidance Agreement between Myanmar and India, which is meant to ensure that taxation occurs only in a company's country of permanent residence, tax irregularities abound. Traders therefore prefer to conduct their businesses through seaports in Kolkata, Mumbai and Singapore, even though a land access point with hugely reduced transport costs is available to them. Backward connectivity is also significant. National Highway 102 which runs between Imphal and Moreh in Manipur is dotted with check-posts to 'monitor' illegal activities, and 'taxes' have to be paid for due passage at each of them.

Another border point lies at Zowkathar in Mizoram, which connects with Rhi in Myanmar. Recently, the Ministry of Development for the Northeastern Region (DoNER) claimed that regular trade was being conducted through this route. However, despite claims of the existence of a Detailed Project Report (DPR) on the matter, there is little to no information available in the public domain that would enable interested parties to track its progress. A comprehensive public information campaign is therefore conspicuous by its absence. This was noted by both domestic and international investors and traders at the 7th DoNER-ICC Business Summit in 2011, who

acknowledged that the Northeast held great untapped potential for investment, but this proved difficult to pursue because of the lack of information.

To achieve forward, cross-border connectivity, internal, backward connectivity will first have to be established. Connectivity between the Northeastern states leaves a lot to be desired. In particular, the stretch of road between Nampong and Pangsau Pass, which incidentally translates as 'Hell' Pass, is almost completely unnavigable. An infrequent public bus service plies until Nampong where weekly markets are held, and there is no vehicular transport from Nampong to Pangsau. Under the Special Accelerated Road Development Programme-Northeast (SARDP-NE), National Highway 153 between Ledo and Pangsau Pass is currently under construction. Work is in progress in Assam within Phase-'A' of the programme, and it is recommended that the portion in Arunachal Pradesh also be worked on concomitantly.

Indo-Myanmarese relations are touted to be going from strength to strength. However, atmospheres of goodwill are time-bound and have a sense of immediacy. It is important for India to tangibly signal to Myanmar its interest in opening Stilwell Road before the momentum slows down. Myanmar's deputy foreign minister, Myo Myint, in a meeting in New Delhi in February 2012 indicated that Myanmar was expecting India to 'come forward with assistance'. He went on record to say, "Myanmar is India's only bridge to Southeast Asia," suggesting that if India wished to have a slice of the lucrative Southeast Asian pie, it would have to pay its entrance fee, as it were, in the form of investments in Myanmar. The list of tradable items between India and Myanmar was recently expanded from 22 to 40, and it is hoped that demands for further expansion would be met soon. In addition, in a 2011 meeting an agreement was reached between Anand Sharma, India's Minister for Commerce and U Khin Maung Lay, Chairman of the Myanmar Trade Council, to aim at doubling bilateral trade from USD 1 billion to USD 3 billion by 2015.

To encourage greater engagement as a backdrop to enhanced connectivity, common cross-border cultural heritage must be taken advantage of. The Kachins of Myanmar find their equivalent in the Singphos of Arunachal Pradesh,

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business between whom was conducted much before formal cross-border trade started taking place. A system could therefore be created for community-oriented cross-border business exchanges which would work on an already established cultural footing. In October 2011, India and Myanmar in reciprocal gestures made provisions for passport-free, one-week visits by the relevant communities on either side to 16 km within both Myanmar and India (in the states of Arunachal Pradesh, Mizoram, Manipur and Nagaland, where the Singphos are largely concentrated), which suggests that moves are being made in the right direction.

Tourism, in this context, could go a long way in strengthening linkages especially because there is already a demand in remote areas of Kachin State for medical visits to Nampong (Arunachal Pradesh) and Jairampur (Assam) in India, as well as nostalgia tours to the four states where one may find Singphos. To aid this, a review of security restrictions is mandatory. The Protected Area Permit (PAP) was lifted from Nagaland in January 2011 on a pilot basis for one year, and it immediately yielded tangible results. In 2012, the Chief Minister of Nagaland noted that the state's biggest tourist attraction, Hornbill Festival, held annually in December, recorded the largest number of foreign tourists since its inception in 2011. Most of the international visitors were from Southeast Asian countries, and more importantly, a large profile of the tourists was constituted of investors hoping to get a lay of the land.

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and seek to emulate some of the work being done in Yunnan Province for sub-regional connectivity, such as opening an Indian consulate in the Northeast for visitors from neighbouring countries. This would make perfect sense given that the entire region is landlocked by international boundaries.

III

POTENTIAL CHALLENGES THAT MAY ARISE IN THE OPERATIONALIZATION OF STILWELL ROAD

The attention accorded to Stilwell Road speaks volumes of inter-state politicking and the 'enclavization' of Assam in matters of the Northeast. It is a fact largely acknowledged that of all the states in the Northeast, Assam enjoys the most ministerial clout at the Centre. It is therefore little wonder that Stilwell Road, which is the only cross-border route that gives Assam a starring role, has garnered so much scrutiny despite lying in a state of utter disrepair for decades. This too perhaps at the expense of other routes and border points that are in existence. In discussions about Stilwell Road, the two extreme points are most often spoken of: Assam in India and Yunnan in China. Arunachal Pradesh and Myanmar sometimes only merit a mention. The problem thus posed is whether both Arunachal Pradesh and Myanmar would act as mere transit routes or comprehensive trade points, and whether this might endanger the development in particular of the Northeastern region at the expense of Assam. This might not necessarily be true because a case can also be made for development through transit, taking Singapore as an example, but the question must be asked nevertheless.

In all the fanfare surrounding the opening of the road in the unforeseeable future, the existing border points (Moreh-Tamu, Zowkathar-Rhi) and one in the pipeline (Avangkhung in Nagaland with Leshi in Myanmar) and the additional work that they require may very easily be sidelined. It must therefore be taken into account that with the exception of land connectivity with China, all the developmental goals that are trumpeted as prizes to be won from the opening of Stilwell Road can be achieved through the routes in operation and

their upkeep ought to merit the same level of attention.

Opposition to the operationalization of Stilwell Road may also be encountered in the form of local criminal and extortionist rackets whose business interests are better served in the absence of formal trade, which brings with it mechanisms that would stem the steady flow of smuggled goods across international borders. Their objection is noteworthy because of alleged ties with the bureaucratic, business and political elite, many of whom are known to have stakes in illicit trafficking businesses.

The issue may also be held up in the Ministry of External Affairs (MEA) because of China's claims over Arunachal Pradesh. Making this strategic outpost less accessible to China therefore may trump the economic gains that the opening of the route would help accrue.

IV

CONCLUSION

In the anointing of Stilwell Road and the promises it holds for trade with China, it is important to consider whether there are systems in place that would sustain the road post its opening and learn from precedents set by routes in operation. The opening of Stilwell Road cannot be looked at in isolation. This would encourage the debate to move from the realm of rhetoric to reality, and ask if the debate for the argument outweighs the debate against its opening.

Only once the 'hows' and potential roadblocks are dealt with can the 'when' be answered, or a tentative timeline for its operationalization be created. Until then, Stilwell Road can most certainly be prioritized as is the current trend, as long as the working routes and their upkeep do not fall by the wayside at the expense of it.