



India and Myanmar Looking East through a Strategic Bridge

Harnit Kaur Kang

Research Officer (SEARP), IPCS, New Delhi

How significant is Myanmar to India's calculations? This paper examines the feasibility of closer India-Myanmar relations, under the larger diagram of India's Asia-centric Look East Policy (LEP). It delves into the major obstacles, the headway made so far and avenues that hold the potential for the same.

I UNDERSTANDING MYANMAR'S STRATEGIC IMPORTANCE

Myanmar holds the promise of tremendous strategic and economic consequence. It is abundant in natural resources, yet stands as an island of stagnation among a sea of burgeoning Asian economies. The US led and self imposed periods of isolation have dealt a blow to its citizens. The 2007 uprising against the military regime were symptomatic of not only an ailing civil society infrastructure but more importantly, it was an act of public disobedience against an imposed destitution upon an otherwise well endowed country. Perhaps it is an acute awareness of this untapped economic potential of Myanmar that has contributed to the frustration of not only internally, its own citizenry but also externally of its neighbors and the international community. In Myanmar there is hardly any civil society infrastructure or room for dissent let alone multilateral political participation. Given Myanmar's highly centralized and defensive state apparatus, the ability of another nation to make inroads is no ordinary feat. Foreign direct investment even if funneled through a military dictatorship is bound to have at least some trickle down effect for the masses. It is certainly the preferred option over isolation which ultimately is detrimental towards not only the Myanmar citizenry but also India's geopolitical interests.

According to a 2009 news report published by the BBC, the Indian delegation was in talks with Myanmar officials to increase cooperation to tackle insurgents in India's North-east whose activities facilitated by porous borders have had an adverse effect on development in both countries.

Lawlessness in the region also bolsters a thriving informal economy. To improve communication, cross-border fiber optic cables were installed along the Myanmar border during the Indian delegation's visit. In a mood of goodwill, the Myanmar officials also expressed their gratitude for India's assistance in wake of the devastating cyclone Nargis. During this visit India's LEP was elucidated to the Myanmar officials and how according to Indian perceptions; their country is valued for not only routing insurgents in India's Northeast but also as a gateway to Southeast Asia.

II INDIA'S INITIATIVES: ECONOMIC COLLABORATIONS

India's economic collaboration with Myanmar has been slow but it has been steadily increasing and diversifying since 1999 onwards. The first major project was inaugurated in 2001 with the setting up of the 160 km long *Tamu-Kalewa Kalemyo* highway. It was a whopping 90 crore undertaking that was entirely funded by the external affairs department of the Indian Government. This road joined Moreh, a town in the Indian state of Manipur to Mandalay, the second largest city of Myanmar. This venture was not only meant to jumpstart the thawing of relations between Myanmar and India but had the dual purpose of putting India's neglected Northeast on the path to development.

A noteworthy facet of Indo-Myanmar's commercial relations has been India's employment of energy diplomacy to build an enduring relationship. As recent as May 2009, a colossal initiative to develop hydropower in both Myanmar and Bhutan by India's state owned company, NHPC Ltd was publicized. The initial memorandums of understanding (MoU) between the governments were signed in September 2008. This is a project whose cumulative estimate is Rs 45,000 crore and it shall harness the resources of Myanmar's Chindwin river basin. This is not merely a build and gift project but a symbiotic relationship is expected. To this effect, the Indian government endeavors to set up

transmission links from these hydel projects in Myanmar to Northern India, which shall be the last place of intake. The Power grid corporation of India Ltd shall take up construction of the transmission projects. By building such long term partnerships for infrastructural collaboration, India is not only polishing its image but also possibly creating a certain co-dependence between the two neighbors.

There have also been diversifications towards the development of gas and oil. Indian companies have been conducting explorations in Myanmar, for a while now. In 2008 plans were laid in principle for an India, Myanmar and Bangladesh onshore pipeline that would carry natural gas to India from large hordes in Myanmar through the territory of Bangladesh. Interestingly enough, such collaborative developmental projects often find opponents in the Myanmar citizenry themselves. The pipeline agreement, for instance elicited protests in Myanmar, wherein it was alleged that such projects shall come to fruition only under massive human rights abuses, displacement of people, forced labor camps and occupations by the Military Junta. Regardless, the agreement was signed between the Indian and Myanmar government, despite the Shwe Gas Campaign Committee (India) a banished Burmese campaign group imploring the Indian government to postpone production until Myanmar returned to democracy. In such a circumstance it is hard to judge whether it is in the true interest of the masses to postpone development in anticipation of an idyllic future. More importantly, it is hard to predict whether the decision by the Indian government shall be found offensive if and when the National League for Democracy (NLD) comes to power.

In 2003 there were mutual visa exemptions for diplomatic and official passport holders and a MoU for cooperation on human resource development. In 2008 the Double Taxation Avoidance Agreement (DTAA) was signed (to come into effect in 2010) which aimed to stimulate investment, technologies and services between the two countries, besides providing a steadiness in commercial transactions. The same year, the Indian government put forth nearly \$2 million for the establishment of IT training center at Yangon, the capital city. India and

“There is a slim chance that India could induce any major political transformations in Myanmar internally, given that the entire western world has failed so far.”

Myanmar's membership in the sub regional groupings such as the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) has also facilitated closer ties and partnerships on matters of mutual interests. The Mekong Ganga initiative is another significant regional platform that brings neighboring states of Thailand, Myanmar, Cambodia, Laos and Vietnam into the circle of cooperation. It focuses on four areas of mutual aid namely, tourism, transportation, culture and education. Clearly, there is a substantial regional apparatus already in place to deepen commercial and regional cohesion; it only requires regular political reinforcement to give it momentum.

III CHALLENGES TO INDIA-MYANMAR AMITY

The West casts a disapproving look at India's attempts to reinforce ties with a regime that they have previously and continue to ostracize. France and Germany have beckoned India and China to pressurize Myanmar to reform in the sphere of democracy and human rights. Prior to Aung San Suu Kyi's arrest, major superpowers including Japan, USA and EU had been re-examining their isolationist stance towards Myanmar. However, the absurdity and harshness of Kyi's most recent arrest had short circuited this approach.

Be it democracy or human rights, no enduring change can sweep Myanmar through external pressures. These battles have to be won internally for there to be any genuine long-term change. There is a slim chance that India could induce any major transformations in Myanmar internally, given that the entire western world has failed so far. The unscrupulous and repressive tactics of the military regime and the resultant unpopularity both internally and externally cannot be ignored perpetually by its immediate neighbors, especially India.

It may be permissible for China to ignore the Junta's modus operandi for it is notorious in its own right for similar transgressions against its own citizenry. India on the other hand is a parliamentary democracy and it would be ideologically congruent and perhaps sensible in the long-run for it to support the democratic movement in Myanmar. The west shall certainly support this line of reasoning, but perhaps distance makes it convenient to do so. India is at the hub of a rough neighborhood (i.e. South Asia). The nature of security threats that India has to contend with is a lot more immediate. Given such a tumultuous environment, it suffices to merely secure friendship as opposed to the 'ideal' friend.

The reasons for India engaging Myanmar are clearly not ideological but strategic. To win an ally

in Myanmar would translate to having a leg up on the geopolitical power play relative to China. However, it would be naïve to assume that Myanmar would pick one, when it could have both neighbors soliciting concessions to win its favor. Moreover, it is likely that China shall consistently outshine India in terms of what it can offer materially to Myanmar in the defense, infrastructure and economic sectors. As a permanent member of the UN Security Council, China can truly transform into Myanmar's hero by vetoing sanctions against it.

However, disengagement in light of these odds is not the solution. It might be prudent for India to continue engaging the Military Junta but also not discount Myanmar's democratic movement and in doing so save for a rainy day. A day when democracy blooms in Myanmar, could possibly be a day when India shall be unequivocally preferred over China. The respite of democracy shall possibly allow Myanmar to better facilitate itself as a gateway for India into Southeast Asia. India's LEP which seeks a solidifying of ties with not only the Southeast Asian countries but also others such as Japan and those in the Asia Pacific region, has often been understood as a counter-China policy. On the face of it, the LEP entails collaboration both bilateral and multilateral; nevertheless there is an inherent competitive streak, which seeks to bolster India's influence in East Asia. In doing so the LEP hopes to thwart any one country from having a monopoly in the Southeast and Asia Pacific region. Given the sheer size, rapid economic growth and proactive maneuverings of China (despite its iron curtain leanings), it qualifies as *the* monopoly to reckon with in this region.

Recently, the energy sector has become the theatre where this competition between India and China via Myanmar has manifested. Arrangements for a gas pipeline from Myanmar's Arakan seashore to China's Yunan province have recently been finalized and construction is scheduled for September 2009. India's plans for procuring gas from Myanmar's rich reserves in a cost effective manner were impeded by Bangladesh's unwillingness to permit passage of a pipeline through its territory. This trilateral agreement on the pipeline had been on the negotiation treadmill for all but a decade, with no signs of an execution. Bangladesh milked this project as an opportunity to get India to concede various unrelated demands including removal of tariff restrictions and giving Nepal access to India's trade and hydropower schemes. Consequently, this undertaking ended up being a bigger imbroglio than what India had anticipated. It seems that while India is concerned about the rising influence and affluence of China; countries such as Nepal and Bangladesh may harbor similar feelings about India. So far, China has



beaten India in the race to secure vital oil and gas reserves from Myanmar and unless India devises an alternative plan that bypasses Bangladesh; it might forgo some very lucrative deals in the crucial energy sector.

IV

INDIA'S MYANMAR STRATEGY: CRESTS AND TROUGHS

After the guarded decades of the 1980s and 1990s India smartened up so to the opportunities and perils on its northeast frontier that it even applied religion as a unifying denominator. According to Poon Kim Shee, "Buddhism and Hinduism were depicted by the Indian leadership as branches of the same tree. In August 2000 for example the Military Junta allowed a Hindu extremist movement Rashtriya Swayamsevak Sangh (RSS) to open a branch in Rangoon."

Through goodwill, economic concessions and a low profile on the Myanmar's internal strife, India has been able to secure some assistance in return. This is mostly as far as combating the insurgencies in India's northeast and cracking down on the common problems of drugs trafficking and arms smuggling. It would be safe to assume that India's Myanmar's policy has been intermittent.

The most prominent issue for India is China's feats in the region. Despite the compatibility of the respective military structures, India's long term interests shall be better served through a democratic administration in Myanmar and herein lays the tight rope that India has been walking in the diplomatic circles. It is not so much a game of appeasement as it is maneuvering so no one party is 'displeased'. India is in a strategic space wherein the costs of displeasing any of the parties are high, be it the Military Junta, NLD, UN, EU or USA.

Presently India is in a position wherein it shall be penalized for both supporting the democratic movement in Myanmar and also for not. However, these problems stem from ideological polarities and

do not imply that the Indian foreign policy towards Myanmar has been inadequate. In fact what has been proven ineffectual is the western tactic of imposing sanctions. So obstinate is the Junta's concern for its independence from the West that it has denied democratic reforms at the cost of considerable foreign aid that it could have received for some modifications to its political structure. Today, even the major western superpowers and inter-governmental organizations are taking into account the engagement policies that have been applied by China, Russia and India towards Myanmar.

V CONCLUSION

India's LEP has perhaps found its wings as far as building bilateral and multilateral alliances with most ASEAN member states in the commerce, cultural and defense sectors. However, the LEP is not yet on firm footing with its immediate neighbors (Myanmar and China) in the northeast. In this regard it is worth noting that neither of these countries are conventionally liberal market economies or democracies. Perhaps herein lays a rationalization for their natural camaraderie and also India's inability to make substantial headway, competitively. In order to have an enduring and fruitful relationship with the Southeast Asian countries, India should go beyond the institutionalized avenues of ASEAN summits and partake in shrewd realpolitik. This warrants a competitive streak when it is open season for major commercial and defense agreements, especially with regards to a resource rich and strategically well placed country like Myanmar.

The economic growth of both India and China is tipping the geopolitical scales in Asia. The dominant player shall be one who possesses the ingenuity to respond appropriately and quickly to whichever opportunity that may present itself. It may very well be that a mammoth country like, China is capable of out doing India perpetually on all things material. However, Myanmar's strong-willed nationalism shall not allow this mammoth to employ it as a protectorate. Perhaps it is this nationalism coupled with China's imperial disposition may also be instrumental in disallowing it from acquiring an economic monopoly within Myanmar. A diversity of foreign direct investments in Myanmar shall certainly be a more desirable option for India than reckoning with an ominous monopoly. India's LEP particularly in the long run must include not only the booming Southeast Asian economies but also others such as Cambodia, Laos, Vietnam and the East Asian countries like North and South Korea. Engaging Japan shall be particularly helpful in honing the counter-China strategies. Unless a proactive realist

approach is taken on it shall be quite hard to become a permanent or substantial fixture in the Asian political-economic landscape and realize the goals of the Look East Policy.

References

- "Burma to act against Northeast Indian Militant groups," *BBC Monitoring Asia Pacific*, Supplied by Worldwide Monitoring. February 2009.
- "Corporate: NHPC signs pact with Myanmar to develop two hydel projects," *Financial Times Information Limited-Asia Africa Intelligence Wire*. 2008.
- Devare, Sudhir. "India's Strategic Engagement with Southeast Asia," *Regional Outlook: Southeast Asia, Singapore: Institute of Southeast Asian Studies, 2007-2008*.
- "Indo-Myanmar relations in the era of Pipeline Diplomacy," *Contemporary Southeast Asia*, December 2006.
- Gupta, Alok Kumar. "Myanmar Imbroglio: Foreign Policy Challenges for India," www.acklinspublications.com/Myanmar%20Imbroglio.pdf
- Morten. Pedersen. B. "Promoting Human Rights in Burma: A critique of Western Sanctions Policy," *Contemporary Southeast Asia*, Vol 39, No 3, 2008.
- Naidu, GVC. "Whither the Look East Policy: India and Southeast Asia," *Strategic Analysis*, Vol.28, No.2, April-June 2004.
- South, Ashley. "Political Transition in Myanmar: A New Model for Democratization," *Contemporary Southeast Asia*. Vol. 26, No.2, 2004.
- Shee, Poon Kim. "The Political Economy of China Myanmar Relations: Strategic and Economic dimensions," *Ritsumeikan Annual Review of International Studies*, 2002.
- Than, Tin Maung Maung. "Myanmar: The Dilemma of Stalled Reforms," Singapore: Institute of Southeast Asian Studies, Research Paper No. 10, September 2010. <http://www.iseas.edu.sg/pub.html>



**SOUTHEAST ASIA
RESEARCH PROGRAMME (SEARP)**

INSTITUTE OF PEACE AND CONFLICT STUDIES

B-7/3, Safdarjung Enclave, New Delhi, India,
110029, Tel: 91-11-4100 1900

SEARP is supported by the SAEA Group,
Singapore

