

India and Myanmar: making up for lost time

Prime Minister Narendra Modi embarks on an [official bilateral visit to Myanmar](#) from September 5. This follows upon his earlier ASEAN-related visit in November 2014 and former Prime Minister Manmohan Singh's visit in May 2012. Though overdue, taking into account Mr. Modi's 'Neighborhood First', 'Act East' and diaspora policies, international and domestic developments since then have clarified the political context of the visit to an extent not possible earlier. These include the impact of [elections in Myanmar in November 2015](#) and in the U.S. in late 2016 that brought Aung San Suu Kyi's National League for Democracy (NLD) to power in Myanmar and Donald Trump in the U.S.; the finalisation of [China's Belt and Road Initiative \(BRI\)](#) and its [assertiveness in the South China Sea](#); the [India-China border stand-off](#); and Myanmar's travails over the peace process, the [Rohingya issue](#) and the economy.

The visit is taking place amidst some of the worst violence involving Rohingya militants and the Myanmar security forces ever resulting in a full-fledged international crisis triggered by large-scale, coordinated attacks by Rohingya militants under a recently formed Arakan Rohingya Salvation Army (ARSA, now designated as 'terrorists') against government and security outposts in northern Rakhine state on August 25-26.

The attacks and clearance operations against it have resulted in some 400 (and mounting) deaths, mostly Rohingya; widespread arson and burning of villages allegedly by both sides; displacement of thousands within Rakhine state and across the Naf river to Bangladesh; and severe disruption in food and humanitarian supplies. The Modi government has unequivocally condemned the "terrorist" attacks at a time when the security forces and Ms. Suu Kyi herself face heightened international criticism on the handling of the issue. This is likely to resonate in Mr. Modi's favour in Myanmar.

The visit is also taking place against the backdrop of uncertainties in the future India-China relationship caused by the now defused Doklam stand-off and the BRICS summit. Sensitive to its location between the two Asian giants, Myanmar is keen to leverage the growth potential of good relations with Asia's two fastest growing economies. But it is also wary of its economic dependence on China, characterised by a largely extractive relationship focused on natural resources and access to the Bay of Bengal where it already has an oil and gas terminal, concession to build a Special Economic Zone and seeks a possibly controlling stake in a natural deep sea harbour at Kyaukpyu that could form part of its ambitious BRI. The shadow of China is thus likely to loom large over the visit. Myanmar would welcome closer economic ties with India to balance and offset its domineering ties with China. Characterisations of a 'Great Game East' between India and China are, however, greatly overstated.

Beyond these topical issues, and the issue of Indian insurgent groups in Myanmar, which remain a matter of concern, the optics of Mr. Modi's much anticipated visit will most likely be taken up by the fundamentals of the bilateral relationship: the substantive development partnership, trade issues, and revival of cultural and people-to-people ties. Defence relations too have been growing steadily, especially between the two armies and navies. Security related talks have been taking place at the National Security Adviser (NSA) level.

A number of bilateral agreements in the areas of capacity building, health, culture, and development, and one on maritime security are on the anvil, building on India's nearly \$2 billion development partnership with Myanmar so far. These cover large directly funded and executed connectivity infrastructure projects like the Trilateral Highway, the Kaladan Multi-modal Transport and Transit Project; high value capacity and human development projects like the Myanmar Institute of Information Technology in Mandalay; more modest ones in industry, IT, health,

entrepreneurship and language training; small border area development projects in Chin and Naga areas of Myanmar; and soft lines of credit for other infrastructure projects amounting to nearly \$750 million. Much of this still remains to be utilised.

Though this may not be adequately realised even in Myanmar, few countries are undertaking such large infrastructure and human development projects out of government funds as India is. When they are all completed and fully operational by about 2020, they will amount to a substantial mass and base for an expanded relationship.

Lamentably, the same cannot be said of commercial trade and investments. Both stand on narrow bases, primary agricultural and forest products from Myanmar in the case of trade, and oil and gas in case of investments, underlining a strong need to expand, diversify and upgrade commercial ties in ways that also contribute to Myanmar's development needs and meet India's \$3 billion trade target set in 2012.

To an extent not often realised, trade has been the keystone of our post-Independence relationship that survived both the nationalisation of the 1960s by the military government of Ne Win and the Western economic sanctions since the crackdown on democratic aspirations starting from the 1980s. Critical to this trade are Indian imports of beans and pulses that play a vital part in our food security and Myanmar's economy. Standing at around a million tonnes and \$1 billion in value, over 90% of which is exported to India, it is vital to Myanmar's farmers and foreign exchange earnings, greater even in the value of its exports of rice to China that are prone to periodic restrictions, tough inspections and crackdowns on informal trade at the Myanmar-China border. Past attempts to open a limited market for Myanmar rice in India as an alternative to China, have floundered on vested public distribution interests in India and should be re-opened.

Unfortunately, the recent decision to impose quantitative restrictions on the trade in pulses does exactly the opposite, notwithstanding recent relaxations on orders already paid for. In part, this is because of our own concerns *vis-à-vis* speculative global trade in pulses that has resulted in incentives to increase and protect domestic production in India and induce Myanmar to move towards a government-channelised trade to stabilise prices and in part on account of resistance to such a move in Myanmar.

Underlining our strong cultural, people-to-people and diaspora relationship, Mr. Modi will also visit Bagan where the Archaeological Survey of India is in the final stages of a face-lift to the venerated Ananda Temple and where the Cabinet has approved Indian assistance for the restoration of pagodas damaged by the powerful 2016 earthquake; and Yangon, where he will address the Indian-origin and Indian community and visit places religious, cultural and historical importance.

In his official meetings with President Htin Kyaw and State Counsellor Suu Kyi in Nay Pyi Taw, Mr. Modi is likely to forge a bold strategic vision for bilateral relations, taking advantage of the consensus cutting across political parties and civil and military pillars of Myanmar's polity towards stronger ties with India and project India's economic and strategic footprint in the region between the Bay of Bengal to the South China Sea.

Key elements of this vision could be greater attention to emerging political forces, ethnic states and the peace process as part of our democratic political outreach; converting our investments in the Trilateral Highway and the Kaladan to fuller trade and investment corridors and use Indian investment in the Greater Mekong Sub-region as an arm of our foreign policy with a focus on agriculture, agro-industries and light industry; a broader development partnership reaching to the grassroots with the help of civil society; specific prongs in our 'Act East' policy through the Northeast and Bodh Gaya as a pilgrimage centre; and a new political approach to the IIG issue (Indian Insurgent Groups) beyond an intelligence-based approaches. These could perhaps find

expression in a joint document sooner or later.

The objective should be to restore the balance in Myanmar's relations between East and South Asia that has been lost with the eastward tilt in Myanmar's external relations over 50 years of insular military rule during which the two countries have forgotten the habit of thinking of themselves psychologically as immediate neighbours.

Gautam Mukhopadhyaya was Ambassador to Syria, Afghanistan and Myanmar before retiring from service in May 2016

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