New Neighbors: Changing Relations with China, India and Thailand

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Versions of these articles were initially presented at the conference “Myanmar in a Regional Context,” organized by the East West Center in Washington in collaboration with the Johns Hopkins Paul H. Nitze School of Advanced International Studies (SAIS).
Securing India’s Northeast:
Factors Driving New Delhi’s
Myanmar Policy
By K. Yhome

Following the launch of political reforms in Myanmar in 2011, and the subsequent reengagement of the West with Naypyidaw, much attention has been focused on the geopolitical rivalry between the US and China for influence in the country.

But India, another major power in the neighborhood, too has much at stake in its relations with Myanmar. In the changes in regional geopolitics and Myanmar’s political landscape, New Delhi has been recalibrating its diplomatic, security and economic approach towards the country, writes K. Yhome.

AS AN IMMEDIATE NEIGHBOR, Myanmar is of immense consequence to the wellbeing, stability and security of India’s eastern region. Sharing with India a long land boundary as well as the Bay of Bengal in the maritime realm, Myanmar is India’s gateway to the East. Even as this geographical reality has long shaped India’s political, economic and cultural ties with Myanmar, the bilateral relationship has oscillated from “close friends” in the post-independence period to “estrangement” when Myanmar came under the rule of the military junta and then entering into a “pragmatic” relationship in the 1990s. This, however, does not negate the fact that there is no fundamental contention between India and Myanmar. The current phase of the relationship began since Myanmar initiated a democratic transition in 2011 and is increasingly being characterised by “cordiality” and “mutual respect.”

The importance of Myanmar in India’s neighborhood has been growing for several reasons in recent years. Underlying the strategic significance of Myanmar to India, Prime Minister Narendra Modi recently said that “India attached the highest priority to its relations with Myanmar” and reaffirmed “India’s position as a reliable partner in Myanmar’s development.”1 Importantly, the first India-Myanmar Joint Consultative Commission (JCC) meeting, led by foreign ministers of both countries, was held in July 2015, signalling greater understanding signed in 2012 between India and Myanmar on border security and stability.

New Delhi needs Naypyidaw’s co-operation to achieve four strategic goals: to develop its northeast region, to diversify its energy supplies, to enhance border security and stability including maritime security, and to develop linkages with Southeast Asia through Myanmar. New Delhi’s diplomatic, economic and security initiatives in Myanmar are driven by its desire to achieve these objectives. This article examines the key factors driving India’s Myanmar policy and makes a critical assessment of New Delhi’s approach.

Border Security and Stability
A major driver of India’s Myanmar policy is its sense of vulnerability in its northeast region, which shares a land border of over 1,600 kilometers with northwestern Myanmar. For border stability and development, New Delhi is aware of the important role that Myanmar can play in minimizing its security concerns, on the one hand, and for the development of the region through economic interactions with Myanmar, on the other.

Geographically, India’s northeast is landlocked. Surrounded by Bangladesh to the south, Bhutan to the northwest, China to the north and Myanmar to the east, it is linked to the rest of the country by a narrow stretch of land known as the Siliguri Corridor. Given this geostrategic location, the internal stability and security of the northeast region is susceptible to external linkages. India has an unresolved border dispute with China in Arunachal Pradesh and dozens of ethnic minorities in the northeast have waged some of the world’s longest insurgency movements against the Indian State, with goals varying from complete independence to autonomy. Ethnic groups such as the Nagas and the Chins are found on both sides of the border. Rebels take advantage of the ethnic linkages across the porous border to carry out their insurgent activities. From a nation-building perspective, the northeast region is still a work in progress and this further adds to the security concerns.

In addition, stability in the northeast region is critical for economic development and as India’s land link to Southeast Asia. Economic development is vital for long-term peace and stability in the border regions. The opening up of borders for trade and development through border infrastructure are aimed at spurring economic development in the northeast region. Under a memorandum of understanding signed in 2012 between India and Myanmar on border area development, New Delhi granted assistance of US$5 million a year for five years for development of basic infrastructure in the border areas. India is also building a multi-million dollar sea, land and inland waterway transport project in the Kaladan River in co-operation with Myanmar to provide sea access to its northeast region and also as an alternative route to link the region with the rest of the country through Myanmar.

These interlinked concerns of stability and security in the northeast region are a policy priority of New Delhi’s engagements with its eastern neighbors. In fact, New Delhi has been able to bring on board Bhutan and Bangladesh to flush out insurgent groups with safe havens in these countries in the recent past. In the 1990s, New Delhi engaged the junta to seek Myanmar’s co-operation to tackle insurgency issues. The successes of defence co-operation with some of its neighboring countries have emboldened India’s security establishment to replicate a similar experience in Myanmar. In early June this year, the Indian army conducted a cross-border raid against Indian insurgents with bases in Myanmar.2 This was yet another significant operation towards further involving Naypyidaw in border security co-operation.

Military-to-military ties have been growing between the two countries. India’s defence co-operation with Myanmar for border security and the modernization of Myanmar’s armed forces have taken the form of frequent high-level exchanges, training, joint operations, intelligence sharing, joint exercises and the supply of defence equipment. Several bilateral border security mechanisms, such

as the Regional Border Committee, have been put in place to strengthen border security. Border security and stability have emerged as a major area of India’s defence co-operation with Myanmar, and the strengthening of defence ties in recent years is a reflection of the growing understanding of each other’s sensitivities and concerns and has increased mutual trust and confidence between the leadership of the two countries.

Diplomatic Goals
New Delhi’s primary diplomatic goal is to ensure its eastern neighbor remains strong, stable and prosperous. A politically unstable and economically weak Myanmar could spell disaster for India and become a fertile ground for power plays by major powers. New Delhi believes that a strong Myanmar is in its long-term strategic interest, because this will allow Naypyidaw to maintain its long-standing principle of “neutrality” in foreign policy.

Myanmar’s democratic transition and re-engagement with the international community has been the most important development in recent years, with immense implications for India’s ties with Naypyidaw. History shows us that political changes inside Myanmar have direct implications for India-Myanmar ties. New Delhi is aware of the significance of the current political changes in Myanmar. It views the country’s ongoing changes as positive steps for economic development as well as for addressing the various challenges associated with diverse societies. India has commended Myanmar’s leadership for the progress made in its transition so far and has extended full support to the process of change that has been unfolding in that country. As a diverse society itself, India firmly believes that democracy and an inclusive approach are critical for Myanmar’s peace and stability.

The opening up has also allowed Naypyidaw to diversify its strategic options by engaging the West, particularly the US, while reducing its dependence on its northern neighbor, China. At a time when the geopolitical dynamics of the Indo-Pacific region are undergoing drastic changes, Myanmar is being wooed as a potential partner by major powers, as they compete for regional clout and influence. India believes that Myanmar’s “neutrality” is critical for regional power balance, given its geostrategic location at the crossroads of Asia.

One of the key factors that prompted India to review its Myanmar policy in the 1990s was China’s growing strategic penetration into Myanmar. Over-dependence by Myanmar on one country could compromise the country’s independent foreign policy. New Delhi supports Myanmar’s active role in various regional and sub-regional groupings such as the Association of Southeast Asian Nations (ASEAN) and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Co-operation (BIMSTEC), because this gives Naypyidaw more diplomatic and economic options.

Economic interests
India’s economic interests in Myanmar are driven by its growing demand for energy to strengthen its economic footprint and to seek greater connectivity with and through Myanmar. The goals are both economic and strategic. Economically, New Delhi wants to help Myanmar develop its untapped rich natural resources, and the income generated could be invested by Myanmar for its much-needed socio-economic development. Strategically, New Delhi would like to see a more balanced economic presence by external players. To this end, India’s economic interactions are geared towards providing alternative options to Myanmar.

As India’s energy demand grows, New Delhi has been diversifying its energy supplies. Most of India’s investments in Myanmar — estimated at over US$1 billion — have been in the oil and gas sector. Indian state-owned firms such as GAIL and ONGC-V have a significant stake in the Shwe offshore gas fields, as well as in the Myanmar-China pipeline project that transports gas from the Shwe fields to China. Even as Indian companies have profited from their investments, India has so
far been unable to bring home gas from Myanmar. Geopolitics, difficult terrain, security challenges and financial constraints have meant that New Delhi could not push for a pipeline from Myanmar to India. Alongside Myanmar’s changing political landscape and its improving relations with Dhaka, New Delhi is again showing interest in reviving discussions on the trans-national pipeline from Myanmar through Bangladesh. Even so, India’s options are also not limited to Bangladesh. In fact, plans to transport LNG through India’s northeast have also been considered. As demand grows and with more Indian companies investing in Myanmar’s energy sector, New Delhi will consider these options in the future.

India is keen to take advantage of the geographical location of the northeast region to push for connectivity with its neighboring countries with the aim of further integrating its economy with neighboring economies. New Delhi has undertaken cross-border connectivity infrastructure projects to strengthen ties with Myanmar. An important such project is a trilateral highway in co-operation with Thailand and Myanmar being built to link India’s Northeast with Thailand through Myanmar. This highway will also be extended to Cambodia and Vietnam. There is also plan to link India with Myanmar through a railway line. For its part, India has been making significant progress in building a rail line in the northeast that will be further extended to Myanmar.

Economic co-operation has expanded over the years. However, recognizing the substantial potential for much greater trade, India and Myanmar have instituted high-level annual meetings to facilitate expansion in bilateral trade and investment, including the India-Myanmar Joint Trade Committee, chaired by commerce ministers from the two countries, and the Joint Trade Investment Forum, chaired by senior business leaders from each side.

A Critical Assessment

There is a view that India’s defence co-operation with Myanmar to address cross-border insurgency has not achieved the desired goals. It is true that even after more than two decades of border security co-operation, cross-border insurgency remains a major challenge. However, the problem is not so much about the commitment on the part of the two governments. The problem seems to lie in the Myanmar government’s lack of control over large swathes of its border areas, and because Naypyitaw’s immediate security challenges come from its much stronger rebel groups in the north and east, and hence its western border, where Indian insurgents are most active, is not a priority for the country’s armed forces. Nevertheless, as New Delhi’s security interests expand to not just securing its borders but improving the security situation in the northeast region in order to promote economic development and trade, its interest in seeking Myanmar’s co-operation at the border have further expanded.

India’s economic approach towards Myanmar is sometimes viewed only through the prism of its energy and commercial interests. Surely, as a growing economy, India is diversifying its energy supplies and Myanmar, being next door, is an attractive proposition. Also, at a time when competition for markets and resources is growing in Myanmar, New Delhi is aware of the need to step up its economic presence. Even so, India’s approach has been increasingly defined by its desire to push its commercial interests, yet there is the need to respond to the emerging sensitivities and concerns within Myanmar. The result is an economic approach in which India hopes to be seen as “a reliable development partner.”

There is a strong sense in Myanmar today that a country will be judged by the nature of its economic engagements. Growing local concerns over social and environmental impacts galvanized nationwide protests against Chinese-funded mega projects in Myanmar, leading to the suspension of two projects by the Myanmar government. India has been adapting to these new changes. This factor partly explains why New Delhi did not rush in to take advantage of the new opportunities that have emerged with the opening up of Myanmar, and decided to drop two hydro-power projects at the request of the Myanmar government that had been agreed to earlier.

In the changes in regional geopolitics and Myanmar’s political landscape, New Delhi has been recalibrating its diplomatic, security and economic approach towards Myanmar. The growing convergence of interests to create a “blue economy” and to enhance maritime security in the Bay of Bengal is emerging as a major area of co-operation between the two countries. This is also recognition of the fact that the Bay of Bengal is no longer a backwater.

Naypyitaw and New Delhi want to strengthen maritime security co-operation at a time when strategic competition is intensifying between China and the US, and when India has taken a backseat in the emerging geopolitical competition in Myanmar, as the focus shifts to China-US competition. Deepening ties with Naypyitaw during this increasing regional geopolitical flux is critical for India. Recognizing this, the joint statement issued at the JCC meeting mentioned above, and also during the visit to India by Myanmar’s Senior General U Min Aung Hlaing, Commander-in-Chief of Defence Services, in July this year, both countries noted the importance of maritime security co-operation in the Bay of Bengal. If maritime security provides huge potential for co-operation, there is also vast scope for economic co-operation in the Bay of Bengal. The emerging regional geopolitics also gives New Delhi an opportunity to work with other players and partners including ASEAN, the US and Japan in the development of Myanmar.

Slow delivery and lack of visibility are common criticisms of India’s economic engagements with Myanmar. This is true when it comes to implementing infrastructure projects, but such assessments miss out on an important aspect of India’s approach, which is based on long-term returns. An important area of India’s development co-operation in Myanmar is directed towards capacity building. India has helped set up various training centers in Myanmar to develop skills and capacity in the fields of IT, entrepreneurship, agriculture, language and industry.

Conclusion

With a growing convergence of interests and mutual understanding between India and Myanmar, New Delhi is set to expand and deepen ties with its eastern neighbor. The Modi government has provided a new rigor to strengthen ties with Myanmar. Five major policy initiatives of the Modi government suggest that Myanmar remains a high priority in India’s regional diplomacy — the “Act East” policy, the “Neighborhood First” policy, the “Buddhist circuit” initiative, greater emphasis on regional connectivity and strengthening border security. India’s strategic goals in Myanmar can be fitted into these initiatives, and New Delhi is aware of the potential role that Myanmar can play in making these policy initiatives a success. India has engaged all the political players inside Myanmar and will work with the Aung San Suu Kyi-led National League for Democracy that won a landslide in the November elections and supports the country’s opening up to the outside world.

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