



**Review Paper**

# Northeast India's engagement with Myanmar and its impact on India's "Act East" Policy

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## Abstract

*This paper is an attempt to analyze the relationship between Northeast India and Myanmar and its impact on India's "Act East" Policy. The paper studies the various aspects of engagement between Northeast India and Myanmar. The paper also analyses the prospects and challenges in the relationship between the two and suggest suitable answers to the problem. The paper argues that better connectivity and engagement between Northeast India and Myanmar is crucial for the success of the Act East Policy. The paper also stipulates that development of Northeast India is crucial for better India-Myanmar relations and also for the Act East Policy to take off.*

**Keywords:** Act East Policy, Northeast India, Myanmar, Southeast Asia, Connectivity, Security, Cross-border trade.

## Introduction

India's "Look East" Policy was initiated in 1991 by P.V. Narashimha Rao government following the adoption of a new international outlook which also coincided with the liberalisation of economy, to reintegrate India with Southeast Asia, economically and culturally. The initial phase of Look East Policy was focussed primarily on trade and investment linkages. In its later phase, the policy marked a shift from trade to wider political and security issues. The latest development in India's Look East Policy is the recently declared "Act East" Policy. The Act East Policy is Narendra Modi led NDA government's new outlook for India's role in the Asia-Pacific region. The Act East Policy is an upgraded version of the Look East Policy which seeks to add vigour and substance to the policy by "acting" rather than "looking" or having it just in theory. The new policy signals a more action-oriented policy and envisages a more vigorous and proactive engagement for India in the Southeast Asian region. Prime Minister Narendra Modi formally unveiled India's new "Act East" Policy during the 12<sup>th</sup> ASEAN Summit held in Naypyidaw, Myanmar, on 12<sup>th</sup> November 2014.

Central to India's 'Act East' Policy is Myanmar, a gateway for India to Southeast Asia. Myanmar is the only ASEAN nation that India shares both land and maritime border with. Myanmar's importance in India's foreign policy is also marked by its long porous international border with Northeast India. It shares a 1,643 km-long international border with the Indian states of Arunachal Pradesh, Nagaland, Manipur and Mizoram. Besides, Northeast India has a shared heritage of ethnic, linguistic and colonial past, with Myanmar. The erstwhile Manipuri kingdom which is the present state of Manipur in

northeast India, has had a long history of interaction with Burma (now Myanmar), which was characterised by cultural interactions, trade, matrimonial alliances and invasions between the two neighbouring independent kingdoms. Kabaw valley in northern Myanmar once belonged to the Manipuri kingdom until it was gifted to Myanmar in 1952 by India's first Prime Minister Jawaharlal Nehru as a token of peace treaty signed between the two countries. There is also an ethnic overlap between the various ethnic groups living in the border areas of the two countries. Whereas the Nagas in India are settled in the three Indian states of Nagaland, Manipur and Arunachal Pradesh, Nagas in Myanmar are basically found in Sagaing Division and Kachin state in north-western Myanmar bordering India. The Kuki-Chin group are in the states of Manipur and Mizoram in India, whereas in Myanmar they are in the Chin state in western Myanmar which is contiguous to the two above mentioned states of India. Meitei diasporas from the Meitei community in the state of Manipur in India are also considered as one of the many ethnic groups of Myanmar and are well integrated into the local society.

There are two key factors that are compelling India to develop proactive relation with Myanmar. First, one of the primary objectives of the 'Act East' Policy is to reach out to the ASEAN countries; second, a coordinated effort is being made with Myanmar to develop Northeast India<sup>1</sup>. Thus, a proactive engagement with Myanmar is crucial for India as it is the gateway for India to reach out to the rest of the Southeast Asian countries. The Northeast India is an important part of India's Act East Policy because it is the corridor for connecting India to the Southeast Asian region. A crucial component to actual implementation and success of this policy would be the Northeast region. In regard to Northeast India and the role that

it holds in India's 'Act East' Policy, it would not be wrong to say that 'looking' and 'acting' east will have to begin from here. India's 'Act East' Policy also presents an opportunity to usher in development and progress in Northeast India through improving connectivity and better economic relations with Myanmar. Enhancing connectivity to Southeast Asia is also critical to unlocking the economic energies and enterprise of India's northeast states, which borders the region<sup>2</sup>. A thrust for better Northeast India and Myanmar relations is a crucial part of India's efforts towards the development and stability of the north-eastern region of India which in turn is critical for India's 'Act East' Policy to take off.

### Different Aspects in Northeast India-Myanmar Relations

**Connectivity:** Connectivity is at the core of India's Act East Policy. It has been rightly said that Myanmar is India's gateway to Southeast Asia as it is the only Southeast Asian country that India shares boundary with. Ultimately, infrastructural links connecting India to Southeast Asia must transverse through Myanmar. India's access to Myanmar is also through a corridor provided by the Northeast states of India sharing boundary with Myanmar. India has thus, focused on promoting connectivity with Southeast Asia via Northeast India. India is building an extensive network of roads and bridges that would effectively connect Northeast India to Myanmar. Some of the flagship projects under the Act East Policy include the India-Myanmar-Thailand Trilateral Highway, a 1,360 km highway joining Moreh in Manipur to Mae Sot in Thailand through Bagan in Myanmar; Kaladan Multi-Modal Transit Transport Facility connecting Indian ports on the eastern seaboard and Sittwe Port in Myanmar while also connecting the Indian state of Myanmar through riverine transport and by road; a rail link from Jiribam in Manipur to Hanoi in Vietnam passing through Myanmar; and revitalising the Stilwell Road, linking Assam and Arunachal Pradesh in India with China's Yunnan province. Survey has also been undertaken for a railway line from Silchar in Assam to Moreh in Manipur via Jiribam to connect Kalay/Mandalay in Myanmar. As of 2017, so far Government of India has approved Rs. 1630.29 crore for the upgradation and widening of Imphal-Moreh Section of NH-39 in Manipur and Rs 300 crore for construction of 69 bridges between Tamu and Kale in Myanmar.

**Cross-Border Trade:** Though trade between India and Myanmar is conducted largely through Indian companies with representatives in Yangon, informal cross-border trade between the two countries has been in existence for a long time. The first Border Trade Agreement between India and Myanmar was signed in January 1994 and trade started officially on 12 April 1995. Cross-border trade between the two countries takes place through Custom Posts at Moreh in Manipur and Zowkhathar in Mizoram, corresponding to Tamu and Rhi in Myanmar. But presently, most of the border trade takes place only through the Moreh post. Cross-border trade is mainly carried out by small traders and the volume of trade is small both in value and

quantity. Right now only 22 items are allowed to be exported and imported under the free trade agreement signed between India and Myanmar. The import items include mustard seeds, pulses and beans, fresh vegetables, fruits and soybean. On the other hand, India exports textiles, shoes, medicines, woollens and engineering goods to Myanmar. Besides, many cheap manufactured goods from China and Thailand and packed edibles from Myanmar make it across the border illegally. In order to boost border trade between Northeast India and Myanmar, the Indian government is setting up nine border *haats* or markets along the border with Myanmar. Also, the Reserve Bank of India discontinued the Indo-Myanmar barter trade from December 1, 2015 to switch over completely to normal trade. Under this system trading is done without exchanging of money. The RBI took the decision following improvement in banking presence in the border.

**People-to-People Contact:** Soft power connectivity is another aspect in which Northeast India plays an important role in India's 'Act East' Policy vi-a-vis Myanmar. People-to-people contact is promoted through cultural linkages between the various ethnic groups found in both the two countries who share a deep emotional and cultural bond. To ensure better people to people-to-people contact in the border areas, India and Myanmar have been following the Free Movement Regime (FMR) that allows ethnic communities living on either side of the border to travel 16 kilometres across the boundary without a visa for a specified time period in a day. This is done through the 150 formal and informal border crossings that exist across the boundary between the two countries. Cultural programs and interactions are often held by diasporas in both the two countries. Interaction between various educational institutions in the Northeast with those from Myanmar is also a common occurrence. Tourism is also another prospect which has witnessed a recent improvement. A trial run of Imphal – Mandalay bus service was flagged off on 9<sup>th</sup> December 2015, with hopes of making it a regular service which will be a boon to the relations between the peoples of the two countries. Manipur has the prospect for medical tourism from Myanmar as witnessed from the recent spade in increase of patients from across the border visiting various private hospitals in the state.

**Security:** Myanmar is also a nation of considerable importance as a partner capable to cooperate for improving the security situation in India's troubled Northeast. Insurgency has afflicted the north-eastern states of India for a long time which has hampered development and stability of the region. Many of the insurgent groups take sanctuary in the densely forested border areas in Myanmar by setting up many base camps. Myanmar has its own history of insurgency amongst its many ethnic groups waging war against the government. Insurgent groups from Northeast India collaborate and seek refuge from their counterparts from across the border. The porous border between the two countries also serves as a route for arms smuggle for insurgent groups from Northeast. Myanmar is also part of the notorious 'Golden Triangle' region of the narcotics trade, and a

source of drug trafficking in Manipur, Mizoram and Nagaland. India's efforts to solve the protracted Naga insurgency requires collaboration from the Myanmar government as it has been the demand of NSCN (IM) that a deal for the Nagas in Myanmar should also be a part of its ongoing peace talk with the Government of India. The Khaplang faction of NSCN has also been fighting both the Indian and Myanmar government while operating from its base in north-western Myanmar. Nagalim, a Naga homeland integrating the contiguous Naga areas in India and Myanmar, has been the long cherished dream and centre of struggle for Naga insurgents groups. A better Indo-Myanmar relations and collaboration is necessary to overcome the long standing issue of insurgency and ethnic conflict in India's Northeast.

### Prospects and Challenges

So far Act East Policy has had little effect on the Northeast. The vision of opening up the landlocked area seems to have been lost in translation. The vast potential is currently still offset by the poor infrastructure and delayed projects. Many cross-border highways planned to connect India with Myanmar and beyond are still works in progress. Weather conditions characterised by heavy rain, roughness of terrain which leads to difficulty in constructing and upkeep of roads and in transporting heavy machinery and equipment, kidnapping for ransom and harassment of people engaged in constructing various projects by insurgents operating in the region, leads to high project cost which often translates into delays. Political instability in the region characterised by frequent violence, *bandhs* and blockades also generates bad publicity and prevents private capital investment which further hampers the development process. Emphasising on giving urgent attention to the speedy completion of many projects undertaken and investing in infrastructure on both sides of the Indo-Myanmar border has to be given a top priority, which is crucial for the 'Act East' Policy to take off.

The poor state of infrastructure, starting with road connectivity and telecommunications to facilities at border transit points and banking and other financial network, restrictions imposed on exports as well as imports, and cross-border insurgency are cited as major obstacles to the growth of better trade relations between Northeast India and Myanmar. Informal trade continues to be the mainstream of exchange of goods across Indo-Myanmar border. Hence, efforts must be made to improve transport and communication facilities and upgrade banking and financial networks at the border transit points. Existing border trading posts should be further developed with state of the art infrastructure. Besides, efforts must be made to curb restrictions imposed on exports and imports to facilitate better cross-border trade. India's share among Myanmar's border trade partners is the lowest and accounts for only 1 percent of Myanmar's total border trade. One reason behind this factor is that Indian products are sparse in local Myanmar-market because they are unable to compete with cheap Chinese and Thai goods<sup>3</sup>. Also,

the Northeast region is already a dumping ground for cheap Chinese and Thai goods. There is an urgent need to regulate the flow of such third country products which are often cheap but compromised on quality. Packed food items and edibles from Myanmar are often found to be without any specification on its content and details of manufactured and expiry dates which pose a health risk. Strict regulation should be ensured at the border for such items before it gets through or on the other hand, they could be legalised through adherence to a strict food safety regulation. Since Myanmar mainly imports manufactured goods, the Northeast region needs to industrialise.

The Northeast region has the potential to become a manufacturing hub and reaching out to the economically vibrant Southeast Asian countries. To transform the potential to practice, the government must emphasize on investing in building infrastructure, improving transport and communication networks, promote skill development and capacity building of the region and hasten implementation of cross-border connectivity projects that has already been taken up. Besides improving infrastructure there is a need for encouraging Indian state and private capital to invest in Northeast India as well as in Myanmar. There is also a need for facilitating greater sub-regional cooperation between north-eastern states of India and neighbouring provinces of Myanmar. This is necessary to ensure that people and governments in Northeast India are made partners and major stakeholders in the development process.

People-to-people contacts between Northeast India and Myanmar should be enhanced rapidly through liberalisation of the visa regime, educational and cultural cooperation, border areas development, and the development of tourism infrastructure<sup>4</sup>. With the completion of the Asian Highway, the Northeast region can serve as a transit point for tourists. The government must step in and give a major push to improving infrastructure and services in the region. With its numerous English medium educational institutions, Northeast India has the potential for education tourism from the neighbouring border areas of Myanmar, which needs to be explored further. The potential for medical tourism in Manipur should be exploited by encouraging and providing a conducive environment for private investments and by providing infrastructural support and other facilities by the government. Indian diaspora's in Myanmar are well integrated in the local society. They can play an important role in strengthening India-Myanmar relations.

Security cooperation between India and Myanmar should be upgraded by ensuring better collaboration and sharing of information between the security agencies of the two nations, joint patrolling of the borders, and cooperation on border management. People living in the border areas of both the countries should be made partners and important stakeholders in such efforts. The recent efforts for border fencing on either side of the border by each government have met with resentment from people in the border areas in both the countries. The issue is not just a security issue but has larger ramification and thus

requires a deeper understanding. Insurgency and militarisation have hit hard at the lives of people for decades in Northeast India. To bring normalcy and instil a sense of security to the people, the state should limit the use of force in dealing with the security situation in the region. The coordinated approach to development and security should not restrict healthy interaction of the Northeast Indians with the peoples of the neighbouring countries<sup>5</sup>. The turmoil in the Northeast should not always be viewed through the prism of law and order but requires a political perspective as well.

## Conclusion

Myanmar is crucial to India's 'Act East' Policy and developmental efforts in Northeast India. Yet so far, there has been no clear policy or vision to be followed in India's engagement with Myanmar vis-a-vis the 'Act East' Policy. Often, different government ministries and departments work separately from each other with different goals and visions without proper coordination. A clear cut policy framework needs to be worked out at the earliest. The successful integration of Myanmar in India's Act East Policy framework would also ensure a mechanism to arrest the increasing influence of China in Myanmar and South East Asia in general.

The Narendra Modi government has declared that Northeast India would play an important role in its new "Act East" Policy. Rhetoric aside, the government needs to come up with a viable roadmap towards integrating the Northeast region within the Act East Policy framework and making the region a partner and stakeholder in it. Northeast India should not be considered only as a corridor linking India to Southeast Asia but should be made the centre of the "Act East" Policy. The government should also keep in mind that without efforts for economic development in the Northeast region, the objective for effective engagement and constructive presence in Myanmar would be a failure. Hence, genuine efforts should be made to turn the wheels of progress and usher in development in the northeast region of India.

A proactive engagement with Myanmar and a better Northeast India and Myanmar relations is thus crucial for India's Act East Policy.

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