



## **CENTRE FOR LAND WARFARE STUDIES (CLAWS)**

### **SEMINAR**

### **INDIA: OPPORTUNITIES AND CHALLENGES ON THE EASTERN FLANK**

**SEMINAR HALL, CLAWS, NEW DELHI**

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### **EXCERPTS**

#### **Introduction**

Bangladesh and Myanmar are crucial lynchpins in India's Look East Policy (LEP). Creating a solid foundation of political and economic alliance with these two neighbours shall reinforce India's role in the South Asian subcontinent to a considerable degree. There are economic and strategic advantages for India in developing these relations to their optimum. Movements antagonistic to India such as Islamic terrorism or separatist insurgency – cannot be sufficiently tackled without the continued support of both Bangladesh and Myanmar. Handling border issues with their help is crucial for peace and stability, both at the domestic and transnational level. However, the entire burden does not rest with external players. In tackling challenges and availing opportunities, India has to make concerted efforts towards improving development and governance in its North Eastern provinces. New Delhi must be responsive to not only Naypyidaw and Dhaka for furthering LEP but also attentive to inputs arising internally. As a country that seeks to be a global player, it is essential for India to deepen the avenues of cooperation with these countries.

The seminar “**India: Opportunities and Challenges on the Eastern Flank**” was conceptualised by CLAWS to survey the security scenarios in India's eastern flank. It endeavoured to outline the opportunities and obstacles that present themselves to India in its goal of making its eastern flank well governed, safe, vibrant and better connected to the Asia-Pacific. The event was conducted on 07 August 2014 at CLAWS Seminar Hall.

#### **SESSION I: MYANMAR: CURRENT REALITIES AND FUTURE PROSPECTS**

##### **Opening Remarks by Chair Shri Rajiv K Bhatia, DG ICWA**

There is an urgent need to focus on the North East region, Myanmar and Bangladesh as these regions are vital to India's national interest. It is difficult to understand these regions unless we have the understanding of larger geo-economic picture and geopolitical developments involving the rise of China and its aggressiveness in East Asia and the growing US- China rivalry.

We also need to factor in the ASEAN's fundamental paradox which arises from the fact that on the one hand it is coming very close to revitalizing itself and on the other hand its weakness and

vulnerability under the rising pressure from China. Here is a regional grouping that is becoming stronger in one way and also becoming vulnerable and weaker in another.

Since November 2010 when elections took place, the country has moved towards partial democracy. For the first two-three years there was a great deal of enthusiasm about the reform process in Myanmar but since then it seems that the enthusiasm has been going down. This is because of several threats that have emerged to the stability of the country. The first one is the Rohingya issue, the second is widening chasm between the Muslim and Buddhist factions of the Myanmar society. The third is the pending issue of ethnic reconciliation. Some progress has taken place but there is still no nationwide ceasefire agreement and therefore they are nowhere near even starting a dialogue for overall political agreement. Fourth, there is the question of the army vs. civilian sector of the society relationship. Whether it's the media or the social sector or it is concerning the political sector, I think the relationship is under serious stress.

There is then the question of constitutional reform and finally the issue of the next election and the future leadership. Moving away from the political issues there is the question of economy. Is the economy truly moving and in what directions, with which countries, and what are the vulnerability's? Is the development inclusive or is it only driven by external forces? There are two more facets that will need to be covered.

One is the foreign policy trends. We need to fully grasp as to how Myanmar is indulging in the very fine act of balancing its foreign policy priorities. How it has been trying to extricate itself from excessive dependency on China without jeopardising the core elements of its relationship with China. It seems to have secured sufficient flexibility and freedom to be able to develop relations with the rest of the world. In that context I think we would touch upon the second major issue: the India Myanmar relations and particularly, Myanmar and NER relations. Here I would hope that the scholars will be very frank in pointing out on two central issues; One it's a given that greater connectivity between NER and Myanmar would be beneficial to both.

But there is an increasing disconnect between the claims, promises by reports and the reality on the ground. The first issue is how do we address disconnect? And the second issue would be that while there are very strong political and economic grounds for strengthening this connectivity, are there some concerns on security grounds? Is there this apprehension that as connectivity increases in a way it may be pave the way for NER to become a satellite region for China?

### **Myanmar: Internal Situation Dr Rahul Mishra, Research Fellow, ICWA**

I will be focusing on the economic, constitutional, societal issues that the country is facing at the moment. Let us begin with the political transition in Myanmar and see what has happened on the political front. The 2010 General elections were a watershed moment in Myanmar's political dynamics. This was the first election in Myanmar since 1990. The basic idea of organising the election by the junta was to ensure continuity of ultimate military control. And naturally therefore the elections were neither free nor fair.

The unverified early votes were brought in to decide results in the favour of the military backed party. Since the National League of Democracy, which is led by Aung San Suu kyi, had boycotted the election it was further limited in terms of people's participation. In spite of all these factors the elections restored a degree of representative government for the first time in more than two decades and ended a four decade old so called 'one party' system. Interestingly real substantive change came about after the elections. In March 2011, Thein Sein took the charge of President of Myanmar. He

announced a series of series of initiatives which led to a process of substantive reconciliation. The government which is being describes as nominally civilian and backed by the military has taken steps towards providing greater freedom and rights to its people and is trying to arrive at a national ethnic reconciliation policy.

They have inked ceasefire agreements with a dozen ethnic rebel groups. They have allowed people to hold peaceful protest marches. This strengthening of provincial legislatures showcases that piecemeal changes are being put in place. Workers have also gotten the right to form unions. Media has been given a lot of freedom but whether it is really substantial is a matter of debate. I believe that 2010 elections established the basic composition of the new assemblies at the national and the regional levels. But it leads to several pressing questions: how would they would function and to what extend would they be able to exercise the posture vested in them in 2008 constitution? So far as the military is concerned, the military representatives are regarded as the “Silent Witnesses” that have neither contributed to nor blocked discussions. How long they will continue in this manner, remains to be seen.

Aung San Suu Kyi's release from detention on 13 November 2010 was a substantial move. Her freedom since then to meet and communicate with the common people and the foreign media has boosted the image of the Thein Sein government. But it is widely believed Thein Sein is doing a lot on the front of democratic freedom. Despite his initial move to resist her as a political party and a leader in 2010, under the Myanmar election law the NLD was allowed to carry out a range of educational training and low level capacity building programs which expanded NLDs's political horizons to a great extend. In the bi elections, they got a majority of the 48 seats. As far as politics is concerned, Suu Kyi and her party members are allowed to disagree publically with Myanmar government on major issues and that has added a new element of public policy debate not seen in Myanmar for several decades.

In September 2011 when Thein Sein said he would suspend the Myitsone Dam which was sponsored by China that came as a surprise for the Burmese people more than anyone else. The reason Thein Sein had given- this is not in the people of Burma's favour – came as a surprise to the Burmese people who have not heard something like that in last 50-60 years. One of the most interesting demands of the government has been to set up a genuine process of national reconciliation. Until 2011, there was no clear indication of how the broader process of national reconciliation might be advanced. A process which is all inclusive and opens up opportunities for socioeconomic progress at the grassroots level and encourages regular exchange of ideas in that regard are absolutely essential.

A very significant development in that sense was President Thein Sein's decision in August 2011 to meet Aung San Suu Kyi and try to convince her to be part of mainstream politics. Another important public statement by President Thein Sein in September called on members of the exile community to return to Myanmar to participate in the national reconciliation effort. As we come to the military, it seems that the army continues to play a key role in the background, at least exercising some kind of reserve power. So that tomorrow if things go out of hand, the military might just come back. Military as an institution operates above the law, and state security personnel still enjoy virtual impunity for human rights abuses. So far, there is no indication that the army will be disposed to leaving its claim over the state machinery.

## **State of the Economy**

Economic development continues with minor changes, and there is only minimal reform. I believe the reforms so far have only been perceived opportunistically and not strategically – there is no

comprehensive strategy behind opening up to the world outside, or opening up sectors for foreign direct investment, or looking at the key areas where they can be key role player in South East Asia and wider Asia. Since 2005, the significant windfall from mounting off-shore gas revenues seem to have resulted in no transfer into the financial resources to the national budget although some skill transfer will be beneficial to the oil and gas sector. Privatisation seems to have been pursued opportunistically rather than strategically leaving numerous state owned enterprises under military control.

## **Conclusion**

I believe the prospects for early peaceful solution to longstanding ethnic tensions don't seem very good. One would agree that whatever is happening to the minorities there reflects very poorly on the government and on the majority community also. That is one question that needs a lot of attention. Prospect of peaceful solutions to longstanding ethnic tensions don't seem very good and they could prove to be a major impediment in the wider political progress. We are also seeing that the international community is now putting a lot of pressure on Myanmar.

So far as the democratic institutions are concerned I am with the majority of the opinion that most of the foundations of the democracy don't exist in Myanmar. There is no impartial election commission. I don't see a possibility of the democratic institution strengthening. The government's modus operandi is that of secrecy and lack of transparency. There is no developed sense of political rule as a participating process. Whatever comes from both Thein Sein and Aung San Suu Kyi is what people take. There is no opinion coming from the people. They are not yet ready to speak about what they want and how they want their country to be run. There still exist gaps between what is on paper and what is the reality. So don't go by the report that says that Myanmar is growing at the rate of 6-7 percent or that the peoples overall development is good. That is not the case.

2015 elections and prospects for democracy in Myanmar is the biggest challenge. Whether Aung San Suu Kyi is going to have a role in the elections is not decided yet because of some of the clauses in the 2008 constitution. Thein Sein has already stated that he is not going to participate in the elections so someone will have to replace him. How strong the other candidates are is going to determine the fate of Myanmar in terms of democratic governance. Also Myanmar's ethnic communities and their leaders will have an impact on the process. The role of the military is going to be very important, if anything going offhand the military is going to take over in the name of rule of law.

Ethnic Reconciliation and social cohesion are another very important factor because even if you have functional democracy ethnic problems, problems related to Rohingyas, ongoing sanction, and arms insurgent groups will continue to challenge the country. Finally how is Myanmar going to connect with the world at large in terms of foreign policy challenges, with the neighbourhood in terms of physical connectivity? If Myanmar remains a peaceful democratic country, then we have a lot of opportunities in terms of connecting with the region. But if anything goes wrong even our projects are going to get affected by that. So India's stakes are also very high.

## **Strengthening Friendship: The Road Ahead, Shri Akshay Mathur, Head of Research, Geo-economics Fellow, Gateway House (Mumbai)**

I would be drawing up the essence of my talk from the 'policy trip' gateway house made to Myanmar last year with the group of business and finance executives from Bombay to Myanmar with an intent to give business leaders an opportunity to interact with their counterparts, politicians, media and the

civil society to gain a holistic picture in order to push India's business and strategic interest. The synthesis of our feedback from the ground very clearly brings out following issues:-

- I. The organisation to look out for is the National Economic and Social Advisory Council that the president has set up.
- II. There was a repeated message from the locals saying that many dictators around the world are happy to relocate and go into exile in Paris or London but Myanmar's authority do not necessarily want to do that. The authority thus has to be involved into the process of transition.
- III. There has to be a new business model that includes creative and artisanal skills. Is there a way for the communities in Myanmar to shift to something like mushroom cultivation which is easier to do, is high paying but requires a certain amount of technical competency to make that shift?

Myanmar has also taken to sign the extractive industry and transparency initiative. This is very important in terms of signalling where they are going. It creates a platform for the civil society and other stakeholders to participate in the extractive industries. The contribution to exports that extractive industries make is close to 35% or so. This initiative is something we should track because it not only shows a direction the council is making but also shows a direction towards opening up to more democratic institutions, and opening up to the world. There were some consumer studies that the group did. Of course there is a pushback towards China with respect to its labour and some of the cultural encroachments that China is making.

The Myanmar market is flooded with Chinese products but, some Indian products remain very popular. I won't get into how the Indian products are reaching despite the sanctions. But pharmaceutical products are very popular. Things like hair oil and the banyan vests are extremely popular. As you do more roadside surveys what come out is that – there is certain durability with India's consumer goods also. We should not be so intimidated and so concerned that China is overtaking. If we can only support some of our own industries it would go down very well.

In terms of strategic interests, the Dawie Port has been in discussion for a long time. Myanmar has been looking to develop that port and they want India to take a leadership role. There has been some pushback from countries that are going to lose out on business when Dawie Company comes into being. Singapore will lose close to about 30 per cent of its business because currently some of the products that have to go to Myanmar first go into Singapore to get into Myanmar. There are lots of advantages of Dawie Port being built. It is not happened for all kinds of bureaucratic reasons from Myanmar side as well.

As the economy of Myanmar emerges and becomes more developed their stock exchanges, regulatory systems, commodity markets, micro finance institutions... all of these will have to move to the next level. This is where India's capacity building promise can really deliver; just as the Indian election commission has been sought out help over the decades. Although, regulatory help and the help of building stock exchanges is relatively new it holds a lot of promise. Building a commodity exchange is not an easy task and it's not like Myanmar doesn't have one. But to take it to the next level, India can help out in multiple ways. One is in a regulatory way and the second in actually building out the technology. This capacity building is just not training but it would actually help them build the sophisticated, almost physical-virtual infrastructure. Indian business can work in partnership with Myanmar in this regard.

India has also had a discussion with Manipal University that could be interested in either setting up a campus in Myanmar or they could agree to give scholarships for their Sikkim Campus. And lastly, during the recent visit by John Kerry it was mentioned that the US wants to help India build an Indo-Pacific corridor. They had introduced something like this which is called the 'new silk route' towards our western flank which is connecting India with Afghanistan, Pakistan and other central Asian countries. The Indo Pacific is what the Americans have been seeking to promote to connect India with South East Asia. It's sort of like another version of the Look East Policy but from the US government perspective. But the point is that they specifically spoke about India- US –Japan contributing at building infrastructure at Myanmar. This is something important to know for multiple reasons: Japan is already doing a lot of work in Myanmar but it can bring in the inherent strengths of India, US and Japan, and can help India connect to Myanmar. It's an important economic corridor to look out for, it could have promise.

## Comments and Questions

What kind of an impediment is land connectivity as far as economic relations between India and Myanmar are concerned? What are the major opportunities that India need to explore and sensitivity it should guard?

□ Unfortunately the answer is going to be multifaceted. In this case physical, virtual and maritime infrastructure has to go hand in hand. Connectivity has been an issue and it has been an issue from our side as well. There are all kinds of local groups that we have not been able to dismantle in Manipur, even to expand Moreh. Connectivity has even been an issue with Thailand and Singapore but if you look at India-ASEAN trade today we did not have to wait for connectivity for our relationship to develop. India-ASEAN trade is close to 60 billion today and a lot of that is happening through maritime. This is where the importance of Dawae port and Sittwe port comes in.

The other important aspect is virtual. If our strategic interests are aligned then we have to move into spaces such as the stock exchanges, the commodity markets and other kind of regulatory and capacity building infrastructure which is between training exercises that are transient but important and hard infrastructure which is difficult to do. So that is why the financial and economic infrastructure is a very interesting space. We have competitive strength, we can do things far more quickly and we have been asked for it. In terms of time sensitivity that is clearly something we can easily do.

□ The areas that we should be time sensitive about are the North East connectivity issue. We have to work on our Eastern Ports: Kolkata and Chennai.

Is Indian interest in Myanmar genuine or is a reaction to Chinese inroads in Myanmar?

□ The interest of Indian business community is genuine but only to a limit. And it's not very different from asking them to come in to our own North East. Same old questions linger regarding security and infrastructure and some of the other things. The only difference is that somehow Indian companies are able to influence change in policy and law in other countries than our own. For instance Mahindra Holidays have more interests in Myanmar than in Assam. There is serious management issue like shortage of skilled labour and management talent besides HR issue of being based in Singapore, US and Europe or Myanmar.

Please dwell on the ongoing peace process

□ Regarding the peace process, thirteen agreements have been signed between minorities. The Kachins are not part of this yet, they are the most powerful of the insurgent groups. Unless that is resolved the possibility of a nationwide ethnic reconciliation is not going to get materialised.

## **SESSION II: BANGLADESH: BUILDING BRIDGES**

### **Opening Remarks by Chair Mrs. Veena Sikri, Former High Commissioner Bangladesh**

In order to develop its North-east, India needs to come up with a sub-regional solution. India's relations with Bangladesh and Myanmar need to be introspected. Although they are separate problems but are tied by key factors. North-East India, West Bengal, Bangladesh and Myanmar constitute a sub-region. Many problems are plaguing this region and perhaps solutions to them can be found out sub-regionally than looking at it bilaterally.

This can be achieved by being part of BIMSTEC, an organisation through which development in this region can be taken up. It is wise to look at the relationships in the context of India's Look-East Policy. India's policy needs to have the development of India's North-east as the core of it. Without the development of India's North-east, there is no 'Look-East Policy' and without a good 'Look-East Policy' there can be no development. This has become a classic chicken and egg situation.

The question is how India's North-east can be developed with the presence of some insurmountable obstacles in this situation. Apart from problems of corruption, there is also the question of insurgency in the North-east. Even if insurgents are removed from one region, they get concentrated in another. If they are pressed in the North-east, they move into the surrounding areas like Bangladesh and Myanmar. Hence, until and unless a holistic approach is not taken, the issue will never be resolved. Bangladesh, in this regard has been extremely forthcoming. Sheikh Hasina's government has been sensitive to India's security concerns. Since 2009, she has been trying to get rid of the insurgent groups.

However, they tend to get displaced to Myanmar. The whole connectivity of the region is such that issues like security have to be tackled together. This is only how the anti-national elements will really be concerned and would have nowhere to hide. This would happen only if India, Myanmar and Bangladesh join hands. Also, the development issues, both in India's North-east and Bangladesh and Myanmar are very similar. They share similar geographical and ethnic similarities. Tackling such problems together would lead to greater efficiency and save precious resources.

### **Bangladesh: Internal Challenges, Professor Sanjay Bhardwaj, Assistant Professor, JNU**

#### **Contesting Identities**

The Bangladeshi society has been facing challenges since its inception. There has hardly been any consensus on national identity among the people. The problem started in 1947, when it was a part of Pakistan and the issue festered in 1971, when it became an independent state. The problem, however, continues till date. Many political parties are indulging in creating contesting identities. On the one hand, some forces are promoting a secular, democratic identity and on the other, an Islamic identity and values are being perpetuated. The grievous issue in Bangladesh today is that of contesting identities. These identities have prevented the institutionalization of democracy within Bangladesh.

The institutions of democracy are in a fragile condition and whenever there are political instabilities, the undemocratic forces try to increase their influence in the politics of Bangladesh. They have always had their interest in the politics of Bangladesh. Two major political parties were founded in the military regimes itself including the Awami league and the Jatiya Party. Whenever there has been

political instability, they have directly or indirectly tried to manage the government. The Bangladeshi society by and large is a much mobilised society. Whenever the values of the society came under attack, the people mobilised themselves.

Though now, for the past four-five months, there has been comparatively some kind of stability in the society, there are questions of legitimacy surrounding the society. Though the impact of this is not visible on the economy, yet it is deep. The donors and investors have not come forward for investment as they do not recognise this government. This has led to a deep economic crisis. There is no opposition that could pose a challenge to the government, making it complacent and unaccountable.

The parties cannot do anything legally and constitutionally as the constitution does not offer a way to provide opposition. The international community has also pressurised Bangladesh to have an ethical election. The opposition political party has become very weak. The leadership of the opposition is not in a position to mobilise the people. Most of the advisors are old and hence are not inclined to work hard on the field. Since most of the advisors are old bureaucrats, they do not have any experience too in mobilising people.

### **Awami League**

The Awami League tried to symbolize the secular, democratic values while the other parties were 'anti-Awami' league, so to say. They wanted to symbolize the Islamic identity and made changes in the constitution and its nature. However, the most important identity, which is over and above these, is the Bengali Samaj identity. The Bengali Samaj identity is very syncretic and very secular. The masses were more syncretic and emphasised their cultural identities. However, in the last decade especially after 1992, with the forces of globalization and Islamization, the masses became more Islamised at the grass root level. The party is lacking intra-party democracy and there is a lot of internal violence in this party. The issue of corruption also plagues this party. It is suffering from the problem of legitimacy. Within the Awami League party, a lot of killings have taken place.

The Awami League won in great numbers in the 2009 elections as the manifesto had promised good relations with the neighbours. The relations between India and Bangladesh have also improved in marked contrast against Pakistan and China as there is no people-to-people relations. Bangladesh's relations with China are deteriorating. India's interest lies in strengthening the democratic roots in Bangladesh and it needs to encourage Sheikh Hasina to do that.

### **Jamaat – e – Islami**

Jamaat- e-Islami party is very well organised and has a strong youth cadre which gives them a deep influence not just in the academics, but also in the army, intelligence and the bureaucracy. Every university is dominated by the Jamaat-e- Islami cadre. This is the only party that has the capacity and capability to mobilise the youth. However, there are factions within this party as well. The Jamaat-e- Islami will not mobilise against the present government and nor would the government take up the issue of war-crimes. Jatiya Party has fewer possibilities for mobilisation in Bangladesh. The undemocratic forces are very high-handed in Bangladesh and the police, army are actually enjoying the real power in Bangladesh given the fact that the government's legitimacy is under question. A lot of extra- judicial killings have taken place.



## **Islamist Influences**

Bangladeshi people by and large are not Islamised and the overarching identity is that of being a Bengali. The present government has tried to address the issue of Islamisation and insurgency, but whenever there has been a clash in Bangladesh, it is the Hindus and their temples which become the source of target. Government has not been able to check arms trafficking. To exacerbate the problem, many Madrassas even today are doubling-up as training camps.

## **Economy**

Eleven percent of the GDP is contributed by remittances. Many of the labourers work in the Gulf countries and if situation deteriorates there, then it would directly impact Bangladesh. Corruption has prevented investment to take place. The workers are not just sending money back to Bangladesh but are also influencing its culture and society. The Islamisation process has accelerated because of them.

## **Illegal Immigration**

It would not be wrong to make analogies between the Rohingya issue in Myanmar and the problem of illegal immigration into India from Bangladesh. It is a parallel situation. Just as Bangladesh has complete deniability on the issue of illegal immigration into India, in the same vein they deny that many of the Rohingya's are actually Bangladeshi people. The people living in the south-western region of Bangladesh are ethnically similar to the Rohingya's. The issue of illegal immigration in part has also been encouraged by the West Bengal government, especially under Chief Minister Jyoti Basu. It was a result of vote-bank politics which made the situation worse. One of the suggested solutions to this problem is the issue of work permits but it needs political will to implement.

The internal turmoil in Bangladesh will negatively affect the Indo- Bangladesh relations. Issues like Islamisation, political instability, corruption etc. are some factors which would lead to problems. Demographic pressure is a great concern in Bangladesh. It is an over-populated country. Majority of the Hindus are coming back to India as their property is being grabbed by the majoritarian Muslim population.

## **Strengthening India – Bangladesh Ties by Shri Dipanjan Roy Chaudhury, Assistant Editor, Economic Times**

The success of India's foreign policy in the last decade besides Japan has been with Bangladesh. There are no two thoughts about the fact that Bangladesh has been India's success story in the neighbourhood. Last year when talks between the political parties were going on, the Awami League led by Sheikh Hasina called the BNP a number of times because the Jamaat-e-Islami had been banned by the court to take part in any of the dialogue or discussions. They claimed that they would have been successful had there been a neutral caretaker government. However, the concept of a neutral caretaker government is unknown. Be it in Pakistan or in India, elections are held under the ruling government.

Sheikh Hasina's party has been pro-India and since 2009 and both the countries have enjoyed good relations. This is unprecedented, as even under Sheikh Mujibur, the bilateral relations were not as good. After coming to power, Sheikh Hasina, on India's request handed over all the insurgents. By September and October of 2009, most of the insurgents were handed over to India. The amount of access that the Indian security establishment has got in the last few years is unparalleled. Since

2009, Sheikh Hasina has been a very confident Prime Minister given that she won with a huge majority.

She was also able to act on any of India's request which was primarily centred on India's security question. India needs to support the pro-India forces in Bangladesh. One of the success stories for her government has been the education sector along with the agricultural sector. Bangladesh is the third largest functioning democracy with a Muslim majority and Bangladeshi nationalism is appealing to masses and hence can associate more with India than with any other country. Because of such close affinity in terms of culture and ethnicity, the Bangladeshi population expects a lot from India.

For India, hence Bangladesh becomes more of an internal issue than an external one. For the economic prosperity and stability of India's north-east, Bangladesh too needs to be strengthened. If the benefit to Bangladesh becomes evident, then only would the Bangladeshi entrepreneurs become interested and want transit for India. For this, they need to be a part of the trade and investment and economic opportunities in north-east India. There is a great interest in joint efforts even on the economic front.

### **Comments and Questions**

- There has to be trust and mutual benefit in the Indo-Bangladesh relationship. This has to be coupled with consistency and seriousness in the implementation of the promises. India should not renege on any of the promise it makes. Case in point here would be the land boundary agreement signed in September 2005. The then prime Minister, Mr. Manmohan Singh had gone to sign the deal, but it has not yet been ratified.
- The maximum numbers of visas (more than 5 Lakh) are issued every year to Bangladesh. It is by far the single largest visa issuing operation between any two countries in the world. Where India seems to have gone wrong is in the process. It has not used its information technology capabilities to manage the visa regime. It is important to have biometrics in the visa and to include photographs. There must be a system to track the movement of the people across the border. It also is of utmost importance to discuss the issue of illegal migration with Bangladesh.
- The Bangladeshi army is primarily anti- India and Sheikh Hasina has tried to include several pro-India officers in the upper echelons of the Army. But, had it not been for the army in 2007 and in 2009, we would have never seen a stable Bangladesh and they were able to get a care-taker government for two years.

### **SESSION III: NORTHEAST INDIA: ACTUALISING OPPORTUNITIES**

#### **Opening Remarks by Chair: Maj Gen Dhruv C Katoch, SM, VSM, Director, CLAWS**

When it comes to the Look East Policy (LEP), we need to look very seriously at the seven states in our NER. The connectivity between these states, it has to be done in three parts:

- I. We need to connect the seven states amongst themselves first.
- II. Connecting each state in the Northeast with West Bengal and the rest of the country is the second challenge.

- III. The third step is of course as per LEP, looking into connection with Myanmar, ASEAN and beyond. It is a tall challenge.

Despite the focus that India's Prime Ministers have shown towards the LEP since 1990s, why have things not moved? There is something seriously flawed in the way we are operating and we need to address those concerns.

## **Northeast as a Bridge to Southeast Asia by Dr. Amita Batra, Professor South Asian Studies, JNU**

### **An Integrated Economic Space**

Why at all do we talk about Northeast India and Southeast Asia as an integrated economic space? This has a lot to do with what has happened in the last two decades. India's global integration and openness have increased since the initiation of reforms in the 1990s. In 1991, we first encountered the Gulf Crisis, after which India initiated its economic liberalisation. Since that time while trade openness for India has increased, this has been more in terms of South-South cooperation i.e. with other developing countries. A quarter of India's trade today is with other Asian economies. ASEAN and East Asia is a predominant neighbour and trading partner as far as India is concerned. Notably, two major rising economic powers in the world today are from Asia i.e. China and India. It is only natural to wish for economic integration within the region.

### **Foreign Policy Initiatives**

Added to this is the foreign policy vision that was developed along with the economic liberalisation programme i.e. the LEP which was initiated in 1992. The aim was to emulate the growth of the miracle economies of Southeast Asia. In the 2000s, regionalism facilitated between India and ASEAN through an FTA (2010) was taken further to include similar bilateral agreements with Japan and South Korea. There has been a very conscious effort by the government to integrate the Northeast development with foreign policy. This can be undertaken through the linkages that we were establishing with Southeast Asia through the LEP. India has also participated in several intra-regional economic initiatives such as BIMSTEC (1997), APTA (Bangkok Agreement 1975), BCIM, RCEP, TPP etc.

### **Lack of Impact on Northeast**

However, all the expansion that there has been in trade and investment has had a negligible impact on the Northeast. If we look at the Northeast the pre-global financial crisis in the last decade registered a growth rate that was less than the average for the country as a whole. A big reason for this has been due to the decline in agriculture, while growth in services and industries have not picked up in the region. Industry has not been able to diversify as far as the Northeast is concerned. It constitutes only 13% of a state's GDP as opposed to double that amount for the rest of the country. There is very low connectivity of the Northeast with the rest of the country. There is hardly any financial penetration in the region in terms of bank branches opening up. Financial inclusion, credit off take, people taking loans and overall economic activity is very low.

### **Positive Developmental Indicators**

There are some developmental indicators that are better in the Northeast than the rest of India. This particularly in regards to inequality; the *per capita* income distribution is better. The literacy rate in

some of the states is higher. The infant mortality rate is also better than the average for the rest of India. Combined with these indicators is the fact that the Northeast is a rich reservoir of natural resources. This creates possibilities for the harnessing of hydro-electricity, gas, coal, limestone, forest wealth, fruits & vegetables, bio-diversity etc. All these areas provide a great potential for growth. Additionally the Northeast region shares borders with China, Bhutan, Bangladesh and Myanmar. We have agreements of over land trade with these countries through land customs stations.

### **Trade Barriers**

Presently there are minimal linkages of neighbouring countries with the local economy in the Northeast. A lot of the trade that takes place is happening in goods that are coming from elsewhere. Among the reasons for this is the high transaction cost. Additionally, for illegal trade to be formalised and for formal trade to become an actual occupation, is difficult due to the high transaction costs. It is difficult to undertake trade even as far as provision of points open at the border. There are tremendous problems in infrastructure (bad roads) and communication with electricity and power not being available in many parts. Furthermore, financial transactions with debtors and creditors are also hindered by the lack of banking facilities. There is a lot of manual handling of goods. All these barriers make it difficult for goods from NER to make it across the border. Trade till date has proven to be a very time consuming and costly affair in the NER wherein not a lot of people are interested in participating.

### **Actualising India's Look East Policy by Dr. Namrata Goswami, Research fellow, Institute for Defence Studies and Analyses (IDSA)**

What is it that keeps the Northeast behind? Why is it that the LEP is important? We all know that the LEP promises development. It promises opening up to Southeast Asia. It promises investments and greater connectivity within the region itself. It promises a lot of things. From a North-eastern perspective what is very significant also is that it promises old linkages to be re-built.

### **Local Perspective**

Historically, the NER was not a closed territory. It had very major relations with Burma and China (Yunan province). If you go to any Naga household and talk to them, for them the borders do not matter. Recalling interaction with a gentleman from Manipur, it is fascinating to know that going to Burma is like going and meeting own family members as they speak the same language and historical linkage exist. The local perspective is essential in building and facilitating regional connectivity.

### **Improving Connectivity**

This is possible through improving the institutional infrastructures and by evolving consensus amongst Northeast states. Central Government has made efforts and a Northeast Vision 2020 document was released by the PM in 2011. The NER chapter in the document was generated after a lot of field work in the region. About 40,000 households were talked to. Different policy makers and academics went to the region and it is signed by all the Chief Ministers of the NER. So it is already known that better financial systems are required, border posts need to be built etc.

## **Historical Perspective**

In New Delhi it is often portrayed that the people of the Northeast have a resistance to opening up. This is not true. They have a desire to open up and projects such as the Asian Highway excite them. It was based on the old silk route. It is not a new idea. People have always migrated. If you look at communities in Nagaland, Manipur and even Assam; many of them migrated from China (Yunan) and Thailand.

The Ahom kingdom which ruled Assam for six hundred years came from Thailand. So it is not that they came from North India. They came from Thailand and defeated the Dimasas King. Indeed, one story which has a deep personal resonance to the people of Assam is the Battle of Saraighat in 1671. The Ahom General Lachit Borphukan defeated the Mughal Empire. This resonates in terms of ULFA's entire ideology of what it bases its conflict on. So it is important to understand the local narratives and why there is this disjuncture in terms of the LEP and the local challenges.

## **Strategic Territory**

If you look at the NER you know that it is a strategic territory. It is important because it has the McMahon Line, the India-China border i.e. one of the most disputed borders in the world. It is one of the only border areas between two major powers that have not been resolved. Incidentally, there is a great desire to understand Northeast India among American Generals due to their memory of the Second World War. So the NER has a very significant imaginary and emotional connection for some of the families who lost their loved ones there.

## **Consensus on LEP**

A question that arises about the NER is that why is there no consensus on the LEP or even with relations with New Delhi, per say? It is because NER is so diverse. Someone was asking me about the Singphos. They are actually the Kachins that live in India. So you see the amazing unity of ethnicities that is across borders. So for them an idea like the LEP is very foreign because it is not that they have thought about connectivity now. They have been thinking about connectivity for hundreds of years. When it is projected as something that is coming from New Delhi as a kind of a propaganda strategy, there is resistance. Then people complain that our history is not at all taught or understood.

## **China's Misreading of History**

I have travelled across Arunachal Pradesh to the border with Mechuka (small town) which is the border with China. In Mechuka, the Mompas and Memba tribes (Buddhist), have a deep connection with the Mompas tribes in Tawang district. But they are not Tibetan. They are the Memba and Mompas tribes. They have a religious connection with Tibet. That is a different history again. For China to say that Arunachal Pradesh belongs to Tibet based on Tibetan history is a complete misreading of history, in terms of even arguing that the Mompas and Memba tribes are Tibetan.

## **Challenge of Unresolved Conflicts in NER**

One of the reasons why amazing emancipator ideas like the LEP have not worked is because there is a major challenge, rooted in the different ethnicities. This pertains to the challenge of conflict in the NER. Actualising the LEP is a difficult today because we have not resolved many of the conflicts. When it comes to the LEP, a Naga may see it as a state response based on counter-insurgency. It is

a fascinating connection that the local people make. Assam is one of the most resource rich states (oil and tea) in NER. There are numerous conflicts that have taken place in Assam such as the DHD, UPTS which have surrendered and the ULFA which is in talks. Somebody mentioned that the anti-talks faction is in Burma. Paresh Baruah is somewhere in Burma. One of my friends has actually gone to the camps of Paresh Baruah which are deeply connected to the embassy and king. So there is this connection too between different armed groups.

The strategy of the armed groups of extortion and protracted conflict are the major reasons why infrastructure projects do not work. These armed groups are into heavy extortion racket and there is no end in sight. There is huge extortion going on in Meghalaya by the CMIM.

### **No Monopoly of Violence in NER**

The other thing in terms of the LEP is that there is continuous use of violence. So there is no monopoly of violence. What is the one thing that armed forces bring to the table? It is the ability to effectively to use violence to counter an adversary or to enforce law and order. Imagine a region where no one has a monopoly of violence. Groups like NSCN-IM can come to my house and force my father to pay taxes which he does not want to pay. If he goes to the state and complains, he might get killed. So the situation is worrisome in these areas, for complete support to a policy (LEP) which does not have resonance.

### **Young People in Conflict**

For a lot of young people who come from the border areas in NER and are part of armed insurgent groups, the LEP means nothing. They are a major chunk of the population. I asked a young fourteen year old why he joined this conflict? He did not speak Hindi or English, only Nagamese. Among the reasons he stated were that when he was young, his father told him that he must join the armed insurgent groups because they pay you a salary of INR 3000. His father had ten children and this would go towards the family household. The youth is unaware that they are part of the problem by joining insurgent armed group. It is unfortunate, that nobody actually bothers to de-construct a young boy or girl's mind. I talked to many NSCN snipers who are extremely good at shooting from 10 metres i.e. a very short distance. Yet, they sang songs of peace which was so contradictory in terms of their strategy.

### **Media's projection of NER**

The media projection of NER creates issues. Dilip Nunisa, the DHD commander in chief, in an interview supported the LEP, opening up to Burma and rest of Southeast Asia and getting development from there. He surrendered soon afterwards. However, media completely twisted his statement. I was present during the interview. He never spoke about people alienation or underdevelopment but that was how the media ran those stories. These stories scare the investors. In another instance in Lumding Haflong area (Assam) a community workshops was organised to bring in development in the area. The workshop was attended by the NSCN-IM, the DHD. People supported development and were actually willing to take a risk. Media instead of reflecting the mood of people towards development reported on the dissenting anti-India theme which is a very one-sided discourse. Countries like Japan are interested to develop NER however the negative media report affects their confidence and penchant for investment.

## **Manipur**

In Manipur we have heard about Moreh and other areas which are required to go to Burma. In Manipur there are two groups – the UNLF and the PLA. Both are not in peace negotiations with the Government of India (GoI) primarily due to GoI peace negotiations terms with NSCN-IM. The PLA and UNLF groups are based on the strategy of protracted conflict. Government agencies feel that these are a much unified group and without dividing them the levels of violence cannot decrease. However, from my research I have understood that dividing groups is not beneficial in the long term. It actually results in a continuous cycle of violence.

The land customs area or the immigration gate from India to Myanmar in Moreh is in a pathetic condition. It cannot handle any kind of traffic. So when we are talking about the great opening up to Southeast Asia or Burma, the reality is dismal. The staff members in charge are clueless regarding passes to be issued to visitors for going to Burma. There are no phone connectivity and no ATM. In fact the border areas on the Burmese side (Tamu), is much cleaner, developed and organised.

## **Nagaland**

Nagaland is a better case than Manipur. Most of the groups in Nagaland such as the NSCN-IM, NSCN-K are identity based groups and with the desire to establish that different identity. One of the problem which gets in the way of over-arching structural policies is that the NSCN-IM claims areas beyond Nagaland in the NER and even in Burma. This provokes other groups to take up arms as they fear losing the claim over their area. Interestingly, the best road in Nagaland is the one leading to the NSCN-IM camp and the Kohima-Dimapur road is worse.

Women in NSCN-IM cadres, are educated even some of them have been in Jawaharlal Nehru University. They question their identity in India as they feel their identity has not been recognised.

## **A Winning Strategy for the North East by Shri Akshay Mathur, Head of Research, Geo-economics Fellow, Gateway House (Mumbai)**

In 2011, Gateway House was approached on how to develop the way ahead from a corporate viewpoint. We realised there were already some models in place on how business and investment can be promoted in the NER.

## **Seven Sisters Corridor**

Based on our study of Delhi-Mumbai Corridor, a concept of 'Seven Sisters Corridor' was proposed. The concept of an economic corridor has sunk into the business community in India. It is a model in which business can work together with, the government, civil society and the local management. It is something that is possible. What an economic corridor can do for the NER is make these thousands of development initiatives visible into one single cohesive planned and measured initiative. It is not always a good idea to do this. However, if we have to prove that a certain area is ready, if we have to bring confidence back into the region and make it look that projects have been executed at a professional level then this kind of an approach is the way to go. The main element of this approach is connecting the capital cities. It is also bringing in some of the industrial zones. The ginger-agro export zones, pineapple zones, mega-food parks etc. All of this was budgeted in the 2010 or 2011 budget but it never took off. Furthermore, it is important to create a local base of contractors.

## East-West Corridor

There is already an east-west corridor which is supposed to go all the way from Gujarat to Silchar in Assam. This corridor needs to be further connected to the roads leading to our neighbours. What are needed to be brought into this project are the ICPs. The check posts that we have at the Wagah Border with Pakistan and on the Bangladesh side are not bad. A decent job has been done but the execution has been slow. We need to bring in the railways, the land check-posts, the integrated check posts, agricultural export zones into the agreement and have it run like a corporation. The only reason the Delhi-Mumbai Corridor is a corporation is because it is run as a dedicated, empowered and independent organisation.

However, it just does not have to be the big business that comes in. For e.g., many studies have shown that food processing is one of the highest employment industries in the country. The service industry is always harder to develop which is why a lot of the people from NER have migrated to other parts of the country. The Seven Sisters Corridor is a model that we had suggested four years ago. It can make a huge difference because it will be able to channel in the money that is going in through NEC, M-DONER, and the non-relapsing funds for the NER. Even if 10-20% of those funds are diverted towards this one major initiative, it will bring in the energy, visibility and attention that are required to do wonders.

## RECOMMENDATIONS:

- I. **Facilitate Trade:** The land customs stations need to have institutional arrangements for customs and border logistics i.e. crossing over. The setting up of special economic zones (SEZs) should be considered if that is feasible given the security concerns. Connectivity to central cities within the NER is also essential. Skill development in general is a need to uplift the local economy and diversify its capabilities.
- II. **Eliminate Trafficking:** The main concern in Manipur is the trafficking in women. In Kachin Karen areas the amount of women trafficked to Thailand is huge. In the context of the LEP, the local concern is about the safety of women folk as they feel they are being affected by trafficking in drugs and arms also. Additionally, Manipur is a state with the highest percentages of HIV Aids according to UN data. So it is very important to have stronger border mechanisms.
- III. **Develop Youth:** There is a need to tap into the youth in the NER. The census from 2001 to 2011 indicates that the youth population i.e. 12-35 age group will be the highest in the NER. If we do not tap into that age group now, you can imagine what will happen in the next decade. They are very much educated and have skill sets. Literacy may be high in NER but it is not so in Assam, the biggest state. This also needs to be worked on.
- IV. **Maintain Roads:** Connectivity is the biggest challenges for the NER compounded by terrain. Development timelines need to be met to boost people confidence. Clearly, some administrative changes are warranted. The commitment from local governments is essential.



- V. **Fewer and Bigger Projects:** About four years ago there was an investment advisory board set up for Assam. Mukesh Ambani and Anand Mahindra had participated. They had emphasised that it is hard for us to understand all the development work that is taking place. They said that if we can get one or two big projects which we all can plug into, it will be much easier for us to do because we may not understand all the details. Even if we do, it will be difficult to pass that down the chain of command to all our managers, engineers etc. They said, what we are good at is executing business plans. This is something that needs to be borne in mind when integrating India's private enterprise into the LEP mission.

