



View Point

Winds of change in Myanmar

*Dr. Vikash Ranjan **

One of the Least Developed Countries (LDCs), Myanmar was ruled by military government for most of the time since getting independence in 1948. As a result, good governance has been a major problem for the Myanmar society. The failure of the military junta to restore democracy, control narcotics trade, and address human rights violations, restricted Myanmar's external political and economic relations. The strong ethnic identities of the people nurtured by political and economic interests limited Myanmar's evolution as a cohesive and integrated society, providing excuses for military interventions. Owing to the internal conflicts and human rights abuses, many people became refugees in their own country, or, took shelter in the neighbouring countries like Thailand, China, Bangladesh, and India.

After decades of authoritarian rule and human rights violations, Myanmar seems in transition. The country which had become an enigma and a cause of concern for the international community has taken a number of steps which reflect the changed perception of the government in dealing with domestic and international audiences. The release of pro-democracy leader Ms. Aung San Suu Kyi and a number of prisoners including a few of political inmates showcase the reconciliatory approach of the government. Myanmar established the Human Rights Commission, removed the ban on foreign media including the internet, and stopped diatribes against the foreign media; all these indicate the changing paradigms of the government's thinking.

The suspension of work on the Myitsone hydroelectric power project reflects the government's pro-people overtures. Myanmar's stand on the Myitsone project also suggests that Myanmar is ready to break its ties with the past and start afresh. Through this stand, Myanmar has shown its desire to break ranks with its ally and powerful neighbour China, and engage with the international community. It is useful to point out that in the past Myanmar's political and economic isolation provided space to China to deepen its economic engagement with the country. However, Myanmar was never comfortable in dealing with China, and looked to India and Association of Southeast Asian Countries (ASEAN) to counter balance Chinese influence.

Myanmar's Minister for Science and Technology announcement on 23 September 2011, to abandon plans to build nuclear technology as it may cause concern to the international community echoes the country's desire to jettison its political and economic isolation, and start a new chapter in the country's history.

Though at this stage it is difficult to say how effective the reforms in Myanmar would be, the commencement of the reform processes in the country has provided an opportunity to the international community to start engagement with the country. This would expand space for bringing more reforms in the country.

Till recently India has been ambivalent in dealing with Myanmar, on account of its past records and its concern to the international public opinion. But, now India can take a leadership role in bringing Myanmar back into the international community, by acknowledging and supporting Myanmar's reforms, which will give it credibility.

India has a stake in developing good relations with Myanmar from both security and economic perspectives. While large quantities of unexploited oil and gas reserves of Myanmar can be useful in meeting India's energy security, for developing India's north-east region, Myanmar's cooperation is necessary. Cooperation of Myanmar is also important for maintaining India's internal security, as insurgent

groups from the north east find safe heaven in the neighbouring country, owing to the rugged nature of the terrains.

Myanmar has the potential to become a convenient transit route for India's growing trade relations with Southeast Asia, and also to develop the Mekong Ganga cooperation (MGC) sub-region.

India is the fourth largest trading partner of Myanmar after Thailand, Singapore and China. India-Myanmar bilateral trade reached US\$ 1207.56 million in 2009-10, more than double from 2005-06 figures of US\$ 569.17 million. India's main export to Myanmar consists of primary and semi-finished steel and pharmaceuticals; while its main import consists of agricultural items like beans, pulses and forest based products. An important component of India- Myanmar trade consists of border trade along the 1,600 km approx. long land border. The border trade stood at US \$ 13.73 million in 2009-10 against US\$ 9.8 million in 2008-09. Two border trade points, Moreh-Tamu (1995) and Zowkhathar-Rhi (2004) have become operational so far with an agreement to open a third trade point, Avakhung-Leshi. Cotton yarn, auto parts, pharmaceuticals and soybean meal from India; and pulses, dried ginger, betel nuts, turmeric from Myanmar have been the main items of exchange through the border trade points.

In this backdrop, Myanmar's President Mr. Thein Sein's visit to India from 12-15 October was a significant development. Indian government welcomed the ongoing efforts at political, economic, and social reform in Myanmar and offered all necessary assistance in strengthening the democratic transition in an inclusive manner. India also expressed its readiness to share experiences with Myanmar about its parliamentary rules, procedures, and practices.

In the economic sector, India and Myanmar agreed to promote trade, investment and economic cooperation in a sustainable manner. Both sides reiterated their commitment for early implementation of the previous projects and explore new avenues for cooperation. India agreed to extend a new concessional line of credit of US\$500 million to Myanmar for specific projects, in accordance with the modalities for the LDCs. Both the countries expressed satisfaction at the implementation of the

Kaladan Multi-modal Transit Transport Project, especially the port development and Inland waterways. It was decided that the road component of the project would be started at the earliest, and a study would be undertaken to comprehend the commercial usages of the project and to finalise the route. It was also decided that an additional Land Customs Station/border trade point would be opened up at the India-Myanmar border to allow for the smooth flow of goods generated by the project. Besides the Kaladan Project, both sides reiterated their commitment for an early implementation of the Rhi-Tiddim Road Development Project, and also to review the progress in establishing trilateral connectivity from Moreh in India to Mae Sot in Thailand via Myanmar.

Both the countries endorsed the establishment of a Trade and Investment Forum at the business level, opening up new border trading points for the economic upliftment of the local people, to expand the basket of goods under border trade, visit of an Indian banking delegation to Myanmar to facilitate better trade and payment arrangements, etc. The two governments urged business associations in their respective countries to enhance ties with their likely counterparts in each other's country and participate in trade fairs. The two countries welcomed the decision to hold the 'Enterprise India' Show in Yangon on November 10-14, 2011.

India announced to support Myanmar in setting up an information technology institute in Mandalay, and the second Industrial Training Centre at Myingyan. Both the countries also signed a programme of cooperation in science and technology for the period of 2012-2015. In the agricultural sector, India announced to extend technical and financial support in setting up an Advanced Centre for Agricultural Research and Education (ACARE) in Yenzin, and for setting up a Rice Bio Park in the Integrated Demonstration farm at Nay Pyi Taw, which will demonstrate the various techniques in rice biomass utilisation.

For energy security, both sides agreed to enhance cooperation in the oil and natural gas sector, and in renewable energy sources including solar and wind. Myanmar welcomed the substantial investments made by Indian companies like GAIL, ESSAR, ONGC and others, in off-shore and on-shore blocks, and construction of natural gas pipelines in the Bay of Bengal region. In generating electricity from

renewable energy sources both the countries agreed to encourage their domestic public and private sectors companies to set up joint projects. India and Myanmar also committed to cooperate in the implementation of the Tamanthi and Shwezaye projects on the Chindwin River Basin in Myanmar.

As regards security issues, both countries agreed to strengthen institutional mechanisms for border management, and not to allow their respective territories to be used for hostile purposes.

With these measures India has given credence to Myanmar's reforms, and has sent clear signals to the world community that Myanmar is on the verge of transition, which needs to be accelerated with suitable reinforcements. Otherwise, if hardliners in Myanmar see little progress in changing the country's international standing and economic growth, it is very likely that the country may revert back to its past days, before the reform measures truly fructify.

**Dr. Vikash Ranjan, Research Fellow, at Indian Council of World Affairs, New Delhi
110001*

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