



India-Myanmar A New Impetus

Gateway House Policy Trip to Myanmar

Gateway House Report No. 10, February 2014



भारतीय वैश्विक संबंध परिषद्

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Gateway House: Indian Council on Global Relations is a foreign policy think tank in Mumbai, India, established to engage India's leading corporations and individuals in debate and scholarship on India's foreign policy and the nation's role in global affairs. Gateway House is independent, non-partisan and membership-based.

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India-Myanmar: A New Impetus

Gateway House Policy Trip to Myanmar

1-5 October 2012

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- Vijay Crishna, Executive Director, Lawkim Motors (Godrej Group); Director, Godrej Industries
- Saroj Datta, Executive Director, Indamer; former Executive Director, Jet Airways
- Amita Haribhakti, Member, Ladies Wing, Indian Merchants Chamber
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- Rajiv Sawhney, CEO, Mahindra Holidays and Resorts India Ltd
- Namrata Shroff, expert, antiquities
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ⁱ Profiles of all the participants are in Appendix A

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With thanks,

Manjeet Kripalani

Alisha Pinto

Gateway House

Map of Myanmar



Foreword

Gateway House Policy Trip to Myanmar

The opening up of Myanmar is one of the most dramatic and unexpected events in modern Asian history. In contrast to the concurrent political upheavals of the Arab world, Myanmar is stepping into the optimism of the ongoing Asian century. Its geographical position between two giant nations, India and China, is significant. It makes Myanmar the economic gateway to ASEAN for India, and the gateway to South and West Asia for China. It also makes Myanmar a test case for a new development model and a new global politics.

Multilateral agencies preach equitable development, but the world has rarely seen it: in Myanmar, both the ruling military majority and the minority opposition are aware of the development failures of the past and are keen to avoid the same mistakes. Politically, by inching its way into democracy, Myanmar leaves behind North Korea and China as the only remaining autocracies in Asia. With careful attention to social and political equity, Myanmar can diminish the unresolved Buddhist-Muslim and ethnic clashes within its borders, setting an example for its Asian neighbours.

For India, Myanmar is more than just an economic opportunity and geostrategic buffer – it is also a chance to set right the neglect of our own northeast by linking it infrastructurally, commercially and spiritually with Myanmar; to revive our eastern ports and commercial activity in the Bay of Bengal; and to reignite our Buddhist heritage. It is also a chance for India's developmental and democratic model to find resonance and replication. Myanmar's path will not be linear, pointing again to the relevance of the Indian experience – not necessarily success – in addressing many of the same issues.

Still, this is a unique moment for India – our extended neighbour Myanmar offers us the opportunity to robustly reactivate our old ties to the East, while Afghanistan reconnects us comprehensively to our West. The policies we follow for these two nations, then, hold the key to India's future in Asia.

With this in mind, Gateway House invited a select group of its members on a week-long policy trip to Myanmar. The group included those among our members with a genuine interest in India-Myanmar relations, and whose businesses at home include education, manufacturing, agriculture, aviation, tourism, real estate, and culture and the arts – all areas where Myanmar needs intellectual and commercial inputs.

In Myanmar, we met diplomats, businessmen, government officials, ministers, opposition activists, non-governmental organisations, media persons, environmentalists, artisans, monks, and descendants of the last king of Burma, all while absorbing the matchless beauty and unique faith of Myanmar and its people.

The report of this group and its policy recommendations are encased in this publication.

Manjeet Kripalani

Alisha Pinto

Gateway House

April 2013

Meetings

Gateway House Policy Trip to Myanmar 1-5 October 2012

Yangon

1. U Soe Win, great-grandson of King Thibaw of the royal family of Burma
2. Daw Devi Thant Cin, great-grand daughter of King Thibaw of the royal family of Burma
3. Ma Thida, doctor, journalist and editor of ‘Myanmar Independent’
4. Dr. V. Seshadri, Ambassador of India to Myanmarⁱⁱ
5. Putu Kamayana, Head, Extended Mission in Myanmar, Southeast Asia Department, Asian Development Bank
6. Sharad Bhandari, Principal Country Specialist, Asian Development Bank
7. Hideaki Iwasaki, Principal Infrastructure Specialist, Asian Development Bank
8. Dominique and Sandy Causse, Head of the Economic Service, Embassy of France
9. Htoo Thet Htwe, Managing Director, Air Bagan Limited
10. Lwin Moe, Executive Director, Asian Wings Airways
11. Kyi Win, CEO, Asian Wings Airways and Chairman, Myanmar Aviation Academy
12. U Win Aung, President, Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)
13. U Mya Han, Vice President, UMFCCI

ⁱⁱ Retired in 2013

14. Aye Lwin, Joint Secretary General, UMFCCI
15. Dr. Maung Maung Lay, Vice President, UMFCCI
16. Adam Cooper, Centre for Humanitarian Dialogue
17. Soe Myint, Burmese expatriate from New Delhi and founder, Mizzima News Agency
18. Jeremy Kloiser-Jones, CEO, Bagan Capital Ltd
19. Evlin Petkov, Regional Director, Bagan Capital Ltd
20. Press conference with Myanmar media
(for Gateway House delegation)

Nay Pyi Taw

1. U Htay Aung, Union Minister, Hotels and Tourism
2. U Thant Kyaw, Deputy Minister for Foreign Affairs
3. U Myint Hliang, Minister for Agriculture and Irrigation
4. U Aye Myint, Minister for Industry
5. Dr. Maung Maung Theim, Deputy Minister for Finance and Revenue
6. Dr. Kan Zaw, Union Minister, National Planning and Economic Development
7. U Zin Yaw, Deputy Minister for Foreign Affairs (and former Ambassador to India)

Mandalay

1. Dr. Madan Mohan Sethi, Consul General of India to Mandalay
2. U Ye Myint Daw Myat Ngwe, Chief Minister of Mandalay
3. Mandalay Region Chamber of Commerce and Industry
(delegation)

Introduction

Gateway House Policy Trip to Myanmar

India House is one of the most beautiful buildings in Yangon. It is India's ambassadorial residence, a white colonial structure with tall columns and large grounds, reminiscent of Lutyen's Delhi. It was lovingly restored during Shyam Saran's tenure as India's ambassador to Myanmar. Locals call it the White House of Southeast Asia.

The people of Myanmar expect India to live up to the stature of its embassy. India will be wise to do so. Myanmar is India's gateway to ASEAN, and the catalyst that will unlock the potential of India's own rich, but neglected, northeast. The time is ripe – and urgent.

Seven years ago, Myanmar took an early and tentative step to open up its economy and polity. Then, in 2011, President Thein Sein made a bold move when he released Daw Aun Sang Suu Kyi from house arrest and allowed her to fight elections. She won a seat in the Parliament in Nay Pyi Taw – and a new wind blew across Myanmar.

A good reason for Myanmar's debut was a pushback against the overwhelming Chinese investment in Myanmar. While the world isolated Myanmar's generals, China stepped in as a friend. Thailand, Singapore, and to a lesser extent, India, also invested then, but the scale of the Chinese outlay is unmatched.

Now, at \$14 billion, China accounts for a third of all foreign investments in the country, the bulk of which are in natural resources such as iron ore, wood, rubber, manganese, precious and semi-precious stones. Over 60% of the nearly 50 power plants – mostly hydro-electric projects – in Myanmar are initiated by, and constructed by, Chinese corporations. China is building railways, ports and roadways across the country. Mandalay is virtually a Chinese city; there are an estimated 5 million Chinese people in Myanmar, nearly 10% of the country's population.

It was enough to make the military uncomfortable and to want

to reclaim their country. Unlike other dictators who are quite happy to go into exile in Paris, London or Washington, the Myanmarese do not want to leave their country, say Myanmar observers. The West holds no attraction for them – nor does China. They believe they are an utterly unique country and people – and in a way, they are right.

Myanmar is a fertile country, at the geographic crossroads of the new world. It is flanked by India and China, the two great powers of the past and the future. Myanmar should be taking advantage of its position.

The opening up and the current transformation of the country is being led by the former general and now reformer President Thein Sein, and an inner circle of 14 advisors called the National Economic and Social Advisory Council. It is a small group of various ministers of the railways, industry and agriculture, who transcend their portfolios, as also special advisors like author Thant Myint-U. This group is working overtime to transform Myanmar; but analysts say the next year is a critical time for this government to make progress in crossing over to the beneficial side of development, before the 2015 elections.

For now, the army is quiet, the Chinese have their place but no more, and the democrats are active. But as with any closed nation that is opening up, the troubles are now visible: the old Muslim Rohingya and Buddhist Rakhine border clashes have revived, as has the larger issue of Myanmar's stateless persons. Deeper political engagement and economic growth can help the tensions to recede.

So Myanmar is in a hurry. A senior official at the powerful Investment Commission told us during our visit to Nay Pyi Taw, "We can't always go to the monastery for peace and tranquillity. Sometimes there is a time to be aggressive."

While Myanmar is receptive, Indian business, already late in entering the country, should seize the opportunity to invest in this potentially wealthy nation and follow India's strategic interests. Myanmar is close by, it is familiar. Its consumer market is almost the same size as Gujarat, but here are 60 million people who need almost everything from hair oil to scooters to business schools and airlines.

The business potential is massive: India-Myanmar trade is just \$1.9 billion,ⁱⁱⁱ far behind China, Thailand and Singapore, which are Myanmar's top three trading partners.^{iv} Small and medium enterprises and traders are natural agents of cooperation between India and Myanmar, from which both can profit.

Geopolitically, Myanmar is a buffer against China. Domestically, Myanmar is key for peace in India's northeast, which is once again simmering with discontent. Having open borders between Myanmar and the northeast, for instance, will ensure robust cross-border trade and the development of long-overdue transport routes, which can connect us affordably with ASEAN.^v

The build-out of the Dawei deep-sea port on Myanmar's west coast will be hugely beneficial, cutting shipping time and costs from India to Myanmar by at least half, bypassing our eternal dependence on Singapore. It will also be strategically important for India, which is seeing increased Chinese naval activity around the Bay of Bengal.

But most importantly, Myanmar can be a virtuous development test case for the world – and India's role here can show the way.

What is needed now for Myanmar is to:

- a) Create a new business model for development by harnessing and monetising Myanmar's creative and artisanal skills
- b) Modernise the agriculture of the largely rural society
- c) Build administrative and democratic capacity

This India can help to do. India has hard investments in the

ⁱⁱⁱ Ministry of External Affairs, Country Briefs: Myanmar. *India-Myanmar Bilateral Trade*. At: http://www.mea.gov.in/Portal/ForeignRelation/India-Myanmar_Relations.pdf

^{iv} Central Statistical Organisation. (2010). *Statistical Yearbook*. Ministry of National Planning and Economic Development, Government of the Republic of the Union of Myanmar: Nay Pyi Taw.

^v See: Mathur, A. (July 2011). *A Winning Strategy for the North East*. Gateway House Research Paper No. 1. At: <http://www.gatewayhouse.in/winning-strategy-north-east-353/>

gas pipelines and roads of Myanmar, of course, and surely the Myanmar people need power and cell phones. But while the West, China and Southeast Asia can build Myanmar's infrastructure, India can help build its society, its systems, and its soft skills. From India the Myanmar people want to learn about regulations, banking systems, commodities exchanges, media councils, and software and telecom skills.

Most important, India can help Myanmar build its creative economy by replicating social enterprises and new retail models like Fabindia, which take the artisanal skills of talented but poor and rural craftspeople into the modern retail market. This is vital for newly-developing countries like Myanmar – and in Africa too – which can take up to two decades to develop a formal education system, but whose rich traditional proficiencies can meanwhile be directed into the marketplace, helping with job-creation and income-generation.

India can also help Myanmar build its formal education and healthcare systems. India's low-cost pharmaceutical companies can establish distribution systems in the country. Its affordable high-quality hospital systems, such as Apollo Hospitals, can help build similar hospitals in Myanmar's major cities of Yangon, Nay Pyi Taw and Mandalay, while maternity care centres like Life Spring can be set up in Myanmar's towns.

Myanmar's formal education system has been neglected for decades, and government schools are poor and under-funded. In its place exist a large number of community-supported, mostly monastic schools. A starting point is upgrading the systems and processes of the monastery schools, leading them away from rote learning to more modern curricula accessible to a largely rural public.

Attached to the schools can also be vocational training centres, so that Myanmar people youth can be equipped with skills that help to bring in income.^{vi} Indian NGOs, like Pratham, working on education, with vast experience in low-income and state schooling

^{vi} See: Kripalani, M. (10 April 2012). *Jobs for India's Youth*. At: <http://blogs.ft.com/beyond-brics/2012/04/10/guest-post-jobs-for-indias-youth/#axzz2OGWsYz1H>

improvement, and in learning intervention, can be involved.

The Myanmarese are working hard to develop virtuous systems as well, especially on environmental protection. Myanmar has adopted the Extractive Industries Transparency Initiative, one of the more advanced environment codes in the world on mining. Implementation is difficult, but efforts are being made.

Of course there will be China to deal with as a competitor. Its presence is everywhere: China built the airport in Nay Pyi Taw; it imports Myanmar's jade, gold and timber; its cheap two-wheel vehicles ply the roads of Mandalay. It values Myanmar's natural habitat, using its flora for medicinal cures. The *champa* flower, for instance, is a proven cure for ear aches. Chinese brokers pick up the flowers from Myanmar's villages and take them back to China, illegally, for medicinal use.

The Myanmarese are starting to protest some of the Chinese activity, accusing them of land-grabbing, inadequate compensation, using migrant labour instead of generating local employment, and cultural and social insensitivity.

They are also protesting their own government's lenient treatment of the dominant Chinese merchants over that of the local populace. Nor do they find Chinese products reliable. From pharmaceuticals to hair oil to the singlet vests worn by Myanmarese farmers, Indian products are favoured for being durable and efficacious. These come informally, over the border; Indian companies have yet to establish formal distribution systems in this ready market.

India will also face major competition from the West – the Germans are already building the transportation systems, the Danes and Norwegians are pouring in funding, the Japanese are helping with urban planning, the Singaporeans are building roads and ports – the latter of especial importance as a robust port system in Myanmar will shorten global shipping routes and reduce costs. According to some estimates, the Dawei port, once established, could result in Singapore losing 40% of its trade revenues.

These are opportunities for India, and we must move to secure them quickly. Land is already very expensive – real estate in Yangon

costs the same as it does in urban Bangkok, and half of the price in Mumbai. The lack of a decent banking system has resulted in people with available cash investing in real estate.

Clearly, Myanmar has begun its journey to becoming a typical emerging market – a journey that India must participate in if we are serious about our place in Asia.

Manjeet Kripalani

Gateway House

Recommendations

Gateway House Policy Group on Myanmar

These recommendations are compiled from the individual and collective suggestions of the members on the policy trip, and endorsed by them.

The political transition of Myanmar affords India an important and unique opportunity to deepen its relations with its eastern neighbour.

On the one hand, it opens up new avenues for Indian business engagement; on the other, it can bring a new impetus for economic regional cooperation and development.

In India, that focus will be on its eastern and north-eastern front – from Arunachal Pradesh down to Tamil Nadu. Connectivity with India is required from its borders to the vital ports on the eastern coastline.

India has diplomatically stepped forward to ignite better relations with Myanmar – high-level visits both ways by leaders of the two countries, as well as the historical visit of Daw Aung San Suu Kyi to India, starting on 13 November 2012 with a visit to New Delhi, has opened up the way for stronger ties.

The recommendations by the policy group on Myanmar are divided into the following categories:

- I. Economic policy
- II. Governance
- III. Human resources
- IV. Industry
- V. Arts and culture
- VI. Social enterprise

Overview of the recommendations

Indian industry and government can help to build:

i) Hard industry: Engineering, machine tools, dyes, autos, capital goods, construction (especially of industrial and artisanal parks, student hostels, hotels/resorts and ports), aviation, agriculture, solar power, and power generation and transmission.

ii) Virtual infrastructure: Telecom (wireless) for retail customers and in universities, satellite (for land information and weather), and information technology.

iii) Financial infrastructure: New regulations and regulatory bodies, writing of tax codes, capacity-building for banks and central regulators, stock and commodities markets, and micro-finance and micro-insurance institutions. India must provide bank access – a current lacuna in bilateral business – to Myanmar and Indian industry.

iv) Human resources: Training programmes and capacity-building for regulators, training in democratic principles for policy-makers and activists, engineering and medical training (for example, for village paramedics), incubators for entrepreneurs, and training for small businesses.

v) Education infrastructure: Engineering and medical schools, business schools, departments of humanities (especially for studying Buddhism and history), creative economy (building artisanal skills), basic vocational training, and training of power supply personnel.

vi) Joint ventures: Work on joint ventures with Japan in the telecom and stock markets (the Tokyo Stock Exchange plus an Indian partner like MCX or NCDEX can make a high-quality, robust and affordable commodities exchange), port development, training of the monetary authority, and joint ventures in auto, power, and airlines connectivity (especially to Bodh Gaya and other Buddhist centres in India).

I. Economic policy

Current status:

- One of the most important issues for India to focus on is the border problem, with security, development and trade along the 1,643-kilometre border with Myanmar. The internal unrest in India, as well as in Myanmar, has affected border trade and connectivity between the two countries. India signed a border trade agreement in 1994 to open up two trading points along the India-Myanmar border. In an effort to promote the agreement, in 2008 India-Myanmar upgraded bilateral trade relations from Border Trade to Normal Trade, according to the Indian Ministry of External Affairs. However, trade across the border (in 2011) was only \$12.8 million (under 1% of total trade), with only two border trade points with Myanmar, at Moreh-Tamu and Zowkhatar-Rhi, and another proposed at Avakhung-Pansat/Somrai.
- The government of India has also undertaken to repair, upgrade and construct bridges, roads and highways, particularly the transit corridor between India and Thailand. The Trilateral Highway will boost trade, especially between Southeast Asia and our own north-eastern states. It will also facilitate the movement of people, thereby increasing small business trades, skills-building exchanges and pilgrimages. A project with greater potential for India-Myanmar connectivity is the Kaladan Multi-modal Transit Transport Project, which includes rail and port development, much of which is due for completion by June 2014 (but which has fallen behind schedule).
- India signed a Bilateral Investment Promotion Agreement (BIPA) and Double Tax Avoidance Agreement (DTAA) with Myanmar in 2008. Both countries are signatories to the India-ASEAN Trade in Goods Agreement of August 2009. This will help to achieve our bilateral goals of increasing trade from the current \$1.9 billion to \$3 billion by 2015.
- India signed an MoU in May 2012, during the Prime Minister's visit to Myanmar, to extend a line of credit of \$500 million to the government of Myanmar, to be used

for infrastructure development projects (of the state) in agriculture, rail transportation and electric power.

- As Myanmar is primarily an agricultural economy, the governments have sought greater partnership in developing this sector through initiatives like the Advanced Centre for Agricultural Research and Education.

Recommendations for India

1. India urgently needs to focus on linking the northeast with Myanmar's ports and rail network. A greater push is needed to complete the Kaladan Multi-Modal Transit Transport Project; the deadline was 2013.
2. India can work with the government of Myanmar to build out the 10,000 acre industrial park near Mandalay, to be used for industrial training by Indian public and private sector companies jointly with Myanmar companies. This can be expanded into an industrial estate with infrastructure provided on-site by Indian interests.
3. The two countries can urgently begin negotiations and sign an FTA (Free Trade Agreement) to allow an increased flow of goods and services to both markets. The border towns on each side can be upgraded, especially for trade, with low duties for cross-border exchanges of goods. At the moment, the Myanmar border towns are more developed and a robust informal tax-free trade is being conducted.
4. In addition, the two countries can sign a Multilateral Investment Guarantee Treaty; India can also sign an Investment Protection Agreement with Myanmar.
5. Indian private sector firms can set up stock and/or commodity exchanges in Myanmar and train the staff. Specifically, Indian companies like the National Commodities & Derivatives Exchange, or Financial Technologies, which built MCX Stock Exchange, the new Indian commodities exchange, the Dubai Gold Exchange, the Singapore Mercantile Exchange, and the Africa Bourse, are suitable partners.

6. India should immediately prioritise the easy opening of letters of credit, so that business between the two countries can be facilitated.
7. Both countries can sign a bilateral MoU to allow banks to offer financial services in Myanmar and vice versa, like the Singapore-India CECA (Comprehensive Economic Cooperation Agreement).

II. Governance

Current status:

- The Indian government has taken the initiative to train over 30 parliamentarians and more than 20 staff members in Myanmar in parliamentary procedures.

Recommendations for Myanmar

1. Map the people: The government of Myanmar, given the large number of stateless persons in the country and the related issues, can, with Indian help, create a comprehensive citizenship card. The card can be a way to keep track of the various ethnicities and immigrants living in Myanmar. This can be done in tandem with the processing of data from the census numbers. (Myanmar's last census was conducted in 1983 and the next nationwide census is scheduled for 2014 with the assistance of the United Nations Population Fund, UNFPA).
2. A Tax Information Network is needed to formalise the revenue system (currently two-thirds of all goods are smuggled into Myanmar) and e-governance systems (Bangalore's will be easy to replicate in Myanmar).^{vii}

Recommendations for India

1. India can help to monitor and guide Myanmar's plan for maintaining a chosen speed of programmes and policies:

^{vii} Government of Karnataka. *BangaloreOne, One Stop Non Stop Service*. At: <https://www.bangaloreone.gov.in/public/default.aspx>

Liberalise > Learn > Convert to policy > Implement > Learn from experience > Recast policy > Maintain a continuous debate > Liberalise.

III. Human resources

Current status:

- India signed, during the prime minister's visit to the country in 2012, 12 MoUs with Myanmar and is in the process of establishing a number of institutions for training in information technology, English language skills, and the development of entrepreneurship in Myanmar, in addition to financial and technical assistance. So far, Myanmar has used the ITEC (Indian Technical and Economic Cooperation) programmes to great success; at the moment 250 students from Myanmar study in institutions in India.^{viii}
- For Myanmar, whose education system has fallen behind by two decades, the immediate requirement is vocational training and skill-building, especially in agriculture and dairy processes. Myanmar's youth need skills for the modern workforce, especially as foreign companies come in with investments.

Recommendations for India

Public Sector:

1. Establish e-governance institutes in Myanmar to develop a governance mechanism in taxation, government services, and central bank staff-training.
2. Train regulators for telecom, power, insurance and finance.
3. Train personnel in the power sector through Power Grid Corp and NTPC
4. Start an IIT (Indian Institute of Technology), an IIM (Indian Institute of Management) and an IIIT (Indian Institute

^{viii} The ITEC quota for 2013 was increased to 525 seats, according to the website of the Ministry of External Affairs.

of Information Technology) in Myanmar to enable the development of a high calibre of students.

5. Sign an MoU with the National Skills Development Corporation, both for factory and service jobs.

Private Sector:

1. Private Indian universities can provide 5,000 to 10,000 Myanmarese students with scholarships annually to study in Indian universities, especially in engineering, sciences and medicine. Manipal University, for instance, is willing to consider scholarships for engineering at its Sikkim, Dubai and Manipal (Karnataka) campuses, with the approval of the government of India.
2. Private sector training and internships: Students from Myanmar can avail of training in skills at private sector institutes in India as part of the companies' training process for employees. For example, the Godrej group has been hosting MBA students from Kashmir. Three batches of 150 each stay in Vikhroli, Mumbai, on campus. They learn how to make and sell products like fruit juices and hair dye.
3. Private educational institutions like the NIITs can provide training in the English language and computer skills.

Recommendations for Myanmar

Myanmar should allow private Indian universities to set up campuses in Myanmar, and fund their infrastructure.

IV. Industry

Current status:

- Myanmar's economic activity is largely agricultural and industry is mostly extractive. Rice, timber, rubber, gemstones, oil and gas are the main industries, all of which are in an under-developed condition. A fledgling airline business survives thanks to the elite, but telecom and broadband connectivity is virtually non-existent.
- An India-Myanmar Business Advisory Council can be

established to cement business on both sides, and to ensure constant business exchanges.

Recommendations for India

Public Sector:

1. Myanmar can leapfrog development by moving to full, affordable wireless telecom and internet connectivity for all. So far, Indian companies have shown little interest in participating in the nascent telecommunications market in Myanmar; the major telecom licenses were won by Norway's Telenor and Qatar's Ooredoo. With Myanmar's conditions being similar to those of rural India, developing and maintaining a telecom network in that country is a natural for Indian players. The government of India can incentivise Indian telecom players to enter Myanmar with affordable services and sturdy phones.
2. Pilgrimage tourism to Bodh Gaya in Bihar can be promoted by allowing unlimited flights to the town (a short 1.40 hour ride) and building clean and affordable lodging and transportation facilities at Bodh Gaya for Buddhist pilgrims from Myanmar. A global centre of spiritual learning (connected to Nalanda University) can be built in Bodh Gaya. Lecture series can be organised at all Buddhist sites in India, featuring celebrated Buddhist monks from Myanmar.
3. In the aviation sector, the Indian government should deepen its relationships with Myanmar at the level of the directorate general. Indian Airlines can provide technical expertise and support to Myanmar's airlines at affordable rates. The Gagan Satellite Geo-stationary Navigation System should be offered to Myanmar to train its air traffic control system personnel.
4. Help Myanmar write a policy that will establish a power grid comprising a half-and-half mix of fossil fuel and renewable sources. Use distribution, non-grid power in rural areas and grid high-quality power in industrial centres. This can be done through joint venture partnerships with other countries such as Japan.

Private Sector:

1. The expansion of air links is vital, especially to the north-eastern states of India. Agreements for air-linking Myanmar with the north-eastern states have been signed.^{ix} This is a positive initiative by the Myanmar, especially since Indian aviation is in trouble. When it recovers, private sector joint ventures can step in. An example is the Tata tie-up with Air Asia; the latter already flies directly from Mandalay to Bangkok.
2. Train Myanmar's pilots with simulators in India. Currently, Myanmar's pilots go to Bangkok, Thailand, for flight simulator training. Indian companies train and maintain Euro Copters for instance, and do it cheaper and more conveniently. Myanmar's aviation industry can follow.
3. Accelerate the imports of official Indian pharmaceutical (allopathic and *ayurvedic*) products into Myanmar; these products are already very popular, more than Chinese traditional medicine. At a later date, Indian pharma can establish a base for teaching and for the manufacture of *ayurveda/unani* medicine in Myanmar.
4. Huge potential exists for Indian consumer products like hair dye, hair oil, soap, pharma, tractors and autos. Companies like Godrej, HLL, Tata, Mahindra, Cipla, Marico and others ought to tap this new market. Currently, very few companies actually have a presence in Myanmar; the pharma industry alone has a profile there.
5. Participate in port services: Indian companies, already invested in Myanmar, such as J. M. Baxi and Co (in a joint venture to redevelop Yangon port), can help with the development of Dawei port as well as other coastal ports.
6. Participate in the build-out of infrastructure before the ASEAN 2014 Summit in Nay Pyi Taw.

^{ix} On 21 November 2013, the first flight from Myanmar landed in Imphal, Manipur. *The Times of India* (22 November 2013). 'First Flight from Imphal Lands in Manipur'. At: http://articles.timesofindia.indiatimes.com/2013-11-22/guwahati/44363668_1_delegates-tulihal-airport-manipur-sangai-festival

V. Arts and culture

Recommendations for India

Public Sector:

1. India should offer to reconstruct the palace of King Thibaw in Ratnagiri, Maharashtra, and convert it into a memorial and museum.
2. Help with training and heritage conservation efforts in Myanmar. The Archaeological Survey of India is already working on the Ananda Temple in Bagan. India can additionally provide them training at the National Research Laboratory for Conservation, Lucknow, and at the Indian National Trust for Art and Cultural Heritage (INTACH); even three-day workshops for starters can be organised. The Prince of Wales Museum in Mumbai periodically hosts such workshops.
3. Enhance cultural exchanges: The Indian embassy could organise an India Festival in Yangon and a Myanmar festival spread between Delhi/Mumbai/Patna/Aizawl. The annual cultural festival organised by the Indian embassy in Jakarta is very successful and includes a range of events such as classical dance, contemporary theatre, fashion and films.

Private Sector:

1. Bollywood films are popular in Myanmar and should be legally promoted (to eliminate illegal imports and piracy). Hosting an Indian film festival inaugurated by Amitabh Bachchan will promote India's soft power and draw Myanmar into the fold of South Asia.
2. Art gallery owners and foundations should link promising contemporary Myanmar artists with the Indian art scene. India hosts at least two art fairs a year – in January in Delhi and in November in Mumbai. India's first biennale was successfully held in Kochi in December 2012. Myanmar's artists should be sponsored by private players, as also the Ministry of Culture, to participate.

3. Myanmar had decided to triple the size of its tiger reserve in Hukaung Valley. India had offered to collaborate on the project some years ago, but it has not moved forward. India has experience in conducting a tiger census, including the use of camera traps and real-time remote electronic surveillance. Our government must renew the offer and push it with the private sector. India can help with expertise in conservation of the tiger; for example, Hemendra Kothari's private wildlife foundation has done excellent work in Pench, Maharashtra and Madhya Pradesh.^x
4. Literary tie-ups: Encourage one of India's many literary festivals to host a festival with a special focus on Myanmar.

Recommendations for Myanmar

As proposed by the Union Minister for Hotels and Tourism, Htay Aung, initiate and increase the "familiarisation trips" to India for greater business-to-business interaction.

VI. Social enterprise

Recommendations for Myanmar

1. The Fabindia model: Mandalay is creating two industrial parks; one can be used for industry. The other, near the international airport, is close to villages which are rich in handicraft skills; this park can be used for learning creative social enterprise on the lines of Fabindia.^{xi} This model brings the artisanal skills of less-literate people into the modern retail market. William Bissell of Fabindia is willing to visit and train people in Myanmar. This will close a part of the illiteracy gap for one generation, until the second one is adequately educated
2. Literacy: Use the TCS's Computer-based Functional Literacy Programme, which is successful in some countries in Africa, to help close the literacy gap. This programme uses

^x See: <http://wildlifeconservationtrust.org/>

^{xi} Fabindia. 'About the company'. At: <http://www.fabindia.com/company>

symbols on computers to teach the illiterate adult to “read” a newspaper in 12 weeks.^{xii}

3. India has many successful experiments that can be replicated in Myanmar. For example:
 - a) Rice cultivation is crucial to the economy in Myanmar, so the people can be trained in the hugely successful SRI – System of Rice Intensification. This is being implemented across India, especially in Assam and Bihar. Small land holdings using SRI are able to produce better yields, lower input costs, and use less water and less fertiliser. The SRI method is now spreading from rice to other grains such as maize and wheat.
 - b) In Bihar, an experiment to grow oyster mushrooms and milky mushrooms, which sell at ₹100 a kilo (in Japan it is ₹2,000 a keg), can fetch a farmer-producer ₹50,000-60,000 a year. This can be replicated.
 - c) In Jharkhand, the Torpa Women’s Poultry Cooperative Society is run by the Jharkhand Women Self-supporting Poultry Cooperation Federation. It empowers women with small landholdings through systematic intervention at various stages of enterprise – building skills, infrastructure, and marketing arrangements for a successful home-based broiler poultry unit. It has generated dividends of ₹10,000 per year for women. This too can be replicated.^{xiii}
 - d) Promote sustainable power generation in villages, through rice husks and solar power; follow the SELCO example.^{xiv}
 - e) Orchard cultivation with expertise from the Pune-based NGO BAIF (run by Girish Sohane of IIM-A).^{xv}

^{xii} Tata Consultancy Services. ‘Computer Based Functional Literacy Solution for Adult Literacy’. At: http://www.tcs.com/resources/case_studies/Pages/Corporate-Sustainability-Computer-Based-Functional-Literacy.aspx

^{xiii} Jharkhand women self supporting poultry cooperative federation ltd. ‘Organisation’. At: http://www.jwspfl.com/?page_id=4

^{xiv} SELCO. ‘About Us’. At: http://www.selco-india.com/about_us.html

^{xv} BAIF Development Research Foundation. ‘About Us’. At: http://www.baif.org.in/about_us_about_baif.asp

4. The Jagruti Yatra runs for three weeks in a year; 375 youth in the 20-25 age group with a desire to serve and learn are selected out of 20,000 candidates. They board a special train that runs through India, and learn about the country and about leadership. The *yatra* is mentored by the Tata Institute of Social Sciences, and sponsored by Google. Perhaps the Ministry of External Affairs can sponsor three students from Myanmar every year to join in the *yatra*.

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Appendix A

Profiles

Participants on Gateway House Policy Trip to Myanmar

Vijay Crishna is the Executive Director of Lawkim Motors Group, which the Godrej Group took over in 1977. He joined the Board in September 1990. Crishna is also a Director of Godrej Industries, Godrej Agrovet and Precision Wires India Ltd. He serves as a Trustee of the Bombay Scottish Orphanage Society and is a member of the Advisory Board of the Institute for Technology and Management, Navi Mumbai, and the President's International Advisory Board of Colorado College. He is on the Advisory Panel of the New Zealand Trade and Enterprise Beachhead Programme. In 1991, Crishna established the Naoroji Godrej Centre for Plant Research at Shindewadi in Satara district in Maharashtra, which researches and propagates rare and endangered species of medicinal plants endemic to the Western Ghats. He has trekked in Garhwal, Sikkim, Ladakh, Nepal and Tibet. He has been active in theatre since 1965 in Delhi, Kolkata and Mumbai. He received his B.A. in economics from St. Stephen's College, University of Delhi.

Saroj K. Datta is the Executive Director of Indamer, the authorised service centre for the Embraer Aircraft Company in India. He is the former Executive Director (1993-2011) and founding CEO of Jet Airways, and is a pioneer in the aviation industry. Datta has more than 40 years of experience in civil aviation in India and other countries, and is internationally known for his experience in aviation matters.

Shailesh Haribhakti is the Chairman of BDO Consulting, a worldwide network of public accounting firms. He represented India on the Standards Advisory Council (SAC) of the International Accounting Standards Board (IASB). He worked with PBAS, an affiliate of IFC Washington, to establish activity-based costing and Strategic Planning Processes in Polish SMEs. He is a staunch believer in corporate social responsibility, good governance and in

promoting a greener environment. He works with ASSOCHAM, CII and the Indian Merchants' Chamber to frame regulations and standards. Haribhakti is a speaker at several seminars, conferences and training programmes, and was an IIM-Ahmedabad visiting faculty member.

Manjeet Kripalani is the Founder and Executive Director, Gateway House: Indian Council on Global Relations. She is the former India Bureau Chief of *Businessweek* magazine. During her extensive career in journalism (*Businessweek*, *Worth* and *Forbes* magazines), she has won several awards, including the Gerald Loeb Award, the George Polk Award, the Overseas Press Club and Daniel Pearl Awards. Kripalani was the 2006-07 Edward R. Murrow Press Fellow at the Council on Foreign Relations, New York, which inspired her to set up Gateway House. In her political career, she has been the deputy press secretary to Steve Forbes during his first run in 1995-96 as Republican candidate for U.S. President, and press secretary for the Lok Sabha campaign for independent candidate Meera Sanyal in 2008. She holds two bachelor's degrees from Bombay University and a master's degree in international affairs from Columbia University. She sits on the board of the International Centre for Journalists, the Overseas Press Club, and the Indian Liberal Group, which are all non-profit organisations.

T.V. Mohandas Pai is Chairman, Manipal Universal Learning, a part of Manipal University, Karnataka, which is India's largest private university with 1,00,000 students from 50 countries. Pai was Chief Financial Officer of Infosys Technologies from 1994 to 2006, and then Head of HR and Infrastructure. He is a trustee of the International Accounting Standards Committee Foundation, and a current member of the SEBI Accounting Standards Sub-Committee. In 2002, Pai won the 'Best CFO in India' award from Finance Asia; in 2004 he was named as 'Best Chief Financial Officer in India' in the Best Managed Companies poll conducted by AsiaMoney. He also has a strong interest in education and technology, and has worked to improve the quality of education in India. Pai received a B.Com from St. Joseph's College of Commerce, Bangalore, and an LL.B. from Bangalore University.

Alisha Pinto is the Research and Operations Coordinator, Gateway House: Indian Council on Global Relations. She plans,

organises and manages in-house meetings, monthly seminars, conferences and policy trips. She has a Bachelors in Economics from St. Xavier's College, Mumbai University, and has studied International Affairs as an exchange student at L'Institut d'Etudes Politiques de Paris. She was an assistant editor at *Arthiniti*, the annual journal of the Economics Department at St. Xavier's. Pinto has also worked with the Ministry of Environment and Forests, the Nature Conservation Foundation, and the Narmada Bachao Andolan.

Rajiv Sawhney is CEO, Mahindra Holidays & Resorts India Ltd, the leisure and hospitality business of the Mahindra Group. The company's flagship brand, 'Club Mahindra Holidays', has 40 resorts in India and abroad. Sawhney is an alumnus of IIM Bangalore. He has worked for 29 years in the telecom and fast-moving consumer goods sectors. Before joining Mahindra, Sawhney was CEO of the Telecom Business Group of Essar Group, where he oversaw the company's purchase of a major stake in Warid Uganda and Warid Congo. He was part of the core team that built the telecom business of Hutchison in India, and was later the Country Head of Hutchison Telecom in Thailand and Indonesia. Sawhney has a bachelor's degree in economics from the government college in Chandigarh.

Vikram Shroff is Executive Director, United Phosphorus Limited (UPL) since 2006. UPL is a global generic crop protection, chemicals and seeds company, headquartered in Mumbai. UPL has operations in Myanmar. Shroff is responsible for human resource planning, purchasing, commercial, marketing and production functions. He is also the Executive Chairman of Advanta India Limited since 2006. He graduated with a degree in chemistry from the University of Mumbai.

Appendix B

Myanmar factfile

Government

- Conventional long-form: Republic of the Union of Myanmar
- Parliamentary government: Came to power in March 2011
- Capital: Yangon (Rangoon)
- Administrative capital: Nay Pyi Taw
- Incumbent president: Thein Sein

Geography

- Location: South-eastern Asia, bordering the Andaman Sea and the Bay of Bengal, between Bangladesh and Thailand
- Area: 6,76,578 square kilometres
- Border countries: Bangladesh 193 km; China 2,185 km; India 1,463 km; Laos 235 km; Thailand 1,800 km
- Time Difference: UTC + 6.5 (11.5 hours ahead of Washington D.C., one hour ahead of India)

Population

- Main national races: Kachin, Kayah, Chin, Bamar, Mon, Rakhine and Shan
- Language: Myanmarese or Burmese
- Religion: Buddhism (89.2%); Christianity (5%); Islam (3.8%); Spiritualism (1.2%); Hinduism(0.5%); others (0.2%)
- Literacy rate: 89.9%
- Population: 55.17 million

Economy

- GDP: \$53.14 billion (2012 est.)
- Unemployment: 5.4% (2012 est)
- Currency: Kyat (MMK)
- Major exports: Petroleum gases (42%); dried legumes (12%); wood in the rough (8%); natural rubber (3%); precious stones (3%)
- Major imports: Self-propelled bulldozers, excavators and road rollers (5%); motorcycles (5%); motor vehicles for transporting goods (3%); palm oil, crude (2%); structures and parts thereof (bridges, lock gates, towers, etc) (2%)
- Major trade partners (exports): Thailand (40.7%); India (14.8%); China (14.3%); Japan (7.4%); Malaysia (4%)
- Major trade partners (imports): China (36.9%); Thailand (20.2%); Singapore (8.7%); Korea, Rep. (8.7%); Japan (8.2%); Indonesia (5%); Malaysia (4.7%)

Diplomatic representation

- Embassy of India: Ambassador Gautam Mukhopadhyaya (as of 21 June 2013)
- Indian Deputy Chief of Mission: Y. K. Sailas Thangal
- Indian Consul General in Mandalay: Madan Mohan Sethi
- Myanmar's Head of Mission: Ambassador U Aung Khin Soe

Myanmar's participation in international organisations^{xvi}

- Asian Development Bank (ADB)
- Association of South East Asian Nations (ASEAN)
- ASEAN Regional Forum (ARF)
- Bay of Bengal Initiative Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)

^{xvi} This is an indicative, and not exhaustive, list.

- East Asian Forum (EAF)
- Food and Agricultural Organisation (FAO)
- G-77
- International Atomic Energy Association (IAEA)
- International Bank of Reconstruction and Development (IBRD)
- International Development Agency (IDA)
- International Fund for Agricultural Development (IFAD)
- International Finance Corporation (IFC)
- International Federation of Red Cross and Red Crescent Societies (IFRCS)
- International Labour Organisation (ILO)
- International Monetary Fund (IMF)
- International Maritime Organisation (IMO)
- International Police Criminal Organisation (Interpol)
- International Olympic Committee (IOC)
- International Telecommunication Union (ITU)
- International Trade Union Confederation (ITUC)
- Non-Aligned Movement (NAM)
- Organisation for the Prohibition of Chemical Weapons (signatory)
- South Asian Association for Regional Cooperation (SAARC) (observer)
- United Nations (UN)
- UN Conference on Trade and Development (UNCTAD)
- UN Educational Scientific and Cultural Organisation (UNESCO)
- UN Industrial Development Organisation (UNIDO)

- Universal Postal Union (UPU)
- World Customs Organisation (WCO)
- World Health Organisation (WHO)
- World Intellectual Property Organisation (WIPO)
- World Meteorological Organisation (WMO)
- World Trade Organisation (WTO)

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Appendix C

A brief history of Burma

Chronology of key events^{xvii}

1287: Mongols under Kublai Khan conquer Pagan.

1531: Toungoo dynasty, with Portuguese help, reunites Burma.

1755: Alaungpaya establishes the Konbaung dynasty.

1824-26: First Anglo-Burmese war ends with the Treaty of Yandabo, according to which Burma ceded the Arakan coastal strip, between Chittagong and Cape Negrais, to British India.

1852: Britain annexes lower Burma, including Rangoon, following the second Anglo-Burmese war.

1885-86: Britain captures Mandalay after a brief battle; Burma becomes a province of British India.

1937: Britain separates Burma from India and makes it a crown colony.

Japanese occupation

1942: Japan invades and occupies Burma with help from the Japanese-trained Burma Independence Army, which later transforms into the Anti-Fascist People's Freedom League (AFPFL) and resists Japanese rule.

1945: Britain liberates Burma from Japanese occupation with help from the AFPFL, led by Aung San.

1947: Aung San and six members of his interim government assassinated by political opponents led by U Saw, a nationalist rival of Aung San's. U Nu, foreign minister in Ba Maw's government, which ruled Burma during the Japanese occupation, asked to head the AFPFL and the government.

^{xvii} The timeline in this appendix is compiled by Gateway House from: BBC News Asia. *Myanmar profile*. At: <http://www.bbc.co.uk/news/world-asia-pacific-12992883> (Updated only till December 2012)

Independence

1948: Burma becomes independent with U Nu as prime minister.

Mid-1950s: U Nu, together with Indian Prime Minister Nehru, Indonesian President Sukarno, Yugoslav President Tito and Egyptian President Nasser set up the Movement of Non-Aligned States.

1958-60: Caretaker government, led by army Chief of Staff General Ne Win, formed following a split in the ruling AFPFL party.

1960: U Nu's party faction wins decisive victory in elections, but his promotion of Buddhism as the state religion and his tolerance of separatism angers the military.

One-party, military-led state

1962: U Nu's faction ousted in military coup led by Gen Ne Win, who abolishes the federal system and inaugurates "the Burmese way to socialism" – nationalising the economy, forming a single-party state with the Socialist Programme Party as the sole political party, and banning independent newspapers.

1974: New Constitution comes into effect, transferring power from the armed forces to a People's Assembly headed by Ne Win and other former military leaders; body of former United Nations secretary-general U Thant returned to Burma for burial.

1975: Opposition National Democratic Front formed by regional minority groups, who mounted guerrilla insurgencies.

1981: Ne Win relinquishes the presidency to San Yu, a retired general, but continues as chairman of the ruling Socialist Programme Party.

1982: Law designating people of non-indigenous background as "associate citizens" in effect bars such people from public office.

Riots and repression

1987: Currency devaluation wipes out many people's savings and triggers anti-government riots.

1988: Thousands of people are killed in anti-government riots. The State Law and Order Restoration Council (SLORC) is formed.

1989: SLORC declares martial law, arrests thousands of people, including advocates of democracy and human rights, renames the country Myanmar, with the capital, Rangoon, becoming Yangon. National League for Democracy (NLD) leader Aung San Suu Kyi, the daughter of Aung San, is put under house arrest.

Thwarted elections

1990: Opposition NLD wins landslide victory in general elections, but the result is ignored by the military.

1991: Aung San Suu Kyi awarded Nobel Peace Prize for her commitment to peaceful change.

1992: Than Shwe replaces Saw Maung as SLORC chairman, prime minister and defence minister. Several political prisoners freed in bid to improve Myanmar's international image.

1995: Aung San Suu Kyi is released from house arrest after six years.

1996: Aung San Suu Kyi attends first NLD congress since her release; SLORC arrests more than 200 delegates on their way to party congress.

1997: Myanmar admitted to Association of South East Asian Nations (ASEAN); SLORC renamed State Peace and Development Council (SPDC).

Release of pro-democracy supporters

1998: 300 NLD members released from prison; ruling council refuses to comply with NLD deadline for convening of parliament; student demonstrations broken up.

1999: Aung San Suu Kyi rejects ruling council conditions to visit her British husband, Michael Aris, who dies of cancer in UK.

2000 September: Ruling council lifts restrictions on movements of Aung San Suu Kyi and senior NLD members.

2000 October: Aung San Suu Kyi begins talks with ruling council.

2001: Ruling council releases some 200 pro-democracy activists. Government says releases reflect progress in talks with opposition NLD leader Aung San Suu Kyi; she remains under house arrest.

2001 February: Burmese army, Shan rebels clash on Thai border.

2001 June: Thai Prime Minister Thaksin Shinawatra visits, says relations are back on track.

2001 November: Chinese President Jiang Zemin visits, issues statement supporting government, reportedly urges economic reform.

Conflicting signals

2002 May: Pro-democracy leader Aung San Suu Kyi is released after nearly 20 months of house arrest; later taken into “protective custody” after clashes between her supporters and those of government

2003 August: Khin Nyunt becomes prime minister. He proposes to hold a convention in 2004 on drafting the new Constitution as part of “road map” to democracy.

2003 November: Five senior NLD leaders are released from house arrest after the visit of UN human rights envoy.

2004 January: Government and Karen National Union, the most significant ethnic group fighting the government, agree to end hostilities.

2004 May: Constitutional convention begins, despite a boycott by the NLD, whose leader Aung San Suu Kyi remains under house arrest. The convention adjourns in July.

Prime minister ousted

2004 October: Khin Nyunt is replaced as prime minister amid reports of a power struggle. He is placed under house arrest.

2004 November: Leading dissidents are freed as part of a release of thousands of prisoners, including Min Ko Naing, who led the 1988 pro-democracy student demonstrations.

2005 July: ASEAN announces that Myanmar has turned down the 2006 chairmanship of the regional grouping.

2005 November: Myanmar says its seat of government is moving to a new site near the central town of Pyinmana.

2007 January: China and Russia veto a draft U.S. resolution at the UN Security Council urging Myanmar to stop persecuting minority and opposition groups.

2007 April: Myanmar and North Korea restore diplomatic ties 24 years after Yangon broke them off, accusing North Korean agents of staging a deadly bomb attack against the visiting South Korean president.

2007 May: Aung San Suu Kyi's house arrest is extended for another year.

2007 June: In a rare departure from its normally neutral stance, the International Committee of the Red Cross (ICRC) accuses the government of abusing the Myanmar people's rights.

2007 August: Wave of public dissent sparked by fuel price hikes; dozens of activists are arrested.

2007 September: Military government declares 14 years of constitutional talks complete and closes the National Convention.

Buddhist monks hold a series of anti-government protests. Aung San Suu Kyi is allowed to leave her house to greet monks demonstrating in Yangon; it is her first public appearance since 2003.

Authorities begin to crack down on protests, but demonstrations continue.

UN envoy Ibrahim Gambari meets Aung San Suu Kyi.

2007 October: Normality returns to Yangon amid heavy military presence. Monks are absent, after thousands are reportedly rounded up. After some delay, the UN Security Council deplores the military crackdown on peaceful protesters.

2008 January: A series of bomb blasts hits the country; state media blame "insurgent destructionists," including ethnic Karen rebels.

2008 April: The government publishes the proposed new Constitution, which allocates a quarter of seats in parliament to the military and bans opposition leader Aung San Suu Kyi from holding office.

Cyclone

2008 May: Cyclone Nargis hits the low-lying Irrawaddy delta; some estimates put the death toll as high as 1,34,000.

Referendum on the new Constitution proceeds amid humanitarian crisis following the cyclone. The government says 92% voted in favour of the draft Constitution and insists it can cope with the cyclone's aftermath without foreign help.

The military renews Aung San Suu Kyi's house arrest.

2008 November: Dozens of political activists are given sentences of up to 65 years in a series of secretive trials.

2008 December: The government signs a deal with a consortium of four foreign firms to pipe natural gas into neighbouring China, despite protests from human rights groups.

2009 January: Thailand expels hundreds of members of Myanmar's Muslim Rohingya minority, who appeared off its coast. Myanmar denies the minority's existence. Several hundred Rohingyas are subsequently rescued from boats off the coast of Indonesia.

UN envoy Ibrahim Gambari meets opposition leader Aung San Suu Kyi for the first time in a year.

2009 March: Senior U.S. State Department official Stephen Blake visits for talks with Foreign Minister Nyan Win in what the U.S. calls a routine visit. The Myanmar government says it was notable given his seniority.

2009 April: The NLD, the main opposition group, offers to take part in planned elections if the government frees all political prisoners, changes the constitution and admits international observers.

2009 May: The EU extends the 2006 sanctions for another year, but adds that they can be reviewed in the event of moves towards democracy.

UN and aid agencies say hundreds of thousands in the Irrawaddy Delta still need assistance a year after Cyclone Nargis. The UN says Myanmar is now allowing it to bring in all the staff it needs.

Aung San Suu Kyi's trial

2009 August: Opposition leader Aung San Suu Kyi is convicted of breaching conditions of her house arrest, following a visit by an uninvited U.S. national in May. The initial sentence of three years imprisonment is commuted to 18 months of house arrest.

2009 September: U.S. Secretary of State Hillary Clinton announces plans for engagement with military rulers.

2009 October: Aung San Suu Kyi begins talks with Myanmar's military leaders and is allowed to meet western diplomats.

2010 February: The authorities free NLD vice-chairman Tin Oo. Aung San Suu Kyi's deputy had spent more than a decade in prison or under house arrest.

2010 March: The government announces that long-awaited election laws have been passed, with provisions for an electoral commission hand-picked by the military.

NLD votes to boycott polls. The splinter party, the National Democratic Front (NDF), later gains legal status and plans to compete in the polls.

2010 October: The government formally changes the country's flag, national anthem and official name.

2010 November: The main military-backed party, the Union Solidarity and Development Party (USDP), claims resounding victory in the first election in 20 years. Opposition groups allege widespread fraud and the election is widely condemned as a sham. The military says the election marks the transition from military rule to a civilian democracy.

A week after the election, Aung San Suu Kyi, who had been prevented from taking part, is released from house arrest.

2011 January: The government authorises an internet connection for Aung San Suu Kyi; the military withdraws to the wings

2011 March: Thein Sein is sworn in as president of a new, nominally civilian government.

2011 August: President Thein Sein meets Aung San Suu Kyi in Nay Pyi Taw.

2011 September: President Thein Sein suspends the construction of the controversial Chinese-funded Myitsone hydroelectric dam, in a move seen as showing greater openness to public opinion.

2011 October: Some political prisoners are freed as part of a general amnesty; new labour laws allowing unions are passed.

2011 November: Pro-democracy leader Aung San Suu Kyi says she will stand for election to parliament, as her party rejoins the political process.

2011 December: U.S. Secretary of State Hillary Clinton visits, meets Aung San Suu Kyi, and holds talks with President Thein Sein. The U.S. offers to improve relations if democratic reforms continue.

President Thein Sein signs a law allowing peaceful demonstrations for the first time; the NLD re-registers as a political party in advance of the by-elections for parliament in early 2012.

Myanmar authorities agree to a truce deal with rebels of the Shan ethnic group and order the military to stop operations against ethnic Kachin rebels.

2012 January: The government signs a ceasefire agreement with rebels of the Karen ethnic group.

2012 April: NLD candidates sweep the board in parliamentary by-elections; Aung San Suu Kyi is elected. The European Union suspends all non-military sanctions against Myanmar for a year. EU foreign policy chief Catherine Ashton, British Prime Minister David Cameron and UN Secretary-General Ban Ki-moon visit for talks on moving the democracy process forward.

2012 May: Indian Prime Minister Manmohan Singh pays the first official visit by an Indian prime minister since 1987. He signs 12 agreements to strengthen trade and diplomatic ties, specifically providing for border area development and an Indian credit line.

2012 August: President Thein Sein sets up a commission to investigate violence between Rakhine Buddhists and Rohingya Muslims in the west of the country. Dozens have died and thousands of people have been displaced.

Myanmar abolishes pre-publication censorship; reporters no longer have to submit their copy to state censors. In a major Cabinet

reshuffle, President Thein Sein replaces hardline Information Minister Kyaw Hsan with moderate Aung Kyi, the military's negotiator with opposition leader Aung San Suu Kyi.

2012 September: Moe Thee Zun, the leader of the student protests in 1988, returns from exile after Myanmar removed 2,082 people from its blacklist.

President Thein Sein tells the BBC that he would accept opposition leader Aung San Suu Kyi as president if she is elected.

2012 November: Visiting European Commission chief Jose Manuel Barroso offers Myanmar more than \$100 million in development aid.

Around 90 people are killed in a renewed bout of communal violence between Rakhine Buddhists and Rohingya Muslims.

U.S. President Barack Obama visits to offer “the hand of friendship” in return for more reforms. He urges reconciliation with the Rohingya minority.

Appendix D

Note on India-Myanmar Relations

Historical relations

India and Myanmar share a long land border of over 1,600 kilometres and a maritime boundary in the Bay of Bengal. The geographical proximity of the two countries has been a factor in sustaining cordial bilateral relations and people-to-people contacts.

India's relations with Myanmar are rooted in shared historical, ethnic, cultural and religious ties. A large population of Indian origin (2.5 million, according to estimates quoted at the website of the Indian Ministry of External Affairs) lives in Myanmar. As the birthplace of Lord Buddha, India is a country of pilgrimage for many from Myanmar.

Although the ties between India and Myanmar are pre-colonial, during the colonial period, the two countries became linked to each other at the political and administrative level as never before. Burma was ruled as part of British India between 1886 and 1937, with Calcutta as the seat of government.

The educational institutions in Rangoon were affiliated to Calcutta University at the time. The British transported Indians to assist them in governing Burma. It is estimated that 60% of the population in central Rangoon at the time was Indian.

India and Myanmar signed a Treaty of Friendship in 1951. Former Prime Minister Rajiv Gandhi's visit to Myanmar in 1987 set in motion a stronger relationship between the two countries. In 2002, the Indian Consulate General in Mandalay was re-opened and the Consulate General of Myanmar was set up in Kolkata.

When the devastating cyclone 'Nargis' hit Myanmar in May 2008, India responded with relief material and offers of assistance. India also gave \$1 million for humanitarian relief and rehabilitation in the areas affected by the severe earthquake in Shan State in March 2011.

Bilateral agreements

India and Myanmar have signed numerous agreements to enhance bilateral cooperation. Institutional mechanisms for promoting a regular dialogue on a range of issues of bilateral interest have also been established. Some of the important agreements signed during the state visit of Prime Minister Manmohan Singh to Myanmar in May 2012 are:

- Memorandum of Understanding (MoU) on India-Myanmar Border Area Development
- Air Services Agreement between India and Myanmar
- MoU regarding a \$500 million credit line between the Export-Import Bank of India and the Myanmar Foreign Trade Bank
- MoU on establishing *haats* (local markets) across the border between India and Myanmar
- MoU on the establishment of a Joint Trade and Investment Forum
- Support for setting up an Advanced Centre for Agriculture Research and Education in Yezin, a rice bio-park in the Integrated Demonstration Park in Nay Pyi Taw, and an Information Technology Institute in Mandalay

Major Indian projects in Myanmar

The government of India is involved in several projects in Myanmar, including:

- Upgrading and resurfacing the 160 kilometres-long Tamu-Kalewa-Kalemyo road built by the Border Roads Organisation (BRO); construction and upgrading of the Rhi-Tiddim Road in Myanmar (BRO); and the Kaladan Multimodal Transport Project (undertaken by Essar).
- An ADSL project for high-speed data links in 32 Myanmar cities was completed by Telecommunications Consultants India Ltd. In June 2012, the government of Myanmar sought assistance from India for the Rih-Mintup microwave link and a rural area GSM/UMTS mobile network. The government

of India agreed to upgrade the microwave link between Moreh to Mandalay under a line of credit from India. The project for a new optic-fibre line between Monywa to Zowkhatar-Rhi was also undertaken with Indian assistance. Bharat Sanchar Nigam Limited (BSNL) has been asked to look into commercial propositions such as internet bandwidth and hubbing.

- ONGC Videsh Ltd, GAIL and Essar are participants in the energy sector in Myanmar. M/s Rites is involved in developing the rail transportation system and supply of railway coaches, locomotives and parts.
- In September 2008, the Ministry of Electric Power, Myanmar, and the National Hydroelectric Power Corporation (NHPC), India, signed an agreement for development of the Tamanthi and Shwezaye Hydro-Electric Power projects in the Chindwin River valley. However, implementation of the projects has been temporarily suspended by the government of Myanmar to further consider the potential social and environmental impacts, and economic viability.
- A heavy turbo-truck assembly plant set up in Myanmar by Tata Motors, with financial assistance from the government of India, was inaugurated on 31 December 2010.
- An India-Myanmar Industrial Training Centre has been set up by Hindustan Machine Tools (International) in Myanmar with the assistance of the government of India in Pakokku. A second centre has been set up in Myingyan along with the Myanmar-India Centre for English Language Training and a Myanmar-India Entrepreneurship Development Centre. A Centre for Enhancement of IT Skills is also operational.
- India has undertaken a project to restore the historic Ananda temple in Bagan, with the assistance of the Archaeological Survey of India (ASI) in coordination with the Ministry of Culture of Myanmar.
- Other projects include upgrading the Yangon Children's Hospital and Sittwe General Hospital, and construction of disaster-proof rice silos. India has also assisted in the reconstruction of one high school and six primary schools

in Tarlay township, the area worst affected by the severe earthquake that struck north-eastern Myanmar in March 2011.

Commercial and economic relations

The Joint Trade Committee (JTC), chaired by the commerce ministers of India and Myanmar, has been effective in reviewing and setting policy objectives for bilateral trade between the two countries. Set up in 2003, the JTC had met four times till September 2011, and it has been able to direct the rapid growth of bilateral commercial relations.

In 2008, during the third JTC meeting, United Bank of India signed an MoU with three Myanmar national banks (Myanmar Foreign Trade Bank, Myanmar Economic Bank and Myanmar Investment and Commercial Bank) to facilitate trade. To strengthen the economic relationship, both sides agreed to set up a Joint Trade and Investment Forum, which would include businesses and government officials, and would meet along with the JTC. In addition, a Bilateral Investment Promotion Agreement and a Double Taxation Avoidance Agreement were also signed in 2008.

During the fourth JTC meeting in September 2011 in New Delhi both sides agreed to nearly double the bilateral trade to \$3 billion by 2015.

India and Myanmar are both signatories to the India-ASEAN Trade in Goods Agreement, which was signed in August 2009. Myanmar is also a beneficiary country under India's Duty Free Tariff Preference Scheme for Least Developed Countries (LDCs).

Bilateral trade has expanded significantly from \$12.4 million in 1980-81 to \$1.9 billion in 2012-13. India's imports from Myanmar are dominated by agricultural items (beans, pulses and forest-based products form 90% of our imports). India's main exports to Myanmar are primary and semi-finished steel and pharmaceuticals.

At the institutional level, the Confederation of Indian Industry (CII) and the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) entered into an MoU in February, 2000. An MoU was also signed between CII and the

India-Myanmar bilateral trade

(values in US \$ Millions)

No.	Year	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
1.	Exports	221.64	207.97	320.62	545.38	544.66
2.	% growth	19.27	-6.17	54.17	70.10	-0.13
3.	India's total exports	185,295.36	178,751.43	251,136.19	305,963.92	300,400.68
4.	% growth	13.59	-3.53	40.49	21.83	-1.82
5.	% share	0.12	0.12	0.13	0.18	0.18
6.	Imports	928.97	1,289.80	1,017.67	1,324.82	1,412.69
7.	% growth	14.88	38.84	-21.10	30.18	2.28
8.	India's total imports	303,696.31	288,372.88	369,769.13	489,319.49	490,736.65
9.	% growth	20.68	-5.05	28.23	32.33	0.29
10.	% share	0.31	0.45	0.28	0.27	0.29
11.	Total trade	1,150.60	1,497.77	1,338.29	1,870.20	1,957.35
12.	% growth	15.70	30.17	-10.65	39.75	1.60
13.	India's total trade	488,991.67	467,124.31	620,905.32	795,283.41	791,137.33
14.	% growth	17.89	-4.47	32.92	28.08	-0.52
15.	% share	0.24	0.32	0.22	0.24	0.25
16.	India's trade balance	-118,400.95	-109,621.45	-118,632.94	-183,355.57	-190,335.97

Source: Department of Commerce, Government of India, Export Import Data Bank

Myanmar Computer Federation in 2001. In 2004, an agreement on setting a Joint Task Force between UMFCCI and CII was signed, as was an MoU between Myanmar-India Business Club and the Federation of Industries and Commerce of North-Eastern Region.

Border trade

India and Myanmar signed a border trade agreement in 1994 and have two operational border trade points (Moreh-Tamu and Zowkhatar-Rhi) on the 1,643 kilometre border. A third border trade point is proposed to be opened at Avakhung- Pansat/Somrai.

The major items bought by Myanmar traders from the Indian side are cotton yarn, auto parts, soya bean meal, pharmaceuticals sugar confectionary, chemicals and allied products. There are reports about smuggling of items like fertilisers and vehicles, particularly two wheelers, and other items. Betel nut, dried ginger, green moong beans, turmeric roots, resin and medicinal herbs are the main items sold from Myanmar to India. During the third India-Myanmar Joint Trade Committee meeting in October 2008, it was agreed that Border Trade at the existing points would be upgraded to Normal Trade so as to promote bilateral trade between the two countries. Notifications to this effect have been issued by both sides.

Exchange of high-level visits

Visits by high-ranking officials have been a regular feature of India-Myanmar relations for several years. After the formation of the new government in Myanmar, led by President Thein Sein on 30 March 2011, S. M. Krishna, Indian Minister of External Affairs, was the first high-level dignitary to visit Myanmar in June that year. Nirupama Rao, Foreign Secretary, accompanied Krishna during the visit. During this visit, an MoU on setting up an India-Myanmar Industrial Training Centre at Myingyan in Myanmar was signed.

President Thein Sein visited India in October 2011. This was the first state visit from Myanmar to India after the swearing-in of a new government in Myanmar in March 2011. President Thein Sein had a meeting with Prime Minister Manmohan Singh, which was followed by delegation-level talks. He was accompanied by Chief of General Staff Lt. Gen. Hla Htay Win; Minister for Border

Affairs and Myanmar Industrial Development, Lt. Gen. Thein Htay; Minister for Foreign Affairs U. Wunna Maung Lwin; Minister for Agriculture and Irrigation, U Myint Hlaing; and Minister for Religious Affairs, Thura U Myint Maung.

The Speaker of the Lower House in Myanmar, Thura U Shwe Mann, led a high-level parliamentary delegation to India in December 2011. The visit was in response to a joint invitation from Hamid Ansari, Vice President of India, and Meira Kumar, Speaker of the Lok Sabha. The objective of the visit was to share India's experience in parliamentary practices and procedures with the visiting delegation. Myanmar Foreign Minister U Wunna Maung Lwin paid an official visit to India in January 2012. During the visit, he called on the prime minister and held bilateral discussions with the external affairs minister. He also gave a lecture at the Indian Council for World Affairs on 'Myanmar: A Country in Transition to Democracy'.

Prime Minister Manmohan Singh went on a state visit to Myanmar from 27-29 May 2012. During the visit, several new initiatives were announced and 12 MoUs and agreements were signed.

Indian External Affairs Minister, Salman Khurshid, visited Myanmar in December 2012. He called on the President and had detailed discussions with Foreign Minister U Wunna Maung Lwin. Khurshid and Myanmar's Vice President, Dr. Sai Mauk Kham, inaugurated the 'International Conference on Buddhist Cultural Heritage' jointly organised by the Indian Council on Cultural Relations (ICCR) and Sitagu International Buddhist Academy. Khurshid also unveiled a Buddha statue gifted by the government of India to the people of Myanmar and installed at the Shwedagon Pagoda.

Human resource development

The government of India is working on human resource development (HRD) with Myanmar. The HRD Cooperation Programme was launched in Myanmar in 1996.

Various schemes have been undertaken as part of this programme, including the Indian Technical and Economic Cooperation (ITEC) Programme and the Technical Cooperation Scheme (TCS). Various scholarships are also offered by the ICCR such as the General Cultural Scholarship Scheme, the Myanmar

General Cultural Scholarship Scheme, and a Special Course for ASEAN Diplomats.

The areas of training include courses in the English language, information technology, computer application, agriculture, remote sensing, industries, urban development, parliamentary studies, mass communication, management, SME/rural development, as well as specialised courses, technical courses, and courses in environment and renewable energy. Training in the Hindi language is also given to students of Indian origin in Myanmar. The government of India also invited two sets of Myanmarese journalists to New Delhi for training in media methodologies.

Cultural ties

Various cultural troupes have exchanged visits and performed in both countries. Performances by Indian cultural troupes in Myanmar have been regularly organised since 1997. Myanmar's musical bands participate in the Annual 'South Asian Bands Festival' organised by the ICCR since 2009. The Indian embassy organises an annual festival of Indian films at Yangon, Mandalay and other cities from 2005. In March 2010, a reputed landscape artist from Myanmar went to Puducherry to participate in the 'South Asian Artists Camp' jointly organised by the ICCR. The paintings from the camp were exhibited in the auditorium of the embassy in November 2010. Theatre artists visit each others' countries for performances organised by various organisations.

The Indian embassy also organises *qawwali* performances in Myanmar. The commemorative activities organised by the embassy for Rabindranath Tagore's 150th birth anniversary celebrations included a dance drama, seminar, artists' camp and film festival. Classes in Bharatnatyam and yoga have been started in the embassy since December 2010, with the support of the ICCR.

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Appendix E

Gateway House features on Myanmar and India-Myanmar relations

1. *India-Myanmar: A balance of interests*, by Manjeet Kripalani, Executive Director, Gateway House (29 March 2013)
2. *A Long Road Ahead for India in Myanmar*, by Amit Baruah, Fellow, Gateway House (20 November 2012)
3. *Re-activating the Stihwell Road*, by Samir N. Kapadia, Researcher, Gateway House (31 July 2012)
4. *Myanmar's stateless*, by Venessa Parekh, Researcher, Gateway House (16 July 2012)
5. *Myanmar: Liberalization benefits for India*, by Hari Seshasayee, Researcher, Gateway House (24 May 2012)
6. *Myanmar in the ASEAN Matrix: An opportunity for India?* by D. Jesudas Bell, CEO, Futurelinks International (18 May 2012)
7. *Sanctions on Myanmar: Have they worked?* by Neelam Deo, Director, Gateway House (1 May 2012)

India-Myanmar: A balance of interests

As a neighbour, India has legitimate interests in Myanmar, especially for peace and progress in its North East. More recently though, the Myanmarers are looking to imbibe democratic values from India, learn about regulations, banking systems, commodities exchanges, media councils, software and telecom skills.

By Manjeet Kripalani

29 March 2013

<http://www.gatewayhouse.in/india-myanmar-a-balance-of-interests/>

The unrest in Myanmar's border states is in the news, but going unnoticed by the headlines are the visits by Myanmarese business to India in search of investment. In early March, a group of ministers and businessmen from Mandalay visited Mumbai, scouting for investments in their industrial, agri-business and transport sectors. These are small and medium enterprises and traders, natural agents of co-operation between India and Myanmar.

It is significant that the private sectors of India and Myanmar are looking at each others' potential for the first time in 25 years. The opportunity is great. Myanmar is India's gateway to ASEAN, a strategic buffer against China, and the catalyst that will unlock the potential of India's own rich but neglected North East, with which Myanmar has so much in common.

On a recent policy trip to Myanmar organised by Gateway House for its members, that country's ministers and entrepreneurs emphasised to the visitors the importance of India's presence in their country. They are looking to imbibe democratic values from India, build their human capital with education, use their fertile land to the best agricultural advantage and learn how to start and run private businesses both big and small. Certainly, India's experience is easier to replicate than that of more developed countries like Japan or the United States.

Indian business would do well to respond robustly. Myanmar is close by, it is familiar. Its consumer market is almost the same size as Gujarat, but here are 60 million people who need almost everything from hair oil to scooters to business schools and airlines. Indian products are already hugely popular, from pharmaceuticals to cotton vests, with a reputation for being affordable and reliable. These are

currently mostly bought from the border towns of the North East, but establishing a formal distribution – and later manufacturing – system has huge business potential. India-Myanmar trade is a miniscule \$400 million, far behind China (\$14 billion), Thailand and Singapore, which are Myanmar's top three trading partners (India is No. 11). V. Seshadri, India's Ambassador to Myanmar, says bilateral trade can easily reach \$5 billion in the next three years.

Myanmar is receptive. The opening up and the current transformation of the country is being led by the former general and now reformer President Thein Sein and an inner circle of 14 advisors called the National Economic & Social Advisory Council. It is a small cabal comprising of various ministers of the railways, industry and agriculture who transcend their portfolios, as also special advisors like author Thant Myint-U. This group is working overtime to transform Myanmar; but analysts say the next year is a critical time for this government to make progress in crossing over to the beneficial side of development, before the 2015 elections.

So Myanmar is in a hurry. A senior official at the powerful Investment Commission in Nay Pyi Taw told the Gateway House policy group, "We can't always go to the monastery for peace and tranquillity. Sometimes there is a time to be aggressive."

What is needed now for Myanmar is to:

- a) create a new business model for development by building Myanmar's creative and artisanal skills,
- b) modernise the agriculture of the largely rural society, and
- c) build administrative and democratic capacity.

Here, India is an ideal partner. As a neighbour, we have legitimate interests in Myanmar's natural resources, and have hard investments in the gas pipelines and roads of Myanmar. And surely the Myanmar people need power and cell phones which we can provide. But while the West, China and South East Asia can build Myanmar's infrastructure, India can help build its society, its systems and its soft skills to create a judicious balance between what is extracted from the country and what is created at the grassroots. From India, the Myanmar people want to learn about regulations, banking systems, commodities exchanges, media councils, software and telecom skills.

Most important, India can help Myanmar build its creative

economy by replicating the social enterprises and new retail models like Fabindia which use the artisanal skills of talented but poor, rural, illiterate craftsmen and transfer them into the modern retail market. This is vital for newly developing countries like Myanmar – and in Africa too – which can take up to two decades to develop a formal education system but whose rich traditional proficiencies can meanwhile be directed into the marketplace, helping with job and income generation.

India can also help Myanmar build its formal education and healthcare systems. Our low cost pharmaceutical companies can establish distribution systems in the country. Our affordable high quality hospital systems such as Apollo Hospitals and smaller maternity care centres like Life Spring can be set up in Myanmar's towns.

Myanmar's formal education system has been neglected for decades, and government schools are poor and under-funded. In its place exist a large number of community-supported, mostly monastic schools. A starting point is upgrading the systems and processes of the monastery schools, leading them away from rote learning to more modern curricula accessible to a largely rural public. Attached to the schools can also be vocational training centres, so that Myanmarese youth can be equipped with skills that help to bring in income. Indian education NGOs like Pratham, with vast experience in low-income and state schooling improvement and learning intervention, can be involved.

Of course there will be China to deal with as a competitor. It is everywhere: China built the airport in Nay Pyi Taw; it imports Myanmar's jade, gold and timber; its cheap two-wheel vehicles ply the roads of Mandalay. It values Myanmar's natural habitat, using its flora for medicinal cures. The champa flower, for instance, is a proven cure for ear aches. Chinese brokers can be seen picking up the flowers from Myanmar's villages to take them back, illegally, to China for medicinal purposes.

India will also face major competition from the West. The Germans are already building the transportation systems, the Danes and Norwegians are pouring in funding, the Japanese are helping with urban planning, and the Singaporeans are building roads and ports. The latter are of especial importance as a comprehensive

port system in Myanmar will shorten global shipping routes and reduce costs.

These are opportunities for India, and they must be seized at the earliest. Investing in Myanmar is also sound domestic policy for India: it is key for peace in our North East, which is once again simmering with discontent. Having open borders between Myanmar and our North East, for instance, will ensure robust cross-border trade and the development of long-overdue transport routes, which can connect India affordably with ASEAN. The build-out of the Dawei deep sea port on Myanmar's west coast will cut shipping time and costs from Chennai by a dramatic 90% to just four days, bypassing our eternal dependence on Singapore. It is also of strategic importance for India, given the increased Chinese naval activity around the Bay of Bengal.

India already has considerable stature in Myanmar. In a quiet upscale lane in Yangon is India House, our ambassadorial residence and one of the most beautiful buildings in the city. The white colonial structure with tall columns and large, manicured grounds is reminiscent of Lutyen's Delhi. It was lovingly restored during Shyam Saran's tenure as India's ambassador to Myanmar in 2001. Locals call it the White House of South East Asia.

The Myanmarse expect India to live up to the stature of its embassy. India will be wise to do so. The time is ripe – and urgent.

Manjeet Kripalani is the Co-founder and Executive Director of Gateway House: Indian Council on Global Relations.

A Long Road Ahead for India in Myanmar

In the case of Myanmar and Aung San Suu Kyi, the battle for democracy is far from over. Can India use its leverage with the Myanmar government to ensure that a lasting democracy is inaugurated in that country?

By Amit Baruah

20 November 2012

<http://www.gatewayhouse.in/a-long-road-ahead-for-india-in-myanmar/>

Aung San Suu Kyi pulled no punches at Vigyan Bhavan in New Delhi when she delivered the Jawaharlal Nehru Memorial

Lecture on November 14, a full 19 years after she received the Nehru award for International Understanding. Speaking to a full house, which included Congress General Secretary Rahul Gandhi, the Myanmar opposition leader vented her displeasure, but without rancour, at India's long honeymoon with Myanmar's military junta.

For Suu Kyi, India's inspirational history ended with Mahatma Gandhi and Nehru. Her tributes to both were rich and personal, but there wasn't a single reference to the newer crop of Indian leaders.

Not even a reference to Rajiv Gandhi who, as prime minister, had supported Myanmar's pro-democracy movement in the late 1980s, a policy that was derailed by P. V. Narasimha Rao (1991-96) as India's head of government.

Her disappointment was evident, but Suu Kyi has repeatedly said she didn't expect support from anyone. She emphasised that transnational relations were between peoples, underlining that governments, after all, were subject to change.

"I was saddened to see that we had drawn away from India, or India had drawn away from us during our difficult days," the National League for Democracy leader said towards the end of her lecture.

For a country that prides itself as being the world's largest democracy, India gladly hosted former General Than Shwe of Myanmar at Gandhi's *samadhi* in Rajghat.

Hard-headed national interest, the argument went, dictated India's foreign policy and it was a must for New Delhi to engage with first the State Law and Order Restoration Council (SLORC) and its later mutation, the State Peace and Development Council (SPDC) in Myanmar.

There is only the word of the government of India that they gently raised with the military junta the issue of democracy and the incarceration of Aung San Suu Kyi in the long years of her house arrest.

Myanmar and Suu Kyi squarely raise the issue: Is there any space for morality in India's foreign policy? Can national interest

be combined with morality? Should India even be talking about morality in the first place?

For many diplomatic practitioners, India's anti-colonial positions in a bygone era appear dinosaur-like, a time period when India punched above its weight in the international arena, quite oblivious to the hard realities of the world. India's own anti-colonial struggle, along with Jawaharlal Nehru's ideology, went a long way in carving out a foreign policy space for India that often ended up with Delhi supporting the underdog.

Few nations can refrain from taking positions on issues of universal concern like the denial of democratic rights to an entire nation. Unlike in Sri Lanka, where the Manmohan Singh government had to bend to ally with the Dravida Munnetra Kazhagam (DMK) and vote against Colombo at the UN Human Rights Council in Geneva in March 2012, there were no such pressures when it came to Myanmar.

It is easy to say that foreign policy must flow from national interest. But, in India's desire to help the Tamils in Sri Lanka, the military training extended to militants in the 1980s created the monster of the Liberation Tigers of Tamil Eelam. That was clearly not in India's national interest.

In April 2003, India's Parliament, through a unanimous resolution, called for an immediate withdrawal of American troops operating in Iraq without an explicit mandate from the United Nations Security Council. India must be one of the few countries that passed such a resolution, recognising the strong sentiments of its people against the invasion of Iraq. The moral underpinnings of such a resolution were apparent.

In the case of Myanmar and Suu Kyi, the battle for democracy is still not over. Whatever may have happened in the past, India has taken a small step in restoring the confidence of democrats in Myanmar by inviting Suu Kyi to Delhi.

Will this visit be the beginning of a new engagement, with India using its leverage with the Myanmar government to ensure that real, lasting democracy is inaugurated in that country?

Amit Barnuah is the South Asia Studies Fellow at Gateway House: Indian Council on Global Relations.

Re-activating the Stilwell Road

The Stilwell Road, which once connected India to China via Myanmar before falling prey to neglect, is now being restored. Gateway House interviews former Special Director of India's Intelligence Bureau, R. Ravi, to discuss the strategic importance of this road and its relevance to our 'Look-East' policy.

By Samir N. Kapadia

31 July 2012

<http://www.gatewayhouse.in/re-activating-stilwell-road/>

The Stilwell Road was constructed during the Second World War to connect India to China through Myanmar. Since the war ended, the 68-year old road has been neglected - till now.

In 2007, China completed rebuilding its portion of the road from Kunming Province to Myitkyina in Myanmar. In 2010, the government of Myanmar awarded a Chinese state-owned enterprise the contract to re-build the portion of the road from Myitkyina up to the Pangsau Pass in Arunachal Pradesh, India. So far, India has left its portion static – and mostly in a shambles.

R. Ravi, the former Special Director of India's Intelligence Bureau (IB), and an expert on the North East region, explains to Gateway House's Samir N. Kapadia, the domestic and international concerns that arise from reconstructing the Stilwell Road and how it can help build a healthy India-Myanmar relationship that fits into our 'Look East' policy.

Q. During the second World War, the Stilwell Road served as an Indian corridor to China, through Myanmar. What are the domestic and international concerns that surround the reconstruction of this cross-border highway?

The Stilwell Road was built after the Japanese invaded and cut-off the Burma Road that was used to transport supplies to the China-based Allied Forces. Post World War II, the road stopped being used as the geopolitical situation in this entire area became unfavourable – the political situation in Burma became unstable and India's engagement with China became hostile, to name a few.

In many ways, we forgot our relations with Burma and China and this discouraged Delhi from re-activating the Stilwell Road.

With the changing geopolitical scenario, there is a ray of hope. China is keen on the project commercially, but there may be other strategic interests involved.

In Kunming province, where Stilwell Road ends, the Chinese are anxious to start construction. Like the Chinese, people in the North-East look at the Stilwell Road as a monument of hope to connect them, not just economically, but also sociologically, as our entire eastern neighbourhood shares the same cultural heritage - a cultural cosmos where India is the centre of gravity.

Q. Despite that strong central pull, India's north-east has remained troubled. How should the government act to contain insurgencies, and the infighting between ethnic groups?

The politics of ethnicity have been given currency over the decades. In Assam, over the years, we have encouraged the politics of ethnic exclusivism – where each community insists that it is unique and its topographical areas must be protected. Any encroachment on that exclusivity is considered a threat to a community's own culture and identity, something that is never-ending.

Assam is an extremely heterogeneous society. If one allows and encourages every community to emphasize its identity, there will be no end to division. There is a need for inclusive politics.

Other states in India have numerous communities living side by side, but they don't have their own administrative institutions.

Violence must be curbed. Assam is not a civil war situation; India will not let that happen. The government needs to stop looking at it as an ethnic issue.

Q. Myanmar's opening up has provided India with fresh opportunities to engage. How can we add more substance to the India-Myanmar relationship?

All these years, India has been engaging Myanmar gingerly. Security was the area of interest that brought us closer to Myanmar. While there are safe-havens for insurgents in Myanmar, we need the cooperation of the Myanmar government to stabilize our own North-Eastern region.

Myanmar is opening up to international players and it appears keen on building democratic institutions. It will be easy for India to make the most of it. Myanmar also has huge natural gas potential.

In January 2011, its proven reserves were 283 billion cubic metres, while annual export is a measly 8.3 billion cubic metres. This can serve to our advantage, as delivery will be more efficient and less expensive. The Stilwell Road can pave the way for India to secure its growing energy needs, regionally.

Q. How does this fit into India's 'Look East' policy?

India's 'Look East' policy was conceived in the early 1990s. Before, we had constantly looked towards the West. Until now, India has looked east through the sea corridor; not the land corridor. We have now realised that Myanmar is the key to a large portion of Southeast Asia.

The emerging geopolitical scenario in this region, which comprises India's North-East, Myanmar, South-West China and Bangladesh, is pregnant with promises for a win-win situation for all. The Stilwell Road, although an infrastructure that has long been in disuse, holds the key, in substantial ways, to help fulfill these promises. We should not let it slip.

R. Ravi served in the IB for 20 years, prior to which he served in the Central Bureau of Investigation. He is the recipient of the President's Medal for Distinguished Service and Prime Minister's Indian Police Medal.

Myanmar's stateless

There are 2 million stateless persons scattered across Myanmar and an estimated 400,000 of them are of Indian origin. As India participates in Myanmar's rejuvenation, can it also use effective diplomacy to advance minority rights in the country?

By Venessa Parekh

16 July 2012

<http://www.gatewayhouse.in/myanmars-stateless/>

Even as the world smiles benignly at the democratic opening up of Myanmar and the extended foreign tour of its Leader of the Opposition, Aung San Suu Kyi, the country's complex domestic

dynamic, hidden for years, has surfaced. The spillover of the sectarian violence that began in early June has simultaneously exposed the difficulties of democratisation and the plight of Myanmar's many underprivileged ethnic minorities.

The clashes between Myanmar's majority Buddhist population - backed by the border security force, the Nasaka - and the 800,000-strong Rohingya Muslim community, locally referred to as Bengalis, highlights the issue. The violence is the culmination of nearly half a century of government-sanctioned discrimination against the Rohingyas who are not accepted or recognized as Myanmarese citizens. They aren't the only ones. Almost never discussed is the plight of third and fourth generation Indian and Chinese immigrants who have lived in Myanmar for decades but like the Rohingyas, are considered illegal settlers.

There are two separate groups of minorities vying for recognition in Myanmar. One is composed of numerous ethnic minorities, such as the Karen, whose allegiance to the State, not their nationality, is in question. Frequent military reprisals have caused large sections of this group to flee to Thailand over the years, where they have settled in camps along the border. The second group comprises those who have lived in Myanmar for generations but are simply not recognised as citizens – like the Rohingya Muslims, and those of Indian and Chinese origin.

Both the Indians and Chinese have been in Myanmar for at least a century. Indians, in particular, came after the first Anglo-Burmese War in 1824-26, encouraged by the British Empire to relocate from Bengal, Bihar and South India to Myanmar in an attempt to develop the country. Persons of Indian descent came to dominate the Myanmarese economy as traders, civil servants, merchants, river pilots, soldiers, indentured labourers and moneylenders.

Financial prosperity combined with high positions in the British bureaucracy and their role as money-lenders made the community a target of Burmese nationalist sentiment.

Once independence was achieved, however, the British left Myanmar without making provisions for the grant of official citizenship to these migrants. Latent tensions intensified by the racial and religious differences between the communities – the Indians were dark-skinned and continued to practice Hinduism or

Islam in Buddhist Myanmar – making intermarriage and communal mingling rare.

The military coup in 1962, led by General Ne Win, and his ‘Burmanisation’ policy, completely destroyed the already precarious balance between the different communities. The economy was overhauled, Indian and Chinese businesses and trade contracts were rescinded, and the Indian-majority Cabinet was dissolved. Although they had lived in Myanmar for many generations and had no connections with their original societies, approximately 100,000 Chinese and 300,000 Indians were forced out of Myanmar. Those left behind were the poorer immigrant groups, without the wherewithal to flee or start over again.

In 1982, a new Citizenship Act was passed, dividing Myanmarese into three categories. Naturalised citizenship would only be granted to those who could furnish “conclusive evidence” of entry and residence in Myanmar prior to the British annexation; those who were proficient in one of the national languages; and whose children were born in the country. Although many minorities fulfil these requirements, hardly any can supply documentary proof, partly as a result of decades of exclusionary policies and practices.

Consequently, there are over 2 million stateless persons scattered in villages and rural areas across Myanmar. A report published in the year 2000 by the Indian government reveals that about 400,000 are of Indian origin. Without official recognition, they have limited or no access to education, employment and healthcare, and their right to travel, marriage, reproduction and communication is severely restricted.

Opposition leader Aung San Suu Kyi recently promised Myanmarese citizenship to refugee groups in Thailand. But when asked about the Rohingya, she replied that she “didn’t know” whether or not they belong to the country – an ambiguous position representative of the Myanmarese majority’s indifference to its stateless. Last week, Nay Pyi Taw issued a statement categorically refusing to recognise the Rohingyas as citizens. This official disregard cements the animosity between Myanmarese minorities and the majority.

Breaking the stalemate is vital to the democratic process in Myanmar, and to give the government credibility. The country

is planning social and political reform, and has just opened its markets to foreign investors and companies. This is the moment for Myanmar to begin rehabilitating its minorities, and for its neighbouring countries to help advance such an endeavour.

The initial impetus for the acknowledgement of its citizens must of course come from within Myanmar itself. Nay Pyi Taw, supported by Suu Kyi's National League for Democracy, should reformulate immigration laws, make provisions for the settlement of these groups, and grant them all the rights that come with citizenship. Given the history of the stateless in Myanmar, as well as the significance of this new phase of co-operation and dialogue among the neighbouring nations, the process of rehabilitation can become a joint initiative between the South and Southeast Asian countries.

India has already launched infrastructure projects to facilitate greater connectivity between its North East and Myanmar; bilateral trade is estimated to double by 2015 to \$3 billion. As these agreements are negotiated, and cross-border activity picks up, the potential for conflict will grow. In the past,

New Delhi has discreetly discussed the minority issue with Myanmar and successfully gained citizenship for approximately 20,000 stateless persons of Indian descent. India must use its increased business investment in Myanmar to press for equality for the rest.

China already has a large economic presence in Myanmar – and its profile is sure to increase over the coming years. India and China can together use the invitation they have to participate in Myanmar's rejuvenation, to nudge the process forward with some quiet but effective diplomacy.

Venessa Parekh is a Researcher at Gateway House: Indian Council on Global Relations.

Myanmar: Liberalization benefits for India

As Myanmar's economy opens up, neighbouring India is provided with an opportunity to enhance bilateral ties. Gateway House's Hari Seshasayee interviews South Asia expert Sudeep Chakravarti to discuss the changes sweeping Myanmar and its significance for the region.

By Hari Seshasayee

24 May 2012

<http://www.gatewayhouse.in/myanmar-liberalization-benefits-india/>

After a 25-year hiatus, India's Prime Minister will make a visit to Myanmar. The opening up of the economy and the on-going process of democratization are significant, especially for India's North East. Can India leverage this opportunity to foster a more holistic relationship with Myanmar? Gateway House's Hari Seshasayee interviews Sudeep Chakravarti, author and an expert on South Asia, to discuss the dynamic changes in Myanmar and its significance for the region.

Q. Last month, after Aung Sung Suu Kyi's party won the by-elections, the EU and ASEAN (a total of 36 countries) lifted sanctions against Myanmar. How will this affect commerce in the country? And what does it mean for India's North East?

An increase in foreign investments and the unshackling of Myanmar's domestic economy will have a trickle-down effect. The positive effects will first be felt in the delta region (lower Myanmar, around the Yangon district) since it is more accessible. It will then slowly move up to Mandalay, then the other commercial hubs.

For it to move all the way up to Chin and other areas bordering Mizoram, Nagaland and Arunachal Pradesh, will take time. Those are the relatively less-developed parts of Myanmar.

Like any country's liberalization process, its effects will be felt on neighbouring countries. For example, when India went through its liberalization in the 1990's, neighbouring Bangladesh was looking at India and taking lessons from that process.

Q. How do you see this process building-up in Myanmar? Who stands to gain from it?

As the economy grows, people will become more opportunity-oriented, and these aspirations will typically lead to more prosperity. If Myanmar prospers, activity along the border is likely to increase. In this sense, everybody gains.

The evidence is already there: if you go to the border towns in Myanmar now, look at the products. The food items, juices and soft drinks are all made in India; Coca-Cola is bottled in Meghalaya; Dabur juice packs are packaged by an Indian company in Nepal; Bajaj motorcycles can be found in the border areas; pharmaceutical products made in India are available in Myanmar.

These existing exchanges will now expand. Once people have greater purchasing power, they will look for the nearest and most convenient source.

Q. Which states and sectors will this be channelized into?

Different parts of the country will garner different benefits. In the immediate border areas, the direct benefits will stem from the availability of goods and services. It could be food processing, power, textiles, grains, raw cotton, or even electronics.

The North East is abundant with fruits of the highest quality – oranges, pineapples, pears. All the states have a large capacity to generate power. Mizoram, Tripura, Nagaland and Manipur all have the advantage of having Myanmar on one side, Bangladesh on the other and even Bhutan to the north.

Q. Does this present India with a larger opportunity? More than just a bilateral development?

The opportunity is three-fold: first is to better the India-Myanmar bilateral, then increase trade and investments. The final step is better connectivity, which will allow for a free flow of goods and services, and more importantly, people.

The singular movement between the ports and the transportation hubs of the region, which Gateway House suggested in its paper, can be most beneficial. Both countries can then include businesses in their talks, knock off items from the negative trading list, add preferential duties on other goods. Several layers of contact will need to be addressed: waterways, shipping, ports, surface transport.

Look at India and Nepal for example. Numerous goods from Nepal have zero duty, because of the preferential trade benefits both countries offer each other.

Why can't South-Asia, for instance, with Bangladesh, Bhutan, Nepal, Myanmar and Eastern India be the gigantic economic hub in the region?

Q. Given the recent positive developments with our neighbours, isn't this the most opportune time we have had for such a mass regional integration?

It is. And it will get increasingly more opportune as we leverage the positive aspects. But the insurgencies must also stop. You cannot speak about regional integration without first addressing domestic integration. Peace and security in the region is a must for leveraging on these recent bilateral developments.

You may have new laws, border trade posts, increasing investments, but for real economic prosperity, you require stability.

We have new transit ways now, but where does the road run? One comes from Myanmar to Mizoram, and then goes nowhere. If you only have Mizoram-Myanmar trade, then we will be trading in pineapples, sugarcane, radish, small-time arms and ammunition, and pigs.

A more holistic trade relationship must be fostered, where goods from all parts of India flow to the North East and are then traded with Myanmar, Bangladesh or Bhutan.

Q. The India-Bangladesh bilateral too has seen some movement in the recent past: border trade has expanded; joint infrastructure projects are underway; trade restrictions have eased. Can this change the dynamic with bordering Indian states?

The agreements and projects alone will not bring about change. Rather, they act as building blocks that contribute to the bilateral. Such diplomatic endeavours can better or deter the relationship, but not transform it. That transformation is complex, especially when there is such rapid movement of people between the border areas.

In terms of commerce, trade and livelihood, there will be some progress. Within the immediate vicinity of the borders, say 250 kms

along either side, the localized economy will thrive. That will be the immediate effect. It may also reduce tensions around the border, and help abate smuggling and informal or illegal trade.

But this will not prevent issues like rampant human trafficking, or even the cross-border movement of rebel groups with complete impunity. That's a completely different dynamic.

Sudeep Chakravarti is an author, analyst and journalist. His latest work of narrative non-fiction 'Highway 39: Journeys through a Fractured Land' is set in the conflict zones of Nagaland and Manipur in India's far east, as part of its 4th Estate imprint.

Myanmar in the ASEAN Matrix: An opportunity for India?

As India and the world welcome the recent democratization of Myanmar, this presents India an opportunity to increase its access to South East Asian countries as well, especially with members of ASEAN which still have catching up to do – particularly Cambodia, Laos, Myanmar and Vietnam.

By D. Jesudas Bell

18 May 2012

<http://www.gatewayhouse.in/myanmar-asean-matrix-opportunity-india/>

The desire of Myanmar's leaders to open the country to the outside world has led to considerable euphoria in India – which sees its policy of engagement with the once-isolated nation paying off. There's also speculation that lifting economic sanctions could create a stimulus that might facilitate India's access to other ASEAN countries and be especially beneficial to India's underdeveloped northeastern states.

This burst of optimism, however, must be tempered by the fact that India's 'Look East' policy with Asian nations has been more wishful thinking rather than economic development. The long-awaited road and rail connections between India and countries to its east, remains a vision.

India has been handicapped by the fact that while its relations with certain countries have been more assiduously

cultivated – such as Singapore, Indonesia, Thailand and Malaysia – there has been less attention to Cambodia, Laos, Brunei and the Philippines. Even Vietnam which enjoys a ‘strategic partnership’ with India has only merited attention in a desultory fashion. This is a loss given the long cultural, historical and political ties of India with many of these countries. Not to be forgotten that a generation or two of Indian leaders and diplomats grew up honing their foreign policy skills in the political minefields of Indochina!

Such selective relationship building is also disadvantageous when dealing with an association of countries where the chair rotates every year and where, in decision-making by consensus, every member country is as powerful as the next. This has often led to a situation where India’s interests have been supported by certain members within ASEAN, only to be vehemently opposed by others.

To be fair, South Block, assisted by businesses, academics and think tanks, have tried to provide continuity and engagement with all ASEAN countries including the smaller ones. However, without engagement at a political level in India this is not an easy task.

Would the rapid emergence of Myanmar as an economic powerhouse on India’s doorstep change all that? There is the advantage that being next door to India makes Myanmar accessible. However, it would take a concerted and unsparing effort on India’s part to keep relations with Myanmar on an even keel and focus on their special relationship as neighbours.

It is likely that Myanmar is going to see itself as much more aligned with ASEAN and East Asia – rather than where economic, political and commercial policies are concerned. This would be particularly so if, as commonly believed, one of the main reasons for the current opening of Myanmar to the outside world is that its leaders wish to emulate the economic successes of Thailand, Vietnam and Indonesia.

The Myanmar strategy for India should therefore be two-pronged. On the one hand continue to strengthen ties based on commonly shared objectives: of developing the largely underdeveloped areas on both sides of the common border as well as attending to other needs as neighboring countries. On the other hand, India should use Myanmar’s increasing weight in ASEAN – starting

from its chairmanship of the bloc in 2014 – to build stronger ties with the association and, in particular with the members which still have catching up to do – the so-called CLMV countries, Cambodia, Laos, Myanmar and Vietnam.

Words need to be translated into action to ensure that assistance promised at high-level meetings is implemented quickly. India's engagement with ASEAN has been seen as lacking clarity of purpose and drive in the past. If Myanmar's new openness serves to reinforce ties not only between India and that country but also with the whole of the ASEAN bloc, this would indeed be a great step forward.

D. Jesudas Bell is President and CEO of Futurelinks International, a business consultancy company based in Singapore, with its primary focus on advising Indian companies interested in projects and other business in Southeast Asia.

Sanctions on Myanmar: Have they worked?

The West is quick to claim that their sanctions against Myanmar have forced the government to implement political and economic reforms in the country. However, such bans do not usually achieve their stated purpose of forcing regimes to change their behaviour.

By Neelam Deo

1 May 2012

<http://www.gatewayhouse.in/sanctions-myanmar-have-they-worked/>

The by-election which Myanmar's opposition party National League for Democracy (NLD) swept to victory on April 1, was a tribute to the fortitude and abiding popularity of its leader, Aung San Suu Kyi. It is also reflective of the low-key but steadfast manner in which the Myanmarese government, led by former members of the military Junta, especially President Thein Sein, has taken the reform process to an important – and hopefully irreversible – juncture.

There is much to celebrate about the rapid democratisation in Myanmar. In grudging recognition, numerous foreign dignitaries have visited Myanmar this year including the UN Secretary General, the U.S. Secretary of State, the U.K. Prime Minister and the

Foreign Minister of Japan. Our own Prime Minister Manmohan Singh, who had received President Thein Sein in New Delhi last October is scheduled to visit in May. He will no doubt be followed by many other senior leaders from the ASEAN countries, China, Latin America and Europe. In return, Suu Kyi will make her own first foreign visits - to the U.K. which was her home for decades and where her sons live, and to Norway because her Nobel Laureate status contributed much to her global profile.

Apart from conducting an internationally-certified free and fair by-election, Nay Pyi Taw has moved swiftly towards political reconciliation with Suu Kyi and the ethnic minorities, media openness and economic reforms. A majority of political prisoners have been released and exiles welcomed back in time for some of them to participate in the by-election. The legislature, written off as a puppet a year ago because of the dominance of the military and its Union Solidarity and Development Party legislators, has actively supported reforms through legislation and those promoted by the President. These relate to commerce, tax and labour regulation as also bills on microfinance and foreign investment.

A controlled float of the currency has begun and Nay Pyi Taw has started to prepare its own accounts at the market rate of 800 kyat to the dollar from the earlier fiction of 6 kyat to the dollar. Restrictions on the media have been lifted and a Human Rights Commission established. Ceasefire agreements have already been concluded with 11 of 12 dissident armed groups that have long battled the state. Even constitutional changes that could re-order the sharing of power and the natural wealth of the country with the ethnic groups as envisaged by the Panglong Agreement of 1947, are no longer ruled out.

The western countries have been quick to claim that it was their sanctions against Myanmar that brought about these astonishingly swift and wide democratisations in the last one year, and they have begun the process of removal or relaxation of long-standing sanctions against Myanmar. The EU announced the suspension of sanctions for one year and Australia followed, lifting sanctions against the country and some senior military figures. Lifting U.S. sanctions will be lengthy because it requires legislative action. Nevertheless Washington announced the opening of an embassy in Npyidaw and withdrew

its earlier objections to international organizations including UN Agencies, the World Bank and IMF and the Asian Development Bank to begin extending financial and technical assistance to Myanmar.

The ill-natured and bullying suspensions rather than outright removal of sanctions, are signals to the Myanmar government that it is on notice; any thwarting of the wishes of Aung San Suu Kyi could result in their re-imposition. This is also underlined by the TV grabs of press conferences with visitors including Ban Ki Moon, Hillary Clinton etc. with Suu Kyi where she is treated almost as though she were the Head of the Myanmar government already.

This underlines one of the most important features of sanctions - that they are almost invariably imposed on developing countries by the rich, developed world to force political processes and economic rules that open the society and economy to Western entities. The only known case of developing countries ganging up to try to impose sanctions against a member of the rich, white club was that of the Arab countries against Israel in 1967 after the Six Day War. Although their boycott of Israeli products did cause some dislocation, the impact of the sanctions was overcome by Israel finding new markets for its products and sources of essential supplies for its needs in developed countries.

Another feature of sanctions is their stickiness – which means that once imposed, they are hard to lift and become a way of life. Upon their imposition, affected governments hunker down and look for ways around them, often with popular support on the issue of sovereignty and national honour. Simultaneously Western imposers find it difficult to walk away from their own heated violation-of-human-rights rhetoric and the inertia of legislative and bureaucratic procedure which do not allow these processes to be junked overnight.

This has created a community of sanction 'lifers.' Countries like Cuba have been sanctioned for half a century, since the Cuban Missile Crisis. Most Cubans alive today know no other way of life. Similarly North Korea has continuously been under some form of western sanctions since the Armistice of 1953, never lifted since there has been no formal end to the Korean War. Even after the dissolution of the Soviet Union and the subsidies that it gave North Korea, the latter has survived. The resultant distortion of its economy is reflected in the fact that while its people suffer malnutrition – and maybe

even hunger – it has developed a formidable nuclear weapons and missile capability with which it continues to threaten South Korea and the world.

Iran is another lifer, under sanctions since the siege of the American Embassy in Tehran in 1979 and now being strangled by more sanctions that seek to force the rest of the world to stop purchasing Iran's oil and gas. There is no doubt that the Iranian people are hurting; but the regime remains unrepentant, despite open avowals of regime change by the U.S. Even as negotiations over Iran's nuclear programme resumed, the Iranian foreign minister stated that if western sanctions against Iran were lifted, all disputes with the west could also be resolved quickly. Clearly, the west has learnt nothing from pushing Myanmar into the arms of China – a colossal strategic misstep – and it has so far ignored the Iranian overture.

Zimbabwe has been sanctioned since 2002 because of the undoubted brutality of the Mugabe government but initially to protect the interests of barely 5000 white farmers sitting on some 70% of arable land. Despite the suffering imposed on the people for the last decade, and forcing an ill-advised coalition government with his principle challenger Morgan Tsvangarai, Mugabe remains in power and there has even been an economic resurgence in Zimbabwe.

These prolonged time frames for sanctions prove the old Greek saying that “while the strong do what they can and the weak suffer what they must” In fact such bans do not usually achieve their stated purpose of forcing regimes to change their behaviour even as they distort economies and cause much suffering to ordinary people.

Less spoken about these days is that India itself first began to be sanctioned by Canada, the U.S. and west Europeans after the nuclear test of 1974. Numerous technology-denial regimes such as the Australia group which controls exports of biological and chemical agents, Wassenaar Agreement which bans dual use technologies, Missile Technology Control Regime etc., were devised with India as the principal target. Ironically, the U.S. and the U.K. were disappointed at the award of the French Raffaele as the choice of our fighter jet; yet they continue to deny many advanced technologies to us under the rubric of “dual use” technology.

The questions that arise are: Is long-sanctioned Cuba, with its world class education and health systems, worse off than its Caribbean neighbours like Panama with their lopsided dependence on rich American tourists? Could Mugabe have been dislodged by following some other course of action as sought by South Africa? Are the Iranians better off after decades of isolation which has completely distorted their first world oil revenue fuelled level of economic development? Could not the current imbroglio with Iran have been resolved by confronting Israel's security issues more honestly? Could we argue that India persevered in developing nuclear and space technologies and scientific competencies under sanctions, which it may otherwise have purchased from developed countries?

Things change with economic might. Some restrictions on the sale of weapons and dual use technologies on China remain, but most other sanctions introduced after the Tiananmen Square incident in 1989 have fallen by the wayside as that country's economic profile has grown rapidly. Does this mean that sanctions against big countries and economies are shrugged off more easily?

In the case of Myanmar which has been under military rule since 1962, incremental sanctions have been imposed starting from trade and investment bans to travel and confiscation of assets held abroad by military leaders and finally – and reluctantly – to barring western oil companies from exploiting Myanmar's substantial fossil fuels. Did the crushing of the Myanmarese economy and denial of financial and technical multilateral assistance, result in the democratization we are celebrating today? Unlikely – especially considering that China alone has invested more than \$20 billion in that country's infrastructure and fossil fuel sector in the last couple of years. ASEAN accepted Myanmar as a full member in 1997 and sought constructive engagement, including through stepped up trade and investment. The fossil, forest and precious stones resources of Myanmar have served to benefit corrupt Thai generals enormously but not the Myanmarese people.

India, after initially extending support to Suu Kyi, sought to engage the military regime to address insurgencies in the Northeast, seek fossil fuels in its vicinity and build a bridge to its ASEAN neighbours. It was also responding to misgivings within the Myanmarese elites to being overwhelmed politically and economically by China. Has

this entrenchment of Chinese influence on Myanmar benefited the sanctioning countries in their strategic and commercial objectives? Can lifting sanctions be more productive than their imposition?

Almost certainly so. A well-researched, balanced April 2012 report by the respected International Crisis Group concludes that the impetus for reforms in Myanmar has been internal, not the result of sanctions imposed externally. It also states that lifting the sanctions piecemeal could actually harm the Myanmar democratization project by exposing the reformers to criticism and a pushback from their opponents in parliament and the armed forces.

Unfortunately the Secretary General of the United Nations in his address to the Parliament in Nay Pyi Taw on April 30, ungenerously termed the reforms “fragile” – in line with the view of western governments. What the UN really needs to do is to assist Myanmar in capacity building to absorb foreign aid and advice. Myanmar also needs to ensure that it does not hop out of the Chinese wok into the resource curse as the world begins to exploit its wealth of natural resources.

Here, India can play a role, notwithstanding the paralysis in New Delhi. Even as it does in Africa, India can accelerate its academic and human resource development programmes especially in the area of information, communications and technology. It has experience to share in agriculture and institution-building, particularly the machinery of elections. And it can help incubate non-governmental organizations, a critical and necessary national asset for liberalizing Myanmar which will otherwise be overwhelmed by wealthy western NGO seeking to further the adoption of their world view. Such moves can lift the fortunes of the ordinary Myanmarrese – and put the trauma of decades of sanctions behind them.

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