

India's Myanmar Engagement under the Modi Government

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Summary

Myanmar's strategic importance to India has been underscored by the government of Indian Prime Minister Narendra Modi since 2014. Its attendance as one of two Southeast Asian countries at the swearing-in of Modi's second term in 2019 further testifies to Myanmar's importance to India. With China's increasing footprint in Myanmar, India will need to redouble its efforts to strengthen its relations with Myanmar in the maritime, defence, security and economic domains while also addressing their outstanding bilateral concerns. Against this backdrop, the case made here is that India matters to Myanmar, and engagement will likely intensify in the coming decade.

Introduction

Myanmar is geopolitically significant to India, as it stands at the centre of the India-Southeast Asia geography. It is the only Southeast Asian country which shares a 1,624-kilometre land border with north-eastern India and a 725-kilometre maritime boundary in the Bay of Bengal. Being the only country at the intersection of India's 'Neighbourhood First' and 'Act East' policies, Myanmar is an essential element in India's practice of regional diplomacy in the Indo-Pacific and serves as a land-bridge to connect South Asia and Southeast Asia. Myanmar matters to India as a member of the Association of Southeast Asian Nations (ASEAN), which counts India as a dialogue partner, and as a member of the Mekong-Ganga Cooperation, which India will also likely to prioritise in Modi's second term.

Myanmar is also an important member of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), a minilateral sub-regional organisation that is committed to fostering bilateral and regional cooperation among the Bay of Bengal countries. As members of BIMSTEC were invited by Modi to his second inauguration in May 2019, he will be looking to prioritise this organisation in his second term, which will include greater engagement with Myanmar. BIMSTEC enables India to play a leadership role in setting the agenda and act as an influencer in the Bay of Bengal whilst also serving as a mini-balancer to the China-led Belt and Road Initiative (BRI).

It is in India's geostrategic interest to see Myanmar prevail as a stable and autonomous country, thereby making possible greater bilateral engagement in India-Myanmar relations. New Delhi policymakers do not want a failed Myanmar state at India's doorstep and a weakened Myanmar falling into the clutches of China as a satellite state which would be pressured into doing Beijing's bidding in regional affairs. Without colliding head-on with China, New Delhi has been scouring for ways to outsmart Beijing so that the balance of power in mainland Southeast Asia is tilted in its favour, thereby making Naypyidaw an inadvertent 'kingmaker' in Sino-Indian relations.

It is little surprise then that Myanmar is the only Southeast Asian country which has a separate bureaucratic division (shared with Bangladesh) in India's external affairs ministry, testifying to the continued importance of Myanmar to India's foreign policy under the Modi government.

One of India's main motivations to improve relations with Myanmar is to strengthen its own standing as a regional power in pursuance of safeguarding its national interests, with the hope of counterbalancing rather than containing China's growing strategic influence in the Indo-Pacific.

While the strategic imperatives for India to fortify relations with Myanmar are definite, India and Myanmar must also overcome some domestic roadblocks in order to strengthen their bilateral relations, particularly in the maritime, defence, security and economic domains.

Economic Prospects and Infrastructural Projects

On the economic front, India sees Myanmar as being vital to fulfilling its ambition to become a US\$5 trillion (S\$7 trillion) economy by 2024.¹ Efforts have been stepped up by the Modi administration to exploit the long land border in order to increase cross-border trade, which stood at US\$194.6 million (S\$271.6 million)² in late 2019. However, total bilateral trade, much of it through the sea channels, stood at US\$2 billion (S\$2.8 billion)³ in mid-2019. While Myanmar investments in India are miniscule, Indian investments in Myanmar through some 30 companies totalled about US\$763.6 million (S\$1.1 billion) in 2019.⁴

As India's economic engagement with Myanmar is far behind that of China, it behooves the Modi government to scale up India-Myanmar economic relations. This dovetails well with India lending greater weight to bilateral economic engagement with Southeast Asian countries after it pulled out of the multilateral mega free trade agreement called the Regional Comprehensive Economic Partnership (RCEP) in 2019.

Facilitating connectivity is also central to improving India-Myanmar economic relations. India regards Myanmar as a gateway to link up to the rest of Southeast Asia and thus has invested in ASEAN-wide infrastructure projects that will boost trade in the ASEAN-India Free Trade Area. Alongside the governments of India and Myanmar, the private sector, including through the India-Myanmar Chamber of Commerce, has a key role to play in implementing these projects.

As there are infrastructure projects underway, it is incumbent on India to bring them to fruition within a reasonable time frame. These include the India-Myanmar-Thailand

¹ "Modi Says Wants to Make India a \$5 trillion Economy by 2024", *Reuters*, 14 November 2019. <https://www.reuters.com/article/us-brics-summit-india/modi-says-wants-to-make-india-a-5-trillion-economy-by-2024-idUSKBN1XN2RT>.

² Shi Yinglun, "Myanmar-India border trade increases in 2018-19", *Xinhua*, 27 September 2019. http://www.xinhuanet.com/english/2019-09/27/c_138427480.htm.

³ Kang Wan Chern, "More Indian Investments Expected with Better Connectivity, Bilateral ties", *Myanmar Times*, 16 January 2020. <https://www.mmtimes.com/news/more-indian-investments-expected-better-connectivity-bilateral-ties.html>.

⁴ *Ibid.*

Trilateral Highway, which extends the existing Indo-Myanmar Friendship Road and is expected to be extended further to connect India with Vietnam through Cambodia and Laos; and the Kaladan Multi-Modal Transit Transport (KMMTT), which is a sea, river and road-based corridor aimed at connecting the eastern Indian seaport of Kolkata with the Sittwe deep-water port in Myanmar's Rakhine State. Although these India-fronted projects have been sluggish in their progress due to the apparent lack of financial muscle in the past, they have started to pick up speed under the Modi government. After all, it is about Modi's India walking the talk and no longer just looking but also acting eastwards and delivering results. Modi would want to deliver more outcomes in his second than in his first term.

Although the Bangladesh-China-India-Myanmar (BCIM) corridor, which seeks to connect India and China through Myanmar and Bangladesh to rake in economic benefits, will be fronted by China, India is open to the idea of being part of the project. However, India would like the BCIM to be viewed as a standalone project instead of being classified under BRI, which China prefers. As a result of differing opinions over BRI, which was also reportedly manifested at the Xi-Modi summits in Wuhan in 2018 and Mamallapuram in 2019, the BCIM has not picked up pace.

Security Cooperation at the Border

For economic relations to improve, India and Myanmar must boost their border security cooperation. The more secure the border is, the greater the economic activity will be. Part of the reason why the KMMTT project has faced delays is that the route of the project traverses a warzone in the Rakhine State, whereby a battle rages on between the Myanmar Army and the Arakan Army rebels and Arakan Rohingya Salvation Army. Insurgents from India's Nagaland have also disrupted the completion of the KMMTT project.

Codenamed Operation Sunshine 1 and 2, the Indian and Myanmar armies have carried out two joint military operations against the militants along the borders of Myanmar's Rakhine state, which borders the north-eastern Indian states of Arunachal Pradesh, Nagaland, Manipur and Mizoram. Greater impetus was given to these operations after Modi visited Myanmar in 2018.

As political stability in Myanmar is key to preserving India's security along the border, Modi's government has supported Myanmar's effort to achieve peace and reconciliation, including by being a signatory witness to Myanmar's Nationwide Ceasefire Agreement ceremonies. As a democratic country with a federal structure, India is keen to share its experience as Myanmar democratises. India also provides military training and conducts joint military exercises with the Myanmar Army. These include the India-Myanmar Bilateral Military Exercises (IMBAX-2017 and IMBEX 2018-19) through which India trained the Myanmar Army to participate in United Nations peacekeeping missions.

Defence Relations and Maritime Cooperation

To deepen their defence relations, India and Myanmar signed a landmark defence cooperation agreement in July 2019 during the visit of a top Myanmar defence official, Min Aung Hlaing, to India.

Realising the growing importance of the Bay of Bengal, the navies of India and Myanmar carried out a bilateral India-Myanmar Naval Exercise in 2018 and 2019. Since 2003, Myanmar has been participating in the India-led multilateral Milan naval exercise that occurs biennially in the Andaman and Nicobar Islands, and is likely to do so again for the upcoming one in March 2020.

Chinese President Xi Jinping's visit to Myanmar in January 2020 also saw a push in Beijing's entry to the Bay of Bengal and the Indian Ocean. In response to China's growing ambition in the Indian Ocean, India now has the added incentive to enhance its maritime cooperation with Myanmar.⁵ Accordingly, Myanmar is then better able to practise hedge diplomacy between India and China by capitalising on the benefits derived from each of them without having to align with either side.

As part of its policy for the Indian Ocean called Security and Growth for All in the Region (SAGAR), central to which is 'port-led development', India developed the Sittwe port in Myanmar's Rakhine State. This port, which sits geographically on the Bay of Bengal, serves as a critical node of the KMMTT initiative to connect south-western Myanmar to north-eastern India with the aim of enhancing interconnectivity between the two countries.

India's long-term strategic goal is to create a special economic zone surrounding the Sittwe port and, in so doing, cement India's geostrategic footprint in the Rakhine and solidify its presence in the Bay of Bengal. The Sittwe port is meant to be India's forthright answer to the Chinese-fronted Kyaukpyu port, which seeks to cement China's geostrategic footprint in the Rakhine.

To elevate its 'Made in India' arms industry, India has identified Myanmar as key to increasing its military exports. Along those lines, Myanmar purchased India's first locally produced anti-submarine torpedo called TAL Shyena in 2017 and in 2019, Myanmar acquired a diesel-electric Kilo Class submarine called INS Sindhuvir, which India modernised after buying it from Russia in the 1980s.

For Naypyidaw, these military purchases are meant to secure and protect Myanmar's maritime interests, especially after its neighbours Bangladesh and Thailand acquired submarines from China. In this submarine procurement race, the three countries Bangladesh, Thailand and Myanmar are competitively hedging their military purchases between India and China.

Navigating the Rohingya Crisis between Myanmar and Bangladesh

Myanmar's geostrategic importance to India means that New Delhi did not adopt a hardline approach on Naypyidaw vis-à-vis the Rohingya issue, to the extent of even keeping its distance when Myanmar, represented by State Counsellor Aung San Suu Kyi, was hauled into the International Court of Justice on accusations of Rohingya genocide. In the main, India adopts a non-interference approach in the internal affairs of Myanmar and has been

⁵ Archana Atmakuri and Yogesh Joshi, "Xi Jinping's Visit to Myanmar: Implications for the Bay of Bengal", *ISAS Brief No. 743*, 4 February 2020. <https://www.isas.nus.edu.sg/wp-content/uploads/2020/02/China-Myanmar-ISAS-Brief-743-Archana-Yogesh.pdf>.

using the term ‘displaced persons from Rakhine State’ in official statements, recognising that Myanmar is sensitive to the use of the term Rohingya.

That the Indian government is now led by the right-wing Hindu nationalist Bharatiya Janata Party also means that the government, with its Islamophobic tendencies,⁶ is unlikely to be sympathetic to the plight of Muslim Rohingyas. However, because of geopolitical considerations and mindful of international public opinion, India, which has a Hindu-majority, has been performing a balancing act on the Rohingya issue between a Muslim-majority Bangladesh and a Buddhist-majority Myanmar.

India has thus far played it safe by providing humanitarian relief to Myanmar and Bangladesh, yet, much to the chagrin of the United Nations, also deporting Rohingya refugees from India for security reasons as New Delhi is concerned that the Rohingyas could have links to terrorist groups including those reportedly based in Pakistan. Compounding matters was India’s 2019 Citizenship Amendment Bill which could result in the further expulsion of Rohingyas from the country and who may then stream into Bangladesh, thereby straining India-Bangladesh relations.

Taken together, the quicker the Rohingya issue is resolved, the easier it will be for India to manage its relations with Myanmar and Bangladesh. All three countries can then focus more of their efforts on bilateral, trilateral, and sub-regional economic cooperation.

India’s Buddhist Diplomacy

Not as obvious is Myanmar’s importance to India’s conduct of cultural diplomacy through the lens of Buddhism for tourism purposes. Modi’s ambitious ‘Buddhist Circuit’ initiative, which seeks to double foreign tourist arrivals and attendant revenue by connecting ancient Buddhist heritage sites across different states in India, should resonate with Buddhist-majority Myanmar.

India’s Buddhist diplomacy would not only attract pilgrims from Buddhist Southeast Asia and thereby bolster the country’s tourist industry through the ‘Incredible India’ international tourism campaign but would also help to build up India’s diplomatic reservoir of goodwill and trust with Buddhist-majority countries in mainland Southeast Asia, including Myanmar.

Looking Ahead

India-Myanmar relations are on the cusp of a remarkable transformation. The moment is opportune, and the atmosphere is conducive for the governments of India and Myanmar to intensify efforts towards making India-Myanmar relations significant to each other’s foreign policy.

⁶ Nazneen Mohsina, Mustafa Izzuddin and Tahira Namreen, “Muslims and an inclusive India under Modi 2.0”, *ISAS Insights* No. 569, 5 July 2019. <https://www.isas.nus.edu.sg/papers/muslims-and-an-inclusive-india-under-modi-2-0/>.

On the one hand, Myanmar is striving to be stable and autonomous as it continues to manage its difficult democratisation, while on the other, Modi is marketing India to the world. Whereas Myanmar is India's gateway to Southeast Asia, India is Myanmar's gateway to South Asia.

To be fair, positive footsteps have been taken to improve India-Myanmar relations. However, looking ahead to the decade of the 2020s, the litmus test for the political leaderships of India and Myanmar is whether they will be able to work closely together to take a perfunctory India-Myanmar bilateral relationship to the next level of deepening engagement on a sustainable basis.

Envisioning the potential in India-Myanmar relations has to be prioritised by both countries, and bilateral commitments translated into practical outcomes, lest India and Myanmar end up as one of those bilateral relationships that disappoints or merely flatters to deceive.

The onus, however, remains on India as to how far and deep it is prepared to nurture its relations with Myanmar, knowing full well that Naypyidaw will matter much to New Delhi in the coming decade, not least if India wants to augment its standing as a regional power in the Indo-Pacific.

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