Conference Summary Report

MYANMAR AT THE CROSSROADS: CURRENT REALITIES, CHALLENGES AND OPPORTUNITIES

July 20-22, 2015

JRD Tata Auditorium
NIAS, Bangalore, India

International Strategic and Security Studies Programme
NATIONAL INSTITUTE OF ADVANCED STUDIES
Bangalore, India
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This report summarizes key messages from the two and half days conference “Myanmar at the Crossroads: Current Realities, Challenges and Opportunities” organized by the International Strategic and Security Studies Programme (ISSSP) at the National Institute of Advanced Studies (NIAS), Bangalore, India. The conference aimed at examining key issues and preliminary findings from a research project (“Building Bridges: Assessing Opportunities, Challenges, and the Role of India in Myanmar”) in a broader empirical and policy context, and convened a mixed group of academics, policy makers and practitioners from a wide variety of countries to share knowledge and experiences about the facets of changing dynamics of Myanmar. Discussions drawing on opportunities and challenges that the Myanmar provides for the other countries as well as for the local development were deliberated. The presentations and discussions illustrated how centre-periphery interaction is shaping up, changing political dynamics related to power struggles between religious and ethnic minorities and majority, resource availability and governance, industrial capabilities relationship of Myanmar with China and other powers and India’s engagement with Myanmar.

Interpreting Transition in Myanmar

Myanmar is undergoing a triple transition- from conflict to peace; military to democracy; and centrally-planned economy to market economy.

The Tatmadaw is perceived differently by the majority Barmans as compared to the minority ethnic groups. In the face of upcoming elections, the evolving dynamic constitutes both an opportunity and a challenge for the Tatmadaw to maintain its control over the decision-making process.

Development prospects along the periphery are taking place without taking the minorities into account. For investors, however, stability matters more than democracy which makes the Union Solidarity and Development Party (USDP) important for the Asian investors. Although significant progress has been made by the USDP in addressing the minority issues, the Rohingyas have been an exception. The government is already under tremendous international pressure, especially from the immediate neighbours owing to chronic refugee crisis. Further, there are developmental challenges such as drug-trafficking and small arms proliferation which are conveniently dovetailed with insurgency. Solving these issues is the lynchpin in determining Myanmar’s stability in times of transition.

The evolution of military capabilities of Tatmadaw has undergone key changes, predominantly, the decreasing dependence on China. It was observed that the focus
of the arms purchase is indicative of the increasing counter-insurgency role of the Tatmadaw.

**Natural Resources, Agriculture, Infrastructure and Industrial Capabilities**

Myanmar has tremendous endowments in forms of agricultural and natural resources. However, there are several roadblocks constraining the growth potential such as lack of infrastructure and connectivity, property rights and access to land. Additionally this affects private/foreign investment in related sectors.

In spite of the challenges, many foreign countries have established a firm footing in Myanmar. Therefore India should make best use of the available opportunities to realise its “Act East” objectives.

Myanmar is an active player in most of the regional energy cooperation initiatives including ASEAN, GMS, BIMSTEC, SAARC and BCIM.

**Dynamics of Myanmar’s Relations with Major Powers**

Myanmar regards ASEAN crucial for its economic growth. However, overall payoff from the engagement is debatable, apart from a credible international platform for Myanmar. That being said, Myanmar’s transition following the lines of Indonesia’s “guided democracy” has rendered the former a perfect fit in ASEAN, which is a coalition of countries with similar political and ideological systems.

Thai-Myanmar relations, although burdened with socio-cultural-historic baggage, are significant in the economic sphere mainly due to the active political push from both sides. Despite official foreign policy initiatives in favour of Myanmar, Thailand's public perception of the country and its people remains largely negative.

Since the end of World War II Japan had maintained strong ties with Myanmar and has been the largest aid-provider to the country. Development of Thilawa SEZ is the focus of present-day Japanese strategic and entrepreneurial engagement with Myanmar. The recent cooperation is apparently aimed at achieving twin objectives: (1) Containing China’s economic dominance and (2) Capitalizing business opportunities for its companies.

Since 2011, European Union (EU) has been playing a normative role in Myanmar’s transition to democracy with a decisive non-interference approach. The relations are still evolving, with the partial lifting of decade-long economic sanctions in 2012. Nevertheless, the arms embargo on Myanmar remains because of the intensive ethnic conflict.

Myanmar’s opening up is of significant strategic value in the emerging geopolitics of Bay of Bengal. This has vitalised new naval exchanges, energy exploration and connectivity infrastructure in the littoral states of the Bay of Bengal. While the prospects of mutual benefits are high, it is hindered by strategic suspicions among major regional powers.
Amidst the various international engagements in Myanmar, it is important to note the “two-polar” growth strategy, where Yangon is the first growth pole and Mandalay second, along with Nyapyitaw as the administrative centre. Complementing the “two-polar” strategy is enhanced connectivity with richer neighbouring countries substantiating border development.

**Chinese Strategy and Role in Myanmar**

Situated between the two biggest and most populous Asian giants Geography has played a very important role in fashioning Myanmar’s history. China has substantial political, economic and strategic stakes in Myanmar. As many as 69 Chinese MNCs are involved in 90 hydropower, oil & natural gas and mining projects. China is also the main supplier of military equipment, including jet fighters, armoured vehicles and naval vessels, besides regularly conducting training programmes for the Tatmadaw. At best, the China-Myanmar relations can be described as a marriage of convenience, and not a love match.

The Yunnan province of China has been credited with strengthening ties with Myanmar primarily because of the ethnic linkages. Internally, the central Chinese government and the provincial government are said to have differing perceptions and approaches towards Myanmar. This is mainly attributed to the growing anti-China sentiments in Myanmar, as manifested in the cancellations of several projects holding high stakes for the Chinese government, such as the Myitsone dam.

China’s influence in the country should not be seen as a threat by other neighbours, since China-Myanmar relations go back to centuries and should be seen in the context of the two being “Brothers from Birth.” In particular, India regarding Myanmar as a mere gateway to the East is a strategic mistake.

**India-Myanmar Relations**

Myanmar is an underrated neighbour of India with potential influence to address India’s vital strategic and economic interests. “Act East” policy initiative presents a manifold opportunities to engage effectively with Myanmar, especially along the Northeast-Myanmar border. Even moderate steps such as formalisation of border trade and effective implementation of promised infrastructure projects will help India foster relations with its Southeast neighbour. Owing to a porous border in a tough terrain, the area is laced with insurgent camps and drug trafficking. Furthermore, the Rohingya refugee crisis may kindle a security threat due to the support they have elicited from worldwide terrorist organisations. The cooperation of the local communities is central to resolving most of these issues, to the best interests of both the neighbours.
Myanmar- Northeast perspective

India-Myanmar bilateral relationship can sustain only when Northeast finds a space to become an equal player in this engagement. The border is located in the perimeter of societies which are seen as of little consequences in the politics and development of their countries. Contrary to the popular notion, insurgency is not the biggest issue of the region; it has evolved more as a way to life, rather than a way of life. Perceptions are often imprisoned in the granted cartography of the region as a “frontier area” without careful retrospection of the silenced life-world that connects space, people, society and culture. This also has developed a contrasting concept of “We” and “They” in line with the discourse of “geography of knowing” and “geography of ignorance.” Thus, step one should translate to reconstruction of notions and perceptions about Northeast India in the mainland.

Trade, Business and Investment climate in Myanmar: Barriers and Potential

There are glaring gaps in Myanmar’s infrastructure development, which is attracting a lot of foreign investment. The economic reforms, although promising, are still its dynamic phase with many amendments still underway. Arguably, these measures have eased the entry of new players in various developmental sectors. With the new Foreign Investment Law passed in 2012, significant opportunities are there in many sectors including power (generation, transmission and distribution); transportation infrastructure; manufacturing sector (low labour costs) and the Special Economic Zones (additional incentives for investment in designated SEZs, including exemption and relief on import tax, commercial tax and value added tax). Among India’s endeavours in Myanmar, Tata Motors Heavy Truck plant is a success story, to the extent of cementing deals with the Tatmadaw for military vehicles. In spite of the incentives, investment requires political will in addition to economic dividends.
LIST OF PRESENTATIONS AT THE CONFERENCE

Day One, 20 July 2015

Introduction and Keynote Address
Ambassador Dr. V.S. Seshadri, Vice Chairman, Research and Information System for Developing Countries (RIS), New Delhi and former Ambassador of India to Myanmar (2010-2013) – ‘Building Enduring Bonds with Myanmar’

Session I: Interpreting the Transition in Myanmar
Ms. Yola Verbruggen, Journalist& Political Analyst, Myanmar – ‘Centre-Periphery Interaction’
Dr. Priyanca Mathur, Assistant Professor, St. Joseph College, Bangalore – ‘Sectarian Conflict in Myanmar: The Rohingya Case’
Dr. Anshuman Behera, Assistant Professor, NIAS – ‘Insurgency, Drugs and Small Arms in Myanmar’
Dr. Rahul Mishra, Research Fellow, Indian Council of World Affairs, New Delhi – ‘Myanmar’s Aspirations and Future of Democratic Transition’
Ms. Ramya PS, Junior Research Fellow, ISSSP, NIAS – ‘The Evolution of the Tatmadaw: Assessing Present Capabilities’

Session II: Agriculture, Natural Resources, Infrastructure and Industrial Capabilities (I)
Dr. Elumalai Kannan, Associate Professor, Institute for Social and Economic Change, Bangalore – ‘Agriculture and Forestry Sector in Myanmar’
Ms. Soe Nandar Linn, National Consultant for World Bank’s Public Financial Management Project, Ministry of Finance, Myanmar – ‘Natural Resources and Subnational Governance in Myanmar’
Ms. Suparna Banerjee, Senior Research Fellow, ISSSP, NIAS – ‘Mining Sector in Myanmar: Making sense of Resource Conflict’
Session III: Agriculture, Natural Resources, Infrastructure and Industrial Capabilities (II)

Mr. Soe Myint, former Director General, Ministry of Energy, Myanmar — ‘Energy Sector in Myanmar: Current Realities and Future Prospects’

Prof. KUDO Toshihiro, Research Planning Department, National Graduate Institute for Policy Studies (GRIPS), Japan — ‘Industrial Development in Myanmar: Prospects and Challenges’

Day Two, Tuesday, 21 July 2015

Session IV: Dynamics of Major Powers Relations with Myanmar

Dr. Pankaj K Jha, Director Research, Indian Council of World Affairs, New Delhi — ‘ASEAN and Myanmar’

Dr. Pongkwan Sawasdipakdi, Thammasat University, Bangkok, Thailand — ‘Thailand's Relations with Myanmar’

Dr. Shamshad A. Khan, Research Fellow, Indian Council of World Affairs, New Delhi — ‘Japan – Myanmar Relations’

Prof. KUDO Toshihiro, Research Planning Department, National Graduate Institute for Policy Studies (GRIPS), Japan — ‘Two-Polar Growth Strategy in Myanmar: Seeking “High” and “Balanced” Development’

Dr. Jegananthan, Assistant Professor, Central University of Jammu, Jammu & Kashmir — ‘European Union Engagement with Myanmar’

Dr. K. Yhome, Fellow, Observer Research Foundation, New Delhi — ‘Situating Myanmar in the Emerging Geopolitics of Bay of Bengal’

Session V: Chinese Strategy and Role in Myanmar

Mr. Khin Maung Soe, Communications & Socio-Economic Specialist, Urban Services Improvement Project, Mandalay, Myanmar — ‘Chinese Role, Investment & Aid in Myanmar’

Ms. Sayantani Sen Majumdar, Fellow, MAKAIAS, Kolkata — ‘Myanmar-China Strategic Partnership’

Ms. Ramya PS, Junior Research Fellow & Dr. Mayilvaganan, Assistant Professor, NIAS — ‘Facilitating Ties and Enhancing Cooperation: Yunnan Factor in China-Myanmar Relations’
Session VI: India-Myanmar Engagement

Dr. Uday Bhanu Singh, Senior Research Associate, IDSA – ‘India’s Myanmar Policy: Issues and Concerns’

Mr. Khin Maung Win, former Deputy Minister for Foreign Affairs – ‘India-Myanmar Relations: Perspective from Myanmar’

Mr. Rajeev Bhattacharyya, Journalist, Guwahati – ‘Realities and Challenges on the Indo-Myanmar Border’

Dr. Pushpita Das, Associate Fellow, IDSA – ‘Security Challenges and Management of India-Myanmar Border’

Session VII: Myanmar: Northeast Perspective

Dr. Rakhee Bhattacharya, Associate Professor, Northeast Studies Programme, School of Social Science, Jawaharlal Nehru University, New Delhi – ‘Indo-Myanmar Development Agenda and ‘Act East’: Whither Northeast’

Dr. Amarjeet Singh, Associate Professor, Centre for North East Studies and Policy Research, Jamia Millia Islamia, New Delhi – ‘Myanmar: Perspective from Northeast India’

Dr. Jiten Nongthombam, Centre for Myanmar Studies, Manipur University, Manipur – ‘Security and Sustainable Development: Northeast in Indo-Myanmar Developing Dynamics’

Day Three, 22 July 2015

Session VIII: Business and Investment Climate in Myanmar: Barriers and Potentials

Dr. K Venkataramani, Associate Director, Orkash Services Private Limited, New Delhi – ‘Recognizing Risks and Strategies for Indian industries in Myanmar’

Mr. Vernon Noronha, Defence Business Head, Tata Motors Ltd, Mumbai – ‘Doing Business in Myanmar: Case of Tata Motors’

Dr. Hippu Salk Kristle Nathan, Assistant Professor & Mr. Sanket Sudhir Kulkarni, Doctoral Scholar, NIAS – ‘Indo-Myanmar Electricity Cooperation: Prospects and Challenges’

Ms. Kaveri Ashok, Junior Research Fellow, Ms Ramya PS, Junior Research Fellow & Dr. Mayilvaganan, Assistant Professor, NIAS – ‘Infrastructure Development in Myanmar: Outlook And Opportunities’
PARTICIPANTS AT THE CONFERENCE

- Amb V S Seshadri, Vice Chairman, Research and Information System for Developing Countries (RIS), New Delhi and former Ambassador of India to Myanmar (2010-2013)
- Dr. Sanjay Pulipaka, Consultant, Indian Council for Research on International Economic Relations, New Delhi
- Ms. Yola Verbruggen, Journalist & Political Analyst, Myanmar
- Dr. Rahul Mishra, Research Fellow, Indian Council of World Affairs, New Delhi
- Dr. Anshuman Behera, Assistant Professor, NIAS
- Dr. Priyanca Mathur, Assistant Professor, St. Joseph College, Bangalore
- Ms. Ramya PS, Junior Research Fellow, NIAS
- Dr. Elumalai Kannan, Associate Professor, Institute for Social and Economic Change, Bangalore
- Ms. Soe Nandar Linn, National Consultant for World Bank's Public Financial Management Project, Ministry of Finance, Myanmar
- Ms. Suparna Banerjee, Senior Research Fellow, NIAS
- Mr. Soe Myint, former Director General, the Ministry of Energy
- Prof. KUDO Toshihiro, Research Planning Department, National Graduate Institute for Policy Studies (GRIPS), Japan.
- Dr. Pankaj K Jha, Director Research, Indian Council of World Affairs, New Delhi
- Dr. Pongkwan Sawasdiapakdi, Thammasat University, Bangkok, Thailand
- Dr. Shamshad A. Khan, Research Fellow, Indian Council of World Affairs, New Delhi.
- Dr. Jegananthan, Assistant Professor, Central University of Jammu, Jammu & Kashmir
- Dr. K. Yhome, Fellow, Observer Research Foundation, New Delhi
- Mr. Khin Maung Soe, Communications & Socio-Economic Specialist, Urban Services Improvement Project, Mandalay, Myanmar
- Ms. Sayantani Sen Majumdar, Fellow, MaulanaAbulKalam Azad Institute of Asian Studies, Kolkata
- Dr. Udai Bhanu Singh, Senior Research Associate, IDSA, New Delhi
- Mr. Khin Maung Win, former Deputy Minister for Foreign Affairs, Myanmar
- Mr. Rajeev Bhattacharyya, Journalist, Guwahati
- Dr. Pushpita Das, Associate Fellow, IDSA, New Delhi
Dr. Rakhee Bhattacharya, Associate Professor, Northeast Studies Programme, School of Social Science, Jawaharlal Nehru University, New Delhi
Dr. Amarjeet Singh, Associate Professor, Centre for North East Studies and Policy Research, Jamia Millia Islamia, New Delhi
Dr. Nongthombam Jiten, Centre for Myanmar Studies, Manipur University, Manipur
Dr Venkataramani, Associate Director, ORKASH
Mr. Vernon Noronha, Defence Business Head, Tata Motors, Mumbai
Dr. Hippu Salk Kristle Nathan, Assistant Professor, NIAS
Mr. Sanket Sudhir Kulkarni, Doctoral Scholar, NIAS
Ms. Kaveri Ashok, Junior Research Fellow, NIAS
Dr. Baldev Raj, Director, NIAS
Prof. Rajaram Nagappa, Head & Visiting Professor, ISSSP, NIAS
Prof. S Chandrashekar, JRD Tata Visiting Professor, ISSSP, NIAS
Prof. N. Ramani, Visiting Professor, ISSSP, NIAS
Prof. Lalitha Sundaresan, Visiting Professor, ISSSP, NIAS
Dr. Arun Vishwanathan, Assistant Professor, ISSSP, NIAS
Prof S Gopal, Adjunct Faculty, ISSSP, NIAS
Prof. P. Soma, Adjunct Faculty, ISSSP, NIAS
Mr. Guruprasad, Doctoral Student, NIAS
Dr. Manik Mukerjee, DRDO, New Delhi
Dr. Thomson Mathew, DRDO, New Delhi
Dr. Chanchal De, DRDO, New Delhi
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Acknowledgements

The organisers of the conference and the editorial team of the report would like to acknowledge the support of Faculty of International Strategic and Security Studies Programme for their active support.

This report is prepared by Ms. Suparna Banerjee and Ms. Kaveri Ashok of ISSSP, NIAS.

This report summarises the proceedings of the Conference as interpreted by the rapporteurs and editors of the NIAS ISSSP Conference Team. Participants neither reviewed nor approved this report.

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