

# Burma visit highlights India's "Look East" strategy

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Indian Foreign Minister Natwar Singh made a four-day visit to Burma in late March for discussions with the country's military junta on closer relations. The trip was not the first by a top Indian politician, nor was there much media coverage. But it does highlight a significant, though little publicised, feature of New Delhi's strategy. It is the so-called "Look East" policy—an economic and strategic orientation to South East Asia.

Singh met with Burma's Foreign Minister, Nyan Win, as well as other senior figures, including Prime Minister Lieutenant General Soe Win and Than Shwe, chairman of the ruling State Peace and Development Council. According to Indian officials, a range of economic and security issues were discussed. A further ministerial meeting in Delhi was agreed to discuss boosting trade and improving road and rail connections between the two countries.

Speaking in Rangoon, Singh declared that India wanted a "long-term partnership" with Burma. Current bilateral trade is \$1 billion and the two governments are aiming to double the figure. India has already extended a \$7 million loan to Burma for two telecom projects and announced a grant of \$3 million for IT-related ventures. Indian companies are involved in oil and gas exploration in Burma.

The developing relations between India and Burma are a relatively recent phenomenon. Previous Congress-led Indian governments were critical of the junta, its brutal 1988 crackdown on student-led demonstrations and supported the opposition National League for Democracy (NLD) led by Aung San Suu Kyi. India provided sanctuary and financial assistance to fleeing pro-democracy activists and honoured Suu Kyi with a Jawaharlal Nehru Award for International Understanding in 1995.

From the mid-1990s, a shift took place in India's attitude to the Burmese junta that was deepened under the subsequent Bharatiya Janata Party (BJP) led government of Prime Minister Atal Behari Vajpayee. New Delhi began to shelve its criticisms. Since the BJP's defeat last year, the new Congress-led government has accelerated ties with Burma. Junta leader Than Shwe was given the red carpet treatment last October when he became the first Burmese head of state to visit India in 24 years. Immediately prior to Than Shwe's arrival, the Indian government attempted to shut down a conference of pro-democracy Burmese activists in New Delhi and denied a visa to one of the convention's key figures.

New Delhi's attempts to woo the Burmese generals are based on several considerations. Not only is India keen to gain access to Burma's oil and gas, but a land route through the country to South

East Asia is an essential component of its broader "Look East" policy.

India's demand for oil and gas is expanding rapidly and Burma is a potential source. In January, India signed an agreement in principle with Burma and Bangladesh to build a pipeline from Burmese offshore gas fields via Bangladesh to India. The deal is yet to be sealed as Bangladesh is seeking transit rights across Indian territory to Nepal and Bhutan, on top of annual pipeline fees of \$125 million.

India has also gained Burmese assistance in cracking down on various armed separatist movements based in northeastern India. A number of these groups shelter in Burma, which shares a common 1,640 km border with India. Last November the Indian military launched a major operation involving 6,000 troops to hunt down rebels in the northeastern state of Manipur. The Burmese military sealed the border to block off any escape.

One of the reasons New Delhi wants to reach a deal with, or crush, the various separatist groups is to open up the northeast to mineral exploration, including for oil, gas and coal. The state of Assam currently produces about 15 percent of India's oil needs. Recently, new gas fields have been discovered in eastern Assam and others are under survey in the neighbouring state of Arunachal Pradesh.

Burma is also an arena of rivalry between India and China, both of which have ambitions to play a more dominant role in the region. While India joined other countries in criticising and imposing sanctions on the Burmese junta after 1988, China strengthened its longstanding ties and became the regime's main economic, political and military backer. Beijing provided financial aid, economic investment and helped the Burmese armed forces to modernise and expand from 180,000 to 450,000 personnel.

For China, Burma is an important component of its strategy to prevent its encirclement by the US and its allies and to secure vital naval routes to oil supplies in the Middle East. For New Delhi, Chinese influence in Burma is a threat to India's plans for naval dominance in the Bay of Bengal and an obstacle to its grander aspirations for economic and strategic influence in South East Asia.

India's "Look East" policy, first enunciated in 1992, had its genesis in the end of the Cold War, following the collapse of the Soviet Union. Having lost the Soviet economic and political support on which it had relied, the Indian government embarked on a program of free market restructuring at home and sought new

markets and economic partners abroad. India also began to look for alternate energy sources after US-led Gulf War on Iraq in 1990-91 destabilised the Middle East.

The “Look East” policy was aimed at developing closer relations with the so-called economic “tigers” of South East Asia. In 1997, India became a full dialogue partner of the region’s main grouping—the Association of South East Asian Nations (ASEAN). After coming to power in 1998, the BJP-led government in New Delhi continued the orientation to ASEAN despite the impact of the Asian financial crisis on the “tiger” economies.

At the ASEAN summit in Bali in October 2003, Prime Minister Vajpayee spelled out new initiatives for economic cooperation, including air and road links. To demonstrate the close relations he proposed an India-ASEAN motor rally from South East Asia through Burma to India. He outlined a program of free trade agreements with the countries of the region. The Indian prime minister signed a deal with Thailand to slash tariffs on a range of goods and offered closer intelligence and military cooperation.

In the lead-up to the summit, Vajpayee’s foreign minister Yaswant Singh spelled out the strategy in a speech at Harvard University. “In the past, India’s engagement with much of Asia, including South East and East Asia, was built on an idealistic conception of Asian brotherhood, based on shared experiences of colonialism and of cultural ties. The rhythm of the region today is determined, however, as much by trade, investment and production as by history and culture. That is what motivates our decade-old ‘Look East’ policy.”

The fact that the speech was delivered in the US was significant. Under the Vajpayee government, India developed closer strategic and economic relations with Washington. Singh’s remarks were a further assurance that there would be no return to the anti-imperialist rhetoric of the Cold War days when India played a leading role in the so-called Non-Aligned Movement. Clearly India was looking for the backing of Washington, which is also seeking to block China’s links to ASEAN, as it pursued its aims of closer ties in South East Asia.

Since defeating the BJP in last year’s election, the Congress-led government has made no sharp breaks with previous policies. The new foreign minister Natwar Singh told the India-ASEAN business summit in New Delhi last October that “Look East” was “more than a political slogan or a foreign policy orientation.” At the ASEAN gathering the following month, he enthusiastically proposed exploring the possibilities of a broad “Asian Economic Community” and signed an agreement for an ASEAN-India Partnership for Peace Progress and Shared Prosperity.

Part of the expected pay-off for New Delhi is economic. India has trade agreements with most ASEAN countries and the region currently accounts for \$US13 billion or about 10 percent of India’s total foreign trade. New Delhi is hoping to take advantage of ASEAN plans for a single market and to nearly treble its trade with the region to \$30 billion by 2007.

But India faces competition from China, which is negotiating its own trade deal with ASEAN that will cut tariffs over the next five years beginning in mid-2005. A recent article in the Indian magazine *Frontline* noted that though India has improved its relationship with ASEAN, it is “quite modest in comparison” to

China’s which is “now close to \$50 billion and the target for 2005 is \$100 billion.”

India is also seeking strategic relations in South East Asia. In its maritime doctrine released last April, the Indian navy shifted its doctrine from defending the country’s coastline from rival Pakistan to declaring the entire Indian Ocean Region (IOR), from the Persian Gulf to the Malacca Straits, to be its “legitimate area of interest.” India is in the process of acquiring nuclear submarines, the aircraft carrier Admiral Gorshkov and 16 MiG 29 K ground attack/interceptor aircraft as part of this strategy.

India wants a major role in policing the international sea-lanes through the Indian Ocean. New Delhi has already forged agreements with Malaysia and Indonesia regarding naval patrolling of the western end of the strategic Strait of Malacca. The Indian government exploited the December 26 tsunami disaster to flex its naval muscles in the region. In its largest-ever peacetime operation, the Indian navy dispatched 32 ships, 22 helicopters, 8 aircraft and 8,300 troops to distribute food, medicine and other relief supplies to Sri Lanka, Maldives and Indonesia.

India faces competition from China for influence in South East Asia, but the chief potential obstacle to its “Look East” strategy is Washington, rather than Beijing. During her recent visit to New Delhi, US Secretary of State Condoleezza Rice gave her Indian counterparts a rude lesson in US diplomacy when she opposed a planned gas pipeline from Iran to India via Pakistan. While Indian and US interests may coincide at present in South East Asia and in other regions, there is no guarantee that Washington’s aggressive drive for world domination will not cut across other Indian plans in the future.

While India has strengthened its ties to Washington, sections of the Indian ruling elite are deeply concerned about the dangers of US militarism for their interests. As a result, New Delhi and Beijing, while vying for regional influence in Asia, are being drawn together by a mutual fear of Washington’s aggressive policies. Significantly, Chinese Premier Wen Jiabao is due to visit India this week to discuss a range of issues, including a free trade agreement.



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