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INDIA'S AMBITIONS IN BURMA

More Frustration Than Success?

Renaud Egreteau

Abstract

India has been pursuing a new Burma policy since 1993 to meet its emerging strategic interests in the region. This article assesses 15 years of this “velvet policy” toward Burma’s military regime and argues that New Delhi has faced more frustration than satisfaction in achieving its strategic objectives as a result of this shift in policy.

Keywords: India, Burma/Myanmar, Indian foreign policy, India-Burma relations, China threat

Introduction

“Political relations between India and Myanmar are at their best.”

—Shri Bhairon S. Shekhawat, vice president of India.¹

After several years of opposition to the new Burmese military junta, the Indian government’s approach toward the Burmese regime underwent a significant shift in the early 1990s.² The March 1993 visit

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1. Embassy of India (Yangon), *India-Myanmar Cooperation: New and Innovative Opportunities (on the Occasion of the “Made in India Show,” Myanmar, 19–22 February 2004)* (Yangon, Burma: L. B. Associates, 2004), p. 11.

2. Democratic rule in Burma ended in 1962 when General Ne Win led a military coup d’état; he subsequently ruled for 26 years. After the 1988 pro-democracy uprising, a younger generation of Burmese generals staged another coup, declared martial law, and formed the *Asian Survey*, Vol. 48, Issue 6, pp. 936–957, ISSN 0004-4687, electronic ISSN 1533-838X. © 2008 by The Regents of the University of California. All rights reserved. Please direct all requests for permission to photocopy or reproduce article content through the University of California Press’s Rights and Permissions website, at <http://www.ucpressjournals.com/reprintInfo.asp>. DOI: AS.2008.48.6.936.

of Jyotindra Nath Dixit, then Indian foreign secretary, to Burma marked a turning point in the Indo-Burmese relationship, as India softened its criticism of the ruling Burmese junta and began cautiously engaging it. With the regional geopolitical framework quickly evolving, New Delhi intended to reestablish the toehold it previously held in Burma during the colonial period, when the Burmese province was linked to the rest of British India.³ Demonstrating new interest in a country that has long lived in isolation, New Delhi's policymakers have many reasons to focus on the strategic and economic benefits that Burma can offer India. As a part of New Delhi's "extended neighborhood," Burma has been included in India's new regional geopolitical vision that was redefined in the 1990s.

This article seeks to assess the effectiveness of 15 years of India's new policy toward Burma. Unlike the quotation by Shekhawat in the epigraph above, I argue that the partnership is not at its best and that India has still not fulfilled the main objectives of its new policy. In contrast, I argue that India has faced significant resistance from Burma in achieving its foreign policy objectives in the region. After a brief analysis of India's historical perceptions of Burma, this article will discern India's emerging interests there, and critically assess whether New Delhi has been able to achieve its ambitions and goals in these areas. These objectives include coordinating effective counterinsurgency measures in India's Northeast region, improving bilateral economic relations, and countering China's growing influence. I will subsequently examine some of the continuing obstacles India faces in its foreign policy. In essence, this article argues that India has derived more frustration than success from its new "velvet policy" toward Burma.

India's Historical Perception of Burma

India has always had a peculiar relationship with its Burmese neighbor. One ancient legacy that Indian civilization gave to Burma was Buddhism. But more recently, Burma was deeply influenced by India during its colonial period (1826–1948), when the British annexed the province and brought in a large number of Indians to run its administration and economy. Indians of Tamil, Bengali, Punjabi, and Gurkha origin quickly began dominating trade, land property, and the financial lending system in British Burma as well as the civil administration, educational system, and police and military

State Law and Order Restoration Council (SLORC) to govern Burma. The SLORC was renamed the State Peace and Development Council (SPDC) in 1997 and was still led by General Than Shwe in 2008.

3. In this article, I use the English terms "Burma" and "Rangoon" instead of the vernacular terms of "Myanmar" and "Yangon" for the ease of linguistic simplicity, and without any political connotation or judgment.

forces; this continued from the end of the 19th century until Burma's separation from India in 1937.⁴ In 1931, the number of people of Indian descent was estimated to be over one million out of Burma's total population of 14 million, with half of Rangoon's population being Indian.⁵ The predominance of Indians in the province's colonial socioeconomic configuration created strong resentment within Burma's indigenous majority "Burman" (Bama'r) population. This resentment sparked several waves of anti-Indian riots during the 1920s and 1930s. Ever since, the Burmese have been bitterly suspicious of India.

On the other side of the coin, Indians have generally had a rather positive image of Burma, which has traditionally been perceived as being part of India's wider sphere of influence. For many Indians, Burma is still *Suvarna Bhumi* (the "Golden Land," in Sanskrit), where minorities of Indian origin took advantage of the British colonial system to grow rich and, in return, contributed to the economic development of the province.⁶ Indian academics, in fact, have often ignored the anti-Indian feelings prevalent in Burmese society and instead focused on the mutual friendship between Indians and Burmese.⁷

World War Two and Burma's independence in 1948 triggered the first tide of emigration of Burmese Indians, forced back to India because of newly enacted property and citizenship laws. The advent of openly xenophobic military rule in 1962 put the finishing touches on the "Burmanization" of the country.⁸ By nationalizing and "Burmanizing" the economy and society, General Ne Win's regime encouraged the flight of more than 200,000 Indians who had nevertheless stayed in Burma after 1948. From this point onward, India and Burma maintained very few official relations. But India did not develop a strong threat perception from Burma, largely because of the latter's economic autarky and self-imposed political isolation. The Indian public, in fact, continued to hold a generally positive view of Burma. An idealist approach suited Indian policymakers perfectly well

4. For a detailed analysis, see Nalini Ranjan Chakravarti, *The Indian Minority in Burma: The Rise and Decline of an Immigrant Community* (London: Oxford University Press, 1971).

5. Bertie Reginald Pearn, *A History of Rangoon* (Rangoon: American Baptist Mission Press, 1939), p. 290; and Walter Sadgun Desai, *India and Burma: A Study* (Calcutta: Orient Longman, 1952), p. 28.

6. This overall assessment is based on many personal discussions with Indian academics, politicians, and diplomats as well as with Burmese Indians who fled Burma in the 1960s to settle back in India. Interviews conducted in India from 2002 to 2007.

7. For example, see Rajshekhar, *Myanmar's Nationalist Movement and India, 1906–1948* (Delhi: South Asian Publishers, 2006).

8. Robert A. Holmes, "Burmese Domestic Policy: The Politics of Burmanization," *Asian Survey* 7:3 (March 1967), pp. 188–97.

when Burma was torn apart by the 1988 pro-democracy uprising. In response to this crisis, New Delhi took an openly sympathetic stance toward Burmese students and activists led by the charismatic Aung San Suu Kyi, whose close links with the Nehru-Gandhi family were well known in India since the 1960s.

However, as the regional strategic order began to change in Asia in the early 1990s, India launched a new "Look East Policy" aimed at creating closer ties to the booming Asian economies to its east. At the same time, China began gaining a foothold in Burma, benefiting from the vacuum left by the international community, which had decided to ostracize the new military regime that took over after the September 1988 coup.⁹ Since Burma was a potential continental gateway to mainland Southeast Asia for both India and China, officials in New Delhi began wondering whether it was best to ignore or oppose Burma's new military junta, especially considering that China was swiftly increasing its presence in the region. Thus, New Delhi had to reassess and redefine its Burma policy in order to protect and enhance its emerging geopolitical interests on its eastern flank.

India's Emerging Strategic Interests in Burma

Many reasons can be brought to light to explain India's shift in its Burmese policy and its courting of the Burmese military regime from the early 1990s. Three of them are crucial: the search for stability in India's troubled Northeast region, the economic opportunities tendered by Burma, and the attempt to counterbalance China's growing regional presence.

Instability in India's Northeast: The Burmese Connection

In the early 1990s, India's most concrete and immediate regional interest was fostering stability in the seven states of its troubled Northeast.¹⁰ Since Indian independence in 1947, the region has experienced continual political instability caused by numerous reoccurring ethnic insurgencies.¹¹ The

9. The new Burmese junta (SLORC) dropped the socialist and autarchic policy instituted by General Ne Win since 1962, opting instead for a more liberal economic and diplomatic engagement with the world. China was one of the few countries that responded positively to the SLORC's new geopolitical approach.

10. India's northeast region currently consists of seven separate states: Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, and Tripura. This entire region is collectively, and commonly, referred to as "the Northeast."

11. Renaud EgretEAU, "Instability at the Gate: India's Troubled North East and Its External Connections," Centre de Sciences Humaines (New Delhi), Occasional Paper, no. 16 (2006).

various insurgent outfits have developed a strong separatist credo against New Delhi and have used violence as their main political tool to this end. They have, in fact, ignored official borders, finding the remote hills of western Burma, Bangladesh, and Bhutan to be opportune areas to obtain shelter, support, and financing. The Naga, Assamese, and Manipuri (Meithei) armed groups established clandestine networks of jungle training camps, arms and drug trafficking routes, and an elaborate extortion system in the neighboring Burmese Sagaing Division and Kachin State.¹²

For decades, Burmese authorities turned a blind eye to the presence of anti-India groups operating out of the remote Naga, Patkai, and Lushai hills. Both unable and unwilling to flush them out, Rangoon found the presence of these insurgent groups to be potentially effective bargaining chips vis-à-vis New Delhi. For this reason, the Tatmadaw (Burmese Army) tacitly allowed the groups to build up extensive underground connections in remote regions only marginally under the Burmese central government's political control. Aware of this unstated policy, India established direct links with some of Burma's own rebel ethnic groups in the 1980s to counteract Rangoon's tacit support of anti-India groups. For example, Indian intelligence agencies offered to help train Kachin rebels in order to benefit from a potentially viable buffer between Northeast insurgent groups and the Burmese Army along the Indo-Burmese borders.¹³

The Burmese government knew of these linkages, as well as the moral and financial support India openly gave to Burman pro-democracy groups in Rangoon, especially during the 1988 urban uprisings. During the late 1980s and early 1990s, pro-democracy Burmese students, as well as Kachin and Chin leaders, were welcomed in India's northeast states—and even in New Delhi—often after dramatic treks through the jungles.¹⁴ In response to India's expanded support for pro-democracy activists and ethnic rebels, the Tatmadaw increased its support for anti-Indian insurgents such as the People's Liberation Army of Manipur (PLA) and the United Liberation Front of Assam (ULFA). Therefore, common mistrust further fuelled insurgencies in the respective border regions.

However, New Delhi lost one of its strongest allies when the Kachin rebels negotiated a ceasefire agreement with the SLORC in 1993. This prompted

12. Burma comprises seven administrative "states," dominated by national ethnic minorities (Kachin, Chin, Rakhine, Mon, Karen/Kayin, Karenni/Kayah, and Shan, respectively), and seven "divisions" with a clear majority Burman population.

13. Bertil Lintner, *Burma in Revolt: Opium and Insurgency since 1948* (Chiang Mai, Thailand: Silkworm Books, 1999), p. 395.

14. Personal interviews in New Delhi with pro-democracy Burman/Bama'r activists, 2002–07; former leaders of the Kachin Independence Organization, April 28, 2003; and the Chin National Front (CNF), March 29, 2006.

New Delhi to review its strategy options in relation to Burma. Pushed by its military circles, India decided to cautiously begin engaging the Burmese military regime in order to gain its cooperation to help promote stability in the Northeast. J. N. Dixit's March 1993 visit to Rangoon presented both countries with an important opportunity to discuss the issue of military collaboration in relation to their respective restive frontiers. Indo-Burmese military cooperation took concrete shape in April 1995 when both armies conducted a joint counterinsurgency operation called Operation Golden Bird against various ethnic rebel outfits. This joint operation was aimed at dismantling the remote base camps of the ULFA; the PLA; both the Khaplang and Isak-Muivah factions of the National Socialist Council of Nagaland (NSCN-K and NSCN-IM, respectively); and the CNF.

This joint counterinsurgency operation considerably weakened these rebel groups, but Rangoon withdrew before this operation could produce even more successes after India granted the Nehru Prize for International Understanding to Aung San Suu Kyi, leader of the Burmese democratic opposition, that May. Thus, one of the main components of improving Indo-Burmese relations—military cooperation in confronting the various ethnic insurgencies along their frontier—appeared to have faltered. Cooperating to confront these insurgencies was actually more crucial for India's national security than for Burma's. After all, with the notable exception of the Naga rebels, none of the anti-Indian insurgent groups presented a concrete and immediate threat to Burma's national unity and territorial integrity, as they did to India.

*India's "Look East Policy": The Burmese
Economic Gateway*

India has also found engaging Burma to be increasingly attractive because of the trade and economic opportunities this emerging relationship potentially offers. Fascinated by the rise of Southeast Asian economies, India launched a "Look East Policy" in 1991 to help gain increased economic and strategic influence in the region. Southeast Asia begins with Burma and, for this reason, Indian policymakers had to include their eastern neighbor in their emerging economic strategy. This became even more important when Burma entered the Association of Southeast Asian Nations (ASEAN) in 1997. As a part of this "Look East Policy," two institutional projects were initiated by India with Burma as their primary geographical node: the Bangladesh-India-Myanmar-Sri Lanka-Thailand Economic Cooperation (BIMST-EC) in 1997 and the Mekong-Ganga Cooperation (MGC) in 2000.¹⁵

15. The acronym BIMST-EC became the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation when Bhutan and Nepal joined the club in 2004.

In addition, China launched the Kunming Initiative (BCIM) (Bangladesh-China-India-Myanmar) in 1999. These technical multilateral projects were welcomed by the Burmese regime because they enabled it to re-enter the regional diplomatic and commercial scene after decades of isolation. This new regionalism was aimed at enhancing trade and investment opportunities in and around Burma, especially through infrastructure construction programs like the TransAsia Highway Project. These efforts paved the way for greater regional cooperation, with New Delhi at its forefront. At the same time, regionalism offered India an opportunity to try to balance institutionally the rising Chinese presence and initiative in the Mekong subregion.¹⁶

India also wanted to benefit from a direct bilateral commercial relationship with Burma—once an important supplier of rice for India and a source of great pride for Tamil and Bengali expatriates who controlled the lion's share of Burma's colonial economy. After the 1994 Indo-Burmese border trade agreement, the first official border crossing was opened in April 1995 from Tamu in the Sagaing Division of Burma to Moreh in the Indian state of Manipur. Remarkably, bilateral trade increased from an insignificant \$62.15 million during the 1988–89 fiscal year to \$328.53 million in 1997–98.¹⁷ These trade figures rose despite the numerous difficulties Indian investors and traders faced in a still inward-looking and state-controlled Burmese economy. In 2001, the then Indian foreign minister, Jaswant Singh, inaugurated a 160-kilometer-long road linking the border town of Tamu to Kalemmyo and Kalewa, two Burmese commercial towns further south. This India-Myanmar Friendship Road, which cost \$2.58 million to construct, was aimed at facilitating trade links between India's Northeast region and Mandalay, an important city in the heart of Burma.

India also planned other economic projects with the Burmese in the 1990s. These included construction of railway and port facilities in western Burma near the city of Sittwe, hydropower projects, as well as exploitation of Burma's natural resources such as oil, gas, timber, agricultural products, and precious stones. Even though energy cooperation was planned as early as 1993, it did not materialize until 2002 when two state-controlled Indian firms—Oil & Natural Gas Corporation Limited (ONGC-Videsh for its foreign arm) and Gas Authority of India Limited (GAIL)—attempted to help exploit natural gas resources in the Arakan (Rakhine) fields. In

16. Egreteau, *Wooing the Generals: India's New Burma Policy* (New Delhi: Authors Press, 2004), pp. 102–12. Since 1992, China has extended its influence through cooperation with the Asian Development Bank (ADB) in the Greater Mekong Subregion (GMS), comprising its own Yunnan Province in addition to Burma, Laos, Vietnam, Cambodia, and Thailand.

17. Embassy of India (Yangon), *India-Myanmar Cooperation*, p. 15.

January 2002, these firms joined a consortium with Korea Gas, Daewoo International, and the Burmese state-owned Myanmar Oil & Gas Enterprise (MOGE) to exploit the A-1 gas block, near Sittwe's port. Three years later, the same consortium gained access to another Arakanese block (A-3), while a private Indian company (Essar Oil) invested in two other Arakanese fields (A-2 and L blocks).¹⁸ With new ambitions in the Burmese energy sector, India chose to compete in a regional market from which most of the Western oil companies are barred from competing by international sanctions against the Burmese military junta.

*India's Attempt to Counter China's
Growing Influence: Threat Perceptions
in the Burmese Region*

Since the end of the 1980s, India has developed its foreign policy and military doctrine largely around the challenge of countering China's growing influence in Asia and the implications of a "rising China" for India's own economic, political, and military emergence. The Sino-Indian War of 1962 left deep scars within India's military and political elite and a strong anti-China lobby remains lodged in New Delhi even today. Still perceiving China as being a "threat" despite high-level diplomatic visits and a number of bilateral agreements, a large section of India's military establishment continues to fear India's strategic encirclement by China and its allies in the region. For example, both Pakistan and Bangladesh have established strong economic and military partnerships with China, and Burma appeared to be moving closer to the rising Asian giant as well.¹⁹

Bilateral relations between China and Burma have improved greatly since the late 1970s, largely as a result of the "open-door strategy" initiated by Chinese leader Deng Xiaoping after his 1978 visit to Rangoon. The main purpose of the open-door strategy was to open up China's southwestern provinces of Yunnan and Sichuan to the Indian Ocean through the Irrawaddy River corridor running southward from the Sino-Burmese border.²⁰ By promoting new ties with Burma and offering to rebuild its derelict continental and maritime infrastructure, China wanted convenient access to

18. For details, see Tin Maung Maung Than, "Myanmar Energy Sector: Banking on Natural Gas," *Southeast Asian Affairs* (2005), pp. 257–89; and Marie-Carine Lall, "Indo-Myanmar Relations in the Era of Pipeline Diplomacy," *Contemporary Southeast Asia* 28:3 (December 2006), pp. 424–46.

19. John W. Garver, "Asymmetrical Indian and Chinese Threat Perceptions," in Sumit Ganguly (ed.), *India as an Emerging Power* (London: Frank Cass, 2003), pp. 109–34.

20. Pan Qi, "Opening the Southwest: An Expert Opinion," *Beijing Review* 28:35 (September 2, 1985), pp. 22–23.

this new economic gateway. Sino-Burmese rapprochement was made concrete in 1988 as Beijing took advantage of the post-coup political and economic vacuum left by the international community's sanctions against Burma. As a result, China gained a secure foothold in Burma within just a few years, much to the chagrin of India.

India became aware of the viability of the Sino-Burmese partnership as early as 1989, when cheap Chinese goods began flooding markets in India's Northeast. But it was rumors about China's military involvement with the SLORC that spurred New Delhi to retool its Burma strategy around the "China factor." First, China's assistance in rebuilding crumbling roads, bridges, and other infrastructure throughout Burma was perceived by Indian strategists as being a potential threat. They feared the aid could give China access to India's Northeast. Second, India worried that China could establish a maritime bridgehead on the Indian Ocean near vital sea lanes of communication (SLOCs) in the Andaman Sea by upgrading port facilities and naval bases along the Burmese coastline. This could potentially threaten India's maritime security. Third, China gave the Burmese military an opportunity to increase its strength and modernize its equipment at very low cost by signing a \$1 billion deal in 1989 and a \$400 million agreement in 1994. As a result, the Tatmadaw acquired new weaponry and increased its manpower to about 400,000 soldiers in the early 1990s.²¹ Finally, India was prompted to change its policy toward Burma after suspicions arose about Chinese plans to set up a surveillance network along the Burmese coast, especially on Great and Little Coco Islands in the Andaman archipelago. The alleged plans included the reported construction of sensitive monitoring facilities.²²

From 1993 onward, India tried to deal directly with Burma's ruling military junta to prevent Burma from becoming a Chinese military "pawn" or a satellite against Indian interests.²³ According to Indian strategists and think tanks, befriending the Burmese generals with a policy of "constructive engagement" and trying to gain a strategic foothold in Burma would enable India to deal with the potential threat posed by a rising China on its eastern flank and somehow counter China's thrust in other neighboring

21. Bertil Lintner, "Myanmar's Chinese Connection," *International Defence Review* 27:11 (November 1994), p. 24. Before the SLORC's coup, the Tatmadaw's strength was only about 185,000 men.

22. Dinesh Kumar, "Sino-Myanmar Ties Irk Delhi," *Times of India*, November 20, 1992.

23. See Mohan J. Malik, "Sino-Indian Rivalry in Myanmar: Implications for Regional Security," *Contemporary Southeast Asia* 16:2 (September 1994), pp. 137-56; and Andrew Selth, "Burma and the Strategic Competition between China and India," *Journal of Strategic Studies* 19:2 (June 1996), pp. 213-30.

countries as well.²⁴ Thus, the “China factor” weighed heavily in India’s revised Burma policy.

An Assessment of India’s New Approach toward Burma

Has India’s revised Burma policy, which was initiated about 15 years ago, succeeded in achieving its policy objectives? In reality, the results of this revised policy are mixed. To explain, India continues to face immense frustration from Burma’s lack of effective cooperation in confronting ethnic insurgencies in India’s Northeast, and Indo-Burmese economic relations remain grossly underdeveloped. In contrast, India is much more confident in dealing with the perceived “Chinese threat” in Burma.

India’s Frustration over Cooperative Counterinsurgency in the Northeast

Since India’s decision to award the Nehru Prize for International Understanding to Burmese dissident Aung San Suu Kyi in 1995, both India and Burma have tried to improve their strained bilateral relations. Two official visits by Burmese Chief of Army Staff General Maung Aye to India in January and November 2000 were particularly important in this process.²⁵ Military-to-military contacts increased after these visits and both armies began conducting new parallel offensives against insurgent outfits along the Indo-Burmese border, especially targeting the Naga rebels of the NSCN-K.²⁶ In October 2004, during General Than Shwe’s landmark visit to New Delhi, India presented the general with a model of effective counterinsurgency collaboration it had formulated with Bhutan in confronting ULFA rebels during “Operation All Clear” in December 2003.²⁷ General Than Shwe reassured India of his country’s cooperation on the issue. Since then, localized operations against insurgent groups based in Burma’s Kabaw Valley in the Naga Hills have been conducted by Burmese security forces each winter, with intelligence and material support from India.²⁸

24. For example, see Baladas Ghoshal, “Trends in China-Burma Relations,” *China Report* 30:2 (April-June 1994), pp. 187–202; and Udai Bhanu Singh, “Recent Trends in Relations between Myanmar and China,” *Strategic Analysis* 18:1 (April 1995), pp. 61–72.

25. “India and Myanmar Look to Bury Years of Distrust,” *Jane’s Defence Weekly*, January 18, 2000.

26. NSCN-K includes mainly Naga rebels from Burma.

27. Arijit Mazumdar, “Bhutan’s Military Action against Indian Insurgents,” *Asian Survey* 45:4 (July-August 2005), pp. 566–80.

28. Ministry of External Affairs (India), *Joint Statement Issued on the Occasion of the State Visit of H. E. Senior-General Than Shwe, Chairman of the State Peace and Development Council of the Union of Myanmar to India (25–29 October 2004)* (New Delhi), October 29, 2004.

India also began sending arms shipments to Burma in 2002, after years of staunch refusal to sell weapons to its ruling military junta.²⁹ These shipments were at first limited primarily to counterinsurgency weaponry, but they soon expanded to include a wide range of equipment such as radar produced by India's state-owned Bharat Electronics, 105-mm light artillery guns, and airborne surveillance radios.³⁰ These arms and equipment sales were intended to make the Burmese junta more sympathetic to India's national security interests in the Northeast and to boost the Tatmadaw's overall operational capabilities, including against insurgent groups. Ironically, these arms sales to the military junta—and other planned arms sales that included various types of aircraft—prompted an adverse reaction from the international community, making debatable the overall policy value of the sales for India.³¹

Despite India's military assistance to Burma, the counterinsurgency operations launched every winter against Naga and Manipuri rebels by the Burmese armed forces have not fulfilled New Delhi's expectations. The Indian defense ministry, in fact, admits to the clear lack of progress in the Northeast.³² Only a few concrete results have been obtained by India through Burmese counterinsurgency operations conducted against anti-India groups. For example, a few remote training camps of the NSCN-K were destroyed by the Tatmadaw in 2005, 2006, and 2007, as well as a few other PLA or ULFA home bases. Some drug and arms trafficking routes along the Indo-Burmese border have also been disrupted, in addition to illegal arms caches and heroin refineries broken up in both the Chin and Kachin States of Burma as well as in the Sagaing Division.³³

Yet, Burmese counterinsurgency operations against anti-India rebel groups have not produced the overall results that were initially expected when the bilateral understandings between India and Burma were forged in 1993. Most of the anti-India rebel groups—such as the Nagas (the NSCN-K and NSCN-IM), the Assamese (ULFA), and the Manipuris (the PLA,

29. In 2002, an Indian official from the Ministry of External Affairs claimed that India was sending only "non-lethal" military equipment to Burma. Telephone interview with author, New Delhi, July 22, 2002.

30. "India Swaps Arms for Co-operation with Myanmar," *Jane's Defence Weekly*, October 11, 2006.

31. For details and discussion, see Rahul Bedi, "India Transfers More Defenders to Myanmar," *ibid.*, May 16, 2007; and Amnesty International, *Indian Helicopters for Burma: Making a Mockery of Embargoes*, ASA 20/014/2007, July 16, 2007, available at <<http://www.amnesty.org/en/library/asset/ASA20/014/2007/en/dom-ASA200142007en.pdf>>.

32. For details, see Ministry of Defence (India), *Annual Report 2003–04* (New Delhi: Government of India, 2004), p. 12.

33. Interview with anonymous source, Embassy of India, Rangoon, March 10, 2006.

United National Liberation Front-Meghen (UNLF-M), and the Kanglei Yawol Kanna Lup (KYKL)—are still operating from the remote hills of western Burma. Their base camps are exceptionally mobile and their information networks remain very reliable, thus facilitating their continued resistance. In fact, it is not only the inability or incapacity of the Burmese armed forces to successfully engage the anti-India rebels but also the reluctance of local and military Burmese authorities to allow the armed forces to do so that irks Indian policymakers.³⁴ For example, local police forces and army officers have established close links with all of the insurgent and criminalized outfits, whether they come from India or Burma. Bribes, rewarded tipoffs, bartering, money laundering, drug dealing, and illegal sales of light military equipment are commonplace along the Indo-Burmese border because of the region's flourishing underground economy and the poor living conditions of Tatmadaw soldiers and low-ranking officers.³⁵

Indian officials are perfectly aware of this situation and have tried to get a firmer commitment from the Burmese armed forces to assist more actively in counterinsurgency operations against anti-India groups.³⁶ This constant but gentle pressure on the Burmese junta has been exemplified by the numerous diplomatic visits made by Indian political and military leaders since General Than Shwe's trip to India in 2004, in which counterinsurgency had been a central point of discussion.³⁷

New Delhi has few options at hand in light of Burma's inability or reluctance to effectively confront anti-India rebels operating from its territory. Yet, New Delhi is reluctant to press Rangoon too aggressively on this issue because Indian policymakers know how ethnic insurgencies in the Northeast could escalate precipitously if the Burmese junta decided to actively aid the rebels. As a proof of this potential, Burma had no qualms about releasing 200 PLA and UNLF-M activists from prison in January 2002, much to New Delhi's displeasure.³⁸ Consequently, India can expect only limited results emanating from Burma's assistance in coordinated counter-

34. Renaud EgretEAU, "Militant Mire: Battling Insurgency in Northeast India," *Jane's Intelligence Review* 20:2 (February 2008), pp. 18–23.

35. Interviews with Burmese activists exiled in Imphal (Manipur), and of Meithei and Naga scholars and students working along the Indo-Burmese border, Manipur University, Imphal, Manipur, India, March 2005.

36. Interviews with anonymous sources, Embassy of India, Rangoon, March 21 and November 9, 2007.

37. Off the record, many Indian intelligence officers have expressed their frustration at the lack of successful achievements in the area of coordinated counterinsurgency. Personal discussions with various Indian intelligence officers (both active or retired) in Delhi, Rangoon, and Bangkok between 2005 and 2007.

38. Those released included the UNLF-M leader himself, Rajkumar Meghen. Personal discussion with Subir Bhaumik (BBC correspondent), Guwahati, India, September 11, 2004.

insurgency operations. Burma's cooperation has been only half-hearted and, in fact, its government may have cleverly used this issue as a bargaining chip with New Delhi. While India is not in a position to completely fulfill its objectives regarding coordinated counterinsurgency, neither can it disengage with Burma on this issue.

Indo-Burmese Trade Still Lagging

India has tried to rapidly assert its commercial ambitions in Burma, knowing full well the potential economic benefits the country has to offer after decades of self-imposed autarky and the underexploitation of its natural resources. Burma is also a potential trade conduit to Southeast Asia and southwestern China. Yet, official statements aside, extensive Indo-Burmese trade has been slow to materialize even 15 years after the first steps toward bilateral economic cooperation were undertaken. Both governments had proudly announced during the Indian vice president's diplomatic trip to Rangoon in November 2003 that bilateral trade would reach \$1 billion by 2006, but this has not happened.³⁹ After frustrating stagnation in bilateral trade ranging between \$320 million and \$420 million during the period from 1997 to 2005, this trade rose to \$557.68 million in the 2005–06 fiscal year and \$650 million in 2006–07. Only in 2007–08 did it reach about \$900 million, still falling short of the predicted mark of \$1 billion.⁴⁰

Numerous obstacles have emerged to further enhancing bilateral trade as quickly as both countries had originally predicted. For example, New Delhi has insisted since 2001 that responsibility for constructing the Kalewa to Mandalay part of the Tamu-Kalewa-Mandalay road lies with Burma, not with India. Lacking the finance and political will to open up to an Indian region that is much more unstable than bordering areas of China, the ruling Burmese junta appears to be favoring its Chinese economic connection. This issue is emblematic of the lack of viable continental infrastructure linking India to Burma's main trade corridor, which runs southward from Yunnan Province in China to Rangoon. Partially because of these reasons, Indo-Burmese trade cannot be expected to flow beyond the border areas as both countries had originally hoped, much to the despair of local business communities. Moreover, many Indian investors and traders have reconsidered their economic involvement in Burma because of the

39. Embassy of India (Yangon), *Joint Statement on the Visit to Myanmar by H. E. Bhairon Singh Shekhawat, Vice-President of the Republic of India*, Yangon, November 4, 2003.

40. "Indo-Myanmar Trade Below Target in 2006–07," *Economic Times* (India), May 3, 2007; and "India-Myanmar Border Trade All Set to Improve," *Financial Express* (India), April 3, 2008. See also the website of the Indian Embassy in Burma available at <http://www.indiaembassy.net.mm/commercial/commercial_relations_1.asp>, accessed on November 3, 2008.

country's inefficient banking system and its lack of economic stability. Investing in Burma, in short, requires a high dose of motivation for business persons unfamiliar with the country, whose society and economy have been under tight military control for decades. Informal trade, corruption, bribes, and the absence of a credible legal system to protect commercial agreements have put off many Indians (and others) despite their eagerness to invest in Burma.⁴¹ Burmese Indians who left the country in the 1960s but still have connections there are often helpful to investors wanting to do business in Burma, but such informal networks are grossly insufficient to increase the volume of trade in any significant way, absent official and institutional channels of transaction.⁴² Many Indian business persons who settled in Rangoon also prefer to represent more lucrative Singaporean or Malaysian companies, thus enhancing Burma's trade with Southeast Asia at the expense of India. In short, Burma's state-controlled economic system, irrespective of so-called liberalization policies initiated by the SLORC in the late 1980s, remains a formidable obstacle to increased business activity.

As a consequence, commercial relations between India and Burma have been limited for the most part to a few specific sectors. For example, India imports two-thirds of Burma's beans and pulse production, as well as many timber and wood products.⁴³ On the other side, Burma imports only \$150 million worth of goods from India, including pharmaceutical products, a sector which is almost entirely dominated by Indian companies such as Dr. Reddy's Laboratories Limited and Ranbaxy.⁴⁴ Indian products are sparse in local Burmese markets because they are unable to compete with cheap Chinese and Thai goods. Partially for this reason, Indian investment in Burma has focused more on larger and state-sponsored infrastructure projects such as railways, port facilities, hydropower plants, and energy development.⁴⁵

Yet, even in energy cooperation, India's newly asserted ambitions have seen little success. The Indian thrust into this sector has encountered increasing disappointment since 2005, including harsh negotiations over form-

41. Personal discussion with Naresh Kumar Dinodiya, president of the Indians of Myanmar Association, Rangoon, January 25, 2005.

42. Interview with Mak Patel, consultant for the Indian Ministry of Energy in Rangoon, Rangoon, March 6, 2006. Mr. Patel was born in Burma into a Gujarati family. He fled the country in 1970 but has been an important actor in establishing increased bilateral energy cooperation between India and Burma.

43. Interview with the commercial counselor, Embassy of India, Rangoon, January 28, 2005.

44. Interview with C. Murali, president of the India-Myanmar Business Club, Rangoon, January 27, 2005.

45. Embassy of India (Yangon), *India-Myanmar Cooperation*, p. 16.

ing the Indo-Korean-Burmese consortium—led by the South Korean firm Daewoo—to conduct offshore natural gas exploration.⁴⁶ In addition, the construction of a pipeline to distribute natural gas from the A-1 and A-3 blocks' reserves sparked fierce debate in India, affecting its relations with both Burma and Bangladesh. In January 2005, New Delhi sought to secure a deal with Burmese authorities on the right to acquire the totality of the natural gas extracted from the Arakan fields and bring it back to India, but the burdensome decision-making process in New Delhi, the numerous conditions delineated by Bangladesh to allow the Indian pipeline to cross its territory, the security risks inherent in India's Northeast, and a much more concrete and advantageous offer forwarded by China prompted the Burmese authorities to reconsider the Indian project.⁴⁷

For this reason, most of the natural gas extracted from the Arakan fields by the Indo-Korean consortium will most likely be sold to China in spite of concerted pressure exerted by the Indian president Abdul Kalam during his official visit to Burma in March 2006 and Indian Minister of Petroleum and Natural Gas Murli Deora in September 2007.⁴⁸ This would give Beijing—which has constantly maintained a loyal attitude toward the ruling Burmese junta since 1988—a lion's share of the Arakan offshore gas fields without exploiting them, and would be a severe setback for India, which cannot match China's proposals on this issue.⁴⁹ New Delhi, nonetheless, has not dropped its tentative thrust into the Burmese market irrespective of the Chinese presence. For instance, ONGC-Videsh acquired three other gas assets off the Arakan coast in September 2007.⁵⁰ This new agreement was sealed during Deora's controversial visit to Burma amid political turmoil caused by the massive demonstrations led by Burmese monks. The accord clearly illustrated that India still intends to get an energy toehold in Burma before the Chinese or Western companies do so.⁵¹

46. Interview with an anonymous Korean diplomat, Embassy of South Korea, Rangoon, January 27, 2005.

47. "PetroChina Seeks Myanmar Gas Deal," *Myanmar Times*, January 16–22, 2006; and "Myanmar Confirms Agreement to Sell Gas to China," Reuters, August 16, 2007.

48. "Myanmar-China Pipelines Yet to Be Approved," Reuters, March 6, 2008.

49. China crucially vetoed a U.S.-sponsored U.N. Security Council resolution condemning Burma on its human rights record in January 2007. Burma's decision to grant China a larger portion of its still under-exploited energy market can be interpreted as a reward for Beijing's diplomatic support of Burma on the international stage amid pressures to democratize. Also, see Gideon Lundholm, "China Trumps India in Myanmar Gas Stakes," *Asia Times*, September 11, 2007.

50. "ONGC-Videsh Wins 3 Blocks in Myanmar," *Business Line* (New Delhi), September 23, 2007.

51. "Myanmar Burning, MEA Told Deora: We Need to Visit but Keep It Low-Key," *Indian Express* (New Delhi), September 27, 2007.

Yet, India has not only failed to get a substantial commercial foothold in Burma a decade after the two countries signed the border trade agreement, but New Delhi also faces continuing difficulties in establishing a clearly defined economic partnership with the Burmese regime. A viable east-west trade corridor aimed at linking India's Northeast region to Thailand and southwest China via Mandalay and Rangoon has yet to materialize. It is uncertain how much further, and at what rate, Indo-Burmese commercial ties will deepen into the future, but the prospects are clearly not as promising as Indian authorities had initially hoped.

*Coping with Rising China in Burma
and the Indian Ocean*

Strangely enough, the issue for which India may have gained the most satisfaction with its revised Burma policy is probably in countering the perceived threat of a rising China, at least militarily. Since 1989, India has kept a close eye on China's suspected direct military involvement with the SLORC and the threat this could potentially pose to India's national security. Rumors about the construction of a surveillance network ranging from the Burmese islands of Zadetkyi in the Tenasserim Division and Man-Aung off the Arakan State to suspected naval bases at Kyakkami near the city of Moulmein—including Monkey Point in Rangoon, Great Coco Island in the Andaman Sea, and the ports of Hainggyi and Kyaukphyu on Ramree Island—have always been taken seriously by Indian officials. But it appears that this fear of China's military involvement in Burma may have been grossly overestimated, if not simply incorrect. In fact, many of these rumors were just that—rumors. Even the Indian embassy in Rangoon recently admitted the triviality of such conjectures surrounding the Coco Islands, a decade after these suspicions first arose.⁵² Furthermore, recent journalistic and academic analysis has also questioned, if not debunked, the credibility of Chinese military involvement in the Coco and Hainggyi Islands.⁵³ These suspicions had played a crucial role in defining India's new Burma strategy in the early 1990s. Personal observations made

52. Personal discussion with H. E. Rajiv K. Bhatia, ambassador of India to Burma (2002–05), Rangoon, May 10, 2004. Also see “India Says No China Defense Posts on Myanmar Island,” Reuters, August 24, 2005.

53. For example, see William Ashton, “Chinese Naval Base: Many Rumors, Few Facts,” *Asia-Pacific Defence Reporter* (June-July 1993), p. 25; William Ashton, “Chinese Bases in Burma: Fact or Fiction?” *Jane's Intelligence Review* 7:2 (February 1995), pp. 84–87; and Andrew Selth, *Chinese Military Bases in Burma: The Explosion of a Myth*, Griffith Asia Institute Regional Outlook, 10 (Griffith University, 2007), available at <http://www.griffith.edu.au/_data/assets/pdf_file/0018/18225/regional-outlook-andrew-selth.pdf>.

during my own fieldwork in the region also seem to verify the conclusion that concerns about Chinese military involvement with SLORC in Burma were overestimated, if not simply incorrect, especially regarding the existence of huge, modern naval bases and military infrastructure built by China on Burmese territory.⁵⁴ The Indian intelligence and military establishments have, in fact, admitted the non-immediacy of the Chinese threat posed through Burma. Still, they have not ruled out the possibility that China will edge closer to India's borders on other fronts.

The realization that Chinese military involvement was not as extensive as originally feared subsequently increased India's level of comfort and trust with the Burmese military regime. For example, high-ranking bilateral visits by military officials from 1999 onward contributed to a better understanding between the Indian and Burmese navies. For India, three main goals were pursued: gaining rights to berth and refuel in Burmese ports, conducting joint naval operations, and acquiring intelligence on the Chinese presence. For Burma, drawing closer to the Indian Navy was also a desirable goal because that navy clearly dominated the Bay of Bengal and appeared willing to train Burmese naval officers. In December 2002, an Indian Navy flotilla was allowed to berth for the first time in Thilawa, the port built by Singaporean and Chinese companies near Rangoon.⁵⁵ In May 2003, two vessels of the Indian Coast Guard followed suit and later that year the first Indo-Burmese joint naval exercises were conducted in the Andaman Sea.⁵⁶ Indo-Burmese naval cooperation continued when two Indian warships made a port call at Rangoon's harbor in May 2004 and two other rounds of joint exercises were held in December 2005 and January 2006.⁵⁷

Thus, Indo-Burmese naval cooperation is apparently developing at a significantly faster pace than is Sino-Burmese maritime and intelligence collaboration. Moreover, India enjoys one of the most advanced and well equipped naval bases in the region with the Far Eastern Naval Command based at Port Blair in the Andaman Islands, a few nautical miles from

54. Personal fieldwork in Rangoon, Kyaikkami (in Mon State), Sittwe and Kyaukphyu (in Arakan State), October 2005-March 2007.

55. "Indian Fleet Calling Myanmar Port," Xinhua, December 21, 2002. Incidentally, the Chinese Navy has never berthed there, in spite of China having played a key role in building the harbor facilities near Rangoon.

56. For details, see Ministry of Defence (India), *Annual Report 2003-04* (New Delhi: MOD Publications, 2004), p. 69; and Renaud Egretau, "India Courts a Junta," *Asia Times*, September 20, 2003.

57. For a discussion, see Ministry of Defence (India), *Annual Report 2004-05* (New Delhi: MOD Publications, 2005), p. 47; and "Fleet Expansion in Mind, Myanmar Looks to India for Expertise," *Indian Express* (New Delhi), January 13, 2006.

Burma's Coco Islands.⁵⁸ Indian security analysts have surmised, and gotten assurances from the Burmese authorities, that the military equipment Burma received from China during the 1990s is insufficient to pose a serious threat to India's security. Furthermore, when the Burmese Army decided to diversify its arms supplies, it approached India in addition to Russia, Pakistan, Singapore, and Ukraine to balance its dependency on China for renewing its supplies. Indian military academies are now welcoming Burmese officers, and the Indian Air Force has set up a bilateral program to train Burmese pilots.⁵⁹ In all, it appears that India has gained more certitude in dealing with the "China Factor" in Burma than in its other stated goals such as improving counterinsurgency in the Northeast and drastically improving bilateral commercial relations.

Geopolitical Obstacles to Furthering India's Interests in Burma

India has improved its military cooperation, especially naval, with Burma and has been largely successful in countering China's military influence in the region. But New Delhi's policy shift toward the junta has not produced the desired economic and strategic foothold in Burma. India faces many geopolitical obstacles that hinder a further thrust of its strategic and economic interests in Burma in the mid-term. Unless the obstacles are overcome or somehow transformed, India's ability to further advance its interest in Burma will remain a daunting challenge.

First, China's political and economic influence in Burma remains a considerable obstacle for India. China is rightly perceived as being the Burmese junta's closest ally. China's economic weight and political influence in Burma has grown markedly over the past two decades, but its influence is not absolute or all-encompassing.⁶⁰ For example, the turmoil sparked by the pro-democracy protests in Burma in September 2007 demonstrated China's perceived influence with the ruling military junta in comparison to other countries, but it also showed the limits of China's leverage. The Burmese authorities' violent crackdown against protestors provoked widespread and vocal condemnation worldwide; the international community turned to China for assistance in trying to convince the junta to avoid further bloodshed. Beijing played a key role during the crisis by tempering international calls for further condemnation of the junta or even the immediate

58. David Scott, "India's 'Grand Strategy' for the Indian Ocean: Mahanian Visions," *Asia Pacific Review* 13:2 (November 2006), pp. 97–129.

59. "India to Firm up Military Ties with Myanmar," *The Hindu*, June 24, 2007.

60. For an analysis, see Tin Maung Maung Than, "Myanmar and China: A Special Relationship?" *Southeast Asian Affairs* (2003), pp. 189–210.

institutionalization of democracy, while concurrently pressing the Burmese regime to take a less confrontational approach to the protestors. India, in contrast, was never asked to play this type of crucial diplomatic role in relation to Burma.⁶¹ Thus, China probably has more influence over the Burmese regime than do most other countries, but it certainly cannot manipulate the ruling junta at will. Nonetheless, China's comparatively high degree of political and economic influence in Burma continues to present an obstacle for India to more effectively push for its own economic and strategic goals there.

Second, the political use of xenophobia and nationalism has been an effective tool for successive Burmese military regimes, including the current one, in defining external threats to the country's sense of national sovereignty and security.⁶² Both India and China have had to confront expressions of this anti-foreigner sentiment, despite high-level cordial partnerships between them and Burma. There is little doubt that lingering "Indophobia" in contemporary Burma constitutes a sociocultural constraint to deepening relations between the two countries, one that Indian policymakers have not fully taken into account. Anti-Indian sentiments, born out of the colonial period when Indian minorities were perceived as being second-rank colonizers and economic exploiters, continue to be a powerful hedge impeding India's ambitious economic and strategic push into Burma. For this reason, Indian officials in Burma have been consciously trying to shape a better image of their country and people since the early 1990s.⁶³ Nonetheless, India continues to be perceived in a questionable, if not negative, light within Burma's dominant political culture, notwithstanding the cultural events, Bollywood movies, educational exchange programs, and Buddhist pilgrimages New Delhi has promoted there. Distrust and suspicion of India's long-term ambitions in the region also remain entrenched within the Burmese intellectual elite, including within the various exiled pro-democracy communities. Many pro-democracy Burmese activists, in fact, cannot come to terms with New Delhi's new "velvet policy" toward the ruling junta. The image of a greedy (yet democratic) India wooing the Burmese military junta for its own national interests has angered many exiled pro-democracy activists who are upset at India's apparent

61. Interviews with various foreign diplomats based in Rangoon, November 2007 and February 2008.

62. For an analytic discussion, see Mya Maung, "The Burma Road to the Past," *Asian Survey* 39:2 (March-April 1999), pp. 265-86; and Mikael Gravers, *Nationalism as Political Paranoia in Burma: An Essay on the Historical Practice of Power* (Richmond: Curzon Press, 1999).

63. Interview with the Consul General of India, Mandalay, Burma, March 6, 2007.

neglect of the Burmese democratic struggle.⁶⁴ Thus, India faces both overt xenophobia and more subtle perceptions of suspicion throughout multiple layers of Burmese society.

Third, the geographical configuration of the still-unsecured border poses an obstacle for India's economic and strategic ambitions in Burma. Historically, Burma has always been organized along its north-south corridor following the Irrawaddy fluvial plain. In spite of the existence of trade routes dating back to the ancient Silk Road, crossing the country from east to west is much more challenging because of the rugged hills and mountains that encircle the heart of Burma and separate it from the Brahmaputra Valley of India. The continuing political instability in India's Northeast also hinders the possibility of Indian policymakers using the area as an immediate gateway to Burma and the rest of Southeast Asia. As long as the political turmoil lingers in the Northeast, India cannot expect to use its eastern frontier to benefit from any economic opening up with Burma without significant security concerns and challenges.

Finally, internal divisions within Indian society about India's desired and appropriate relationship with a military-ruled Burma continue to impede a more aggressive and effective foreign policy. The issue of democracy remains sensitive in India, where many intellectual, activist, and political circles keep slamming India's "soft engagement" of the Burmese military regime. These critics remain entrenched pressure groups, trying to influence the formulation of India's policy options. India's new "velvet policy" toward Burma has also been viewed negatively on the international scene.⁶⁵ Indeed, Burma and China find more in common by not openly evoking political, democratic, and human rights issues than does India, which is pressed by its own vibrant civil society in the other direction.

Conclusion

More than a decade and half of strategic engagement with and courting of the Burmese military junta in Rangoon has not succeeded in fulfilling India's foreign policy objectives in the region. In particular, India's ambitions in Burma have been frustrated by New Delhi's inability to coordinate effective counterinsurgency in the Northeast and its inability to increase bilateral trade, which lags far behind Sino-Burmese and Thai-Burmese economic cooperation. In contrast, India's primary satisfaction gained from its new Burma policy has been effectively "managing" the perceived military threat posed by a "rising China" in Burma. In wider geopolitical terms,

64. Personal discussions with leaders of the Burmese exile community in India and Thailand between 2002 and 2006.

65. "Visiting Indian Hits Storm of Burma Critics," *Bangkok Post*, September 14, 2007.

India's setbacks in Burma may actually have helped stymie an open and threatening strategic rivalry between India and China—a potential “Great Game”—from taking shape in the region. After all, the two large countries do not compete in the same economic sectors (with the exception of natural gas), or for the same goals and objectives, in Burma. This makes direct and threatening encounters between them less probable. Thus, the triangular relationship among India, Burma, and China is better understood in terms of respective spheres of influence rather than direct confrontation.

New Delhi's exceptionally cautious and reactive approach toward Burma's military junta is largely predicated on the fear of losing what little was gained through its new “velvet policy” since 1993. First, New Delhi needs to decide, once and for all, the place and role that India's Northeast should have in its relations with its neighbor. Given the strategic importance of the northeastern states, India needs to decide whether they should be a gateway to both Southeast Asia and China—or a barrier. As long as India does not devise a clear strategy to open up its eastern frontier to its neighbors, Burma will be conceptualized as a maritime, instead of continental, gateway for India to Southeast Asia.

Second, India must invest in broader and more strategic infrastructure programs in Burma, rather than in localized and offshore ones.⁶⁶ India could increase its economic opportunities by building extensive road networks, port facilities, and railways, not only near its borders but also elsewhere in the country as China has done since 1988. Third, to bolster their influence, New Delhi's policymakers must work harder to establish closer cultural and personal relationships with Burmese of all ethnicities throughout the country, instead of relying primarily on Burmese Indians to re-establish economic and strategic footholds. Burmese of Indian origin—whether living in the country or exiled to India since the 1960s—are an important but largely informal and unreliable bridgehead from which Indian policymakers hope to develop closer commercial relations. Fourth, Indian authorities can work, albeit cautiously and behind the scenes, to help secure the release of pro-democracy leader Aung San Suu Kyi from house arrest if they want to benefit from her support in the long run. Aung San Suu Kyi is known for her pro-Indian inclinations, having lived and studied in New Delhi and Shimla during her teen years between 1960 and 1964 and later from 1986 to 1987. She has, in fact, kept an extensive network of friends in India, but these connections are ineffectual as long as she remains under house arrest in Rangoon without the ability to communicate to the outside world.

66. For a discussion, see “India, Myanmar Sign Pact on Kaladan Project,” *Business Line* (India), April 3, 2008.

Finally, Indian diplomats can restore a better image of their country in Burma, even in dissident circles, by becoming more involved in regional and humanitarian matters. For example, the depoliticized humanitarian assistance offered by India in the aftermath of Cyclone Nargis in May 2008 helped improve India's image both within the Burmese ruling establishment and also across the society.⁶⁷ In conclusion, India might lose an important opportunity to have effective, long-term strategic and economic influence in the region if it does not adopt a stronger and clearly defined proactive policy toward Burma. Up to now, India has seen more frustration than satisfaction in its new "velvet policy" toward the military junta. New Delhi will be hard pressed to change these results.

67. For details, see "India Sends Relief Ships to Cyclone-hit Myanmar," *Times of India*, May 6, 2008.