



## India's Northeast The Super-highway to Southeast Asia?

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India's Northeast can rightly be described as the beginning of Southeast Asia. Lack of proper or no connectivity has deprived India's Northeast — a vast swathe of land inhabited by nearly 40 million people — from the trickle-down effect of the booming tiger economies in the region's South Asian neighbourhood. With foreign linkages in mind, the Government of India launched the Look East Policy in 1992 with a view to usher in development in Northeast India by connecting it with the Southeast Asian neighbourhood.

How to strengthen and expand the linkages between these two regions? What are major bottlenecks? How can they be addressed?

### NORTHEAST: THE GATEWAY TO SOUTHEAST ASIA

India's Northeast, called the "Gateway to Southeast Asia", is a land-locked region comprising an area of 263,000 square kilometers. The strategic location of the region is emphasized by the fact that it shares a 4,500 km-long international border with its four South Asian neighbours. The region has 10 independent countries: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.

India's Northeast covers 8 per cent of the country's total area with a forest cover which constitutes 52 per cent of its total geographical area. Its per capita Gross State Domestic Product (GSDP) was Rs. 18,027 in 2004-05 which is less than the all-State average of Rs. 25,968 by 31 per cent. In 1990-91, the region's per capita income at current prices was lower than the national average by 20 per cent, a gap that widened to 31 per cent by 2004-05. Growth of trade, business

and industry in the region is retarded by its location and reversing this trend continues to be among the major challenges facing this frontier. Until about 150 years ago, India's northeastern frontier was in the forefront of development with good access to international trade and investment. But today, Northeast India is one of the most backward regions of the country mainly as a consequence of geopolitics.

India's partition in 1947 not only pulled the region backwards by at least a quarter of a century, but also placed hurdles on future economic growth. Partition isolated the region, sealing both land and sea routes for commerce and trade, and cutting access to traditional markets, specifically the gateway to the East and Southeast Asia—the Chittagong port in East Bengal (now Bangladesh). However, in April 2009, Dhaka has said it is actively considering opening up the Chittagong sea port for India's northeastern states which shall end up benefiting both countries.

### Land Links

Three vital border roads in the Northeast can well act as a catalyst for an overall development of the region—the Stilwell road or the Ledo road which connects Ledo in Assam to Kunming in Yunnan, China; the Numaligarh-Moreh road which connects the states of Assam, Nagaland and Manipur with Myanmar through the border point at Moreh; and the Aizawl- Champhai- Zokhawthar road which connects Mizoram with Myanmar.

Sixty five years ago, the Stilwell road, built by Chinese labourers, Indian soldiers and American engineers, and named after American General Joe Stilwell, provided a vital lifeline to relieve China's besieged army as it fought Japanese occupation.

Today, much of the Stilwell Road (also known as the Burma Road) lays disused. For decades it had exemplified the mistrust between Asia's giants, India and China. However, today it is slowly becoming a symbol of hope, as Beijing and New Delhi repair relations, and talk of repairing and reopening the road for trade, perhaps as part of a pan-Asian highway.

The National Highway 39, that runs from Numaligarh in Assam through Nagaland into Manipur and ends at Moreh on the Indo-Myanmar border, remains closed for nearly one-third of the year, either due to strikes and law and order problems or due to landslide and other natural calamities. This road was used for the 8,000-kilometer (4,950-mile) mega India-ASEAN Car Rally in November 2004 which kicked off from Guwahati through the 10 nations of ASEAN, first through Myanmar and then Thailand, Brunei, Philippines, Laos, Vietnam, Cambodia, Malaysia and Singapore before crossing the finish line in Batam, Indonesia on December 11, 2004. The India-ASEAN Car Rally had once again established the existence of land route connectivity that could facilitate and be a catalyst for free flow of trade, investment and tourism between ASEAN and India.

Recently, in an effort to expand India's bilateral relations with Myanmar, both countries announced measures to enhance border trade, including the opening of a new border trading depot and an increase in the number of eligible trade goods in an agreement during the two-day India-Myanmar Joint Trade Committee meeting held in Burma's second largest city of Mandalay. The agreement decided to convert the present border trade at the Tamu-Moreh (along Manipur) and Rhi-Zokhawthar (along Mizoram) border points into normal trade and to expand the list of items that can be legally traded. A decision was taken to open a border trading post at Avakhung-Leshi, between India's Nagaland state and Myanmar's Sagaing Division.

There is a growing realization within the Indian establishment that improvement of infrastructure

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along the border areas, particularly roads, is of utmost importance. On the other side, China has transformed the far-flung Tibet Autonomous Region into a well connected area, complete with a rail link through one of the world's most difficult terrains. China says the \$4.2bn (£2.3bn) 1,100 km (750-mile) Qinghai-Tibet railway will bring trade, jobs and tourists to one of its poorest regions, and help address economic imbalances between the country's east and west.

As a part of this initiative, during his visit to Arunachal Pradesh in January 2008, Prime Minister Manmohan Singh launched an ambitious road project worth Rs 5,500 crore—the 1,840-km-long Trans Arunachal Pradesh Highway—that will connect every district headquarter and facilitate easy movement of civilians and war machinery till the border with China.

### Waterways

The partition of India in 1947 led to the closure of its Northeastern region's access to the sea through the Chittagong port, located in the south-eastern part of present-day Bangladesh, near the Myanmar border. Chittagong is the main route for almost all of Bangladesh's import and export, attracting many investors. India has for long been seeking access to the Chittagong Port but Dhaka, largely due to domestic political compulsions, had been denying New Delhi's plea. In a recent bilateral development (April 2009), the Indian High Commissioner to Bangladesh said that the Bangladesh Government is in a 'positive mood'.

Furthermore, extension of rail link to Sabroom in Tripura, which is only 75 kms away from Chittagong port and a rail line linking Agartala with the rest of the country, would further help. India has also been looking for an alternative sea route. New Delhi has gone ahead with a project to develop the Sittwe port in Myanmar's Rakhine State, which is close to the northeastern state of Mizoram. Steps have already been taken with the signing of an agreement on the Kaladan multi-modal transit transport project in New Delhi on April 2, 2008.

## II

### LOOK EAST POLICY, ASEAN & OTHER INITIATIVES

Launched in 1992 by then Prime Minister P V Narasimha Rao, the Look East Policy aims at establishing closer economic integration with the Southeast Asian states. As Prime Minister Manmohan Singh said, the policy "was a strategic

shift in India's vision of the world and India's place in the evolving global economy". Since then, the government, especially the Ministry of Development of North Eastern Region (DONER), has made some fast track initiatives to reinvent the economy of the region. It is only with the formulation of the Look East Policy that the Northeast has found due place in India's foreign policy.

The policy received its initial thrust with India becoming a dialogue level partner with the ASEAN, while the big push was felt when India became a summit level partner with the ASEAN in 2002 and engaged itself in regional initiatives like BIMST-EC (Bangladesh, India, Myanmar, Sri Lanka and Thailand Economic Cooperation), and the Mekong Ganga Cooperation. It was further enhanced by India becoming a member of the East Asia Summit (EAS) in December, 2005. Properly executed, the Look East Policy can make the Northeastern region the commercial corridor of India linking the ASEAN nations enabling its people to harvest economic well-being through trade, transit and tourism.

Years ago, ASEAN perhaps found no reason to associate itself with South Asia. But the recent market compulsions, coupled with the growing volume of informal commerce, has led to the establishment of linkages between Myanmar and China's Yunnan province with Thailand, as also other ASEAN members.

### Asian Development Bank (ADB)

The involvement of the ADB through the Greater Mekong Sub-region (GMS) project has brought together Myanmar, Yunnan province, the states of Lao People's Democratic Republic, Cambodia, Vietnam and Thailand. Ganga-Brahmaputra-Meghna initiative was launched years ago, although it did not take real shape, should be viewed in this perspective. Eastern India's premier business and industry body, the Indian Chamber of Commerce (ICC), with its headquarters in Kolkata, launched a definite initiative for sub-regional co-operation about a decade ago. It roped in industry leaders, economists, bankers and foreign policy think-tanks from eastern India, Bangladesh, Nepal and Bhutan and launched, what has been called, the Greater Ganga-Brahmaputra-Meghna Initiative (GGBMI) for an Eastern South Asian sub-regional economic co-operation. The initiative was supported by the ADB. The World Bank too had agreed to support the project by sharing its research on transportation logistics for the sub-region.

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The ICC's transnational initiative on the 'emerging east' began in 1997 and did gathering momentum with several countries showing interest in the idea. The steering committee of the GGBMI met at Kathmandu, and in early 2000 at New Delhi, to give shape to the project and push ahead with the idea. The promoters of the idea were convinced that sub-regional co-operation, with SAARC and SAFTA would lead to a win-win situation for all of the member-countries involved. The Delhi meeting zeroed in on the following benefits of such an initiative: Increase in market size and scale of economies; Reduction of non-tariff barriers; Improvement of physical and institutional linkages; and Improvement of access to raw materials and natural resources. All the 18 key people who attended the Delhi meeting (steering committee members and special invitees like representatives from the ADB) were convinced that the initiative would succeed only if the 'political mindset' in each country won over on the benefits of such sub-regional co-operation.

### BIMST-EC

Thailand took the lead in forging links between ASEAN and South Asia through constituting a new sub-regional grouping of Bangladesh, India, Myanmar, Sri Lanka and Thailand (Bhutan and Nepal joined later) (BIMST) for purposes of economic cooperation (EC). The grouping that took shape is popularly known as BIMST-EC. Bangladesh, India, Myanmar, Thailand and Yunnan Province are brought together by BIMST-EC to interact in the economic arena so that they have a shared awareness of the need to further ALTID.

### III

### BOTTLENECKS & CHALLENGES

Linking the two regions, is contingent upon how far the networking countries are willing to ease their political concerns for the sake of individual and mutual economic benefit. The challenge lies in building a political consciousness about the mutual benefits of economic cooperation within this sub-region. The main interruptions for transport links within the BYIMT territories under the ALTID

programme relate to the need for facilitation agreements to ensure smooth transport which remains constrained by administrative as well as political problems associated with inter-country traffic. In the case of the TAR, some perceptible physical gaps exist all along the route from Yunnan and Thailand into Myanmar and from Myanmar into Bangladesh and India.

However, beyond physical linkages, the countries in the BYIMT group, except Thailand, fall into the category of countries or areas which are either landlocked or remain somewhat isolated from the mainstream of global commerce. It is true that physical interconnection can be activated by engineering adjustments in the transport network, but this cannot be a substitute for the barriers to commerce and development created by dysfunctional policies and institutions.

Inadequacy of transport linkage to straddle a communication artery between Southeast Asia and South Asia via Northeast India stands as a development constraint for both the regions. Thus interconnection of transport infrastructure depends largely on the success of diplomacy between India, Myanmar, and Bangladesh.

Many of the road links that India proposes, run through areas controlled by ethnic groups and separatist militants that demand autonomy or a separate state. These heavily armed groups can disrupt any peaceful India-Myanmar transportation system. Unless armed insurgencies along the route to Myanmar (in Manipur, Nagaland or the spillover insurgency in Arunachal Pradesh) is controlled. New Delhi's desire to use Myanmar as a corridor to Southeast Asia will not be secure. India realizes the need to engage the military junta in Myanmar so that it takes steps to expel Indian secessionist groups, such as the United Liberation Front of Asom (ULFA) and the Naga rebels who have bases in that country. The road ahead, if anything, is full of spikes.

### Northeast India: The Yunnan Way

India's Northeast and China's Yunnan province have many similarities. Yunnan is an underdeveloped, land locked region with an inhospitable terrain. Home to diverse ethnic groups, including Tibetans and Dai of Thai ethnicity, the Province has seen secessionist movements from time to time. Its geographical isolation is accompanied by its location far from the political capital. But with Beijing's intensive endeavors to develop its infrastructure, the average per capita income of Yunnan has

doubled over the last decade to just under \$1,000. Tourism is flourishing contributing 20 per cent of the Province's GDP. In view of its lack of a port, the Yunnan Government is focusing on opening and developing its border trading routes. It is currently working on six major international projects including the Greater Mekong Sub Region (GMSR), and the BCIM or Bangladesh, China, Myanmar, and India initiative.

Yunnan today is trying to make full use of its cultural and ethnic diversity to develop tourism and project the province as China's gateway to South Asia and Southeast Asia. Northeast India's competitive advantages lie in precisely the same areas as Yunnan's: tourism and as a gateway to the East.

## IV CONCLUSIONS

New Delhi has numerous options to link its Look East Policy with the initiatives already underway to connect the Northeast with Southeast Asia. In fact, initiatives in place or underway overlaps each other. Building infrastructure, mainly roads, and putting up a rail link in place holds the key. Market size is the ultimate manifestation of many problems confronting the northeastern region. Similar to the experiences of many Southeast Asian countries, market barriers can be overcome with developmental initiatives that focus on engaging and mobilizing locally available resources.

Indo-Myanmar connectivity also is a key factor. New Delhi has to work slowly but surely to change the status quo of the government or the system of governance in Myanmar, persuading the junta to switch peacefully and of its own volition to a democratic form of government.

Till now, most of the economic activity in Myanmar is strictly controlled by the generals to their benefit. Cultural linkages between people in India's Northeast and the neighboring Southeast Asian nations are already strong. What is lacking are physical links and having that in place is the challenge of the time.



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