



Myanmar's Role in India's Act East Policy in the Face of Challenges from China

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ABSTRACT

India and Myanmar have had a friendly, traditional neighborly relationship for many centuries. Both countries are important pillars in each other's regional and global policies and strategies. In particular, Myanmar plays an extremely vital role in India's Look East Policy (LEP), which evolved into the Act East Policy (AEP) since Prime Minister Narendra Modi announced it in 2014. The research results will reflect Myanmar's position and role in India's AEP. Therefore, the article concludes that Myanmar is currently India's top strategic partner in Southeast Asia and the Indian Ocean.

INTRODUCTION

In the 21st century, the international community is witnessing the strong emergence of India and China as potential global powers (Manuel & Gates, 2016). According to 2022 data from the International Monetary Fund (IMF), India and China's economies have the highest GDP growth rates globally, with India ranking sixth with a total GDP of USD 2.66 trillion, and China ranking second with a total GDP of USD 14.72 trillion. Both powers have economies that experts predict will continue to grow rapidly in the future, cementing their positions as the world's two most populous countries in the 21st century (Global Peo Services, 2022). However, India and China have long had tense relations due to lingering historical factors from the 20th century, with no decisive solution yet found. This issue mainly pertains to border conflicts and water security issues in Tibet.

In the 21st century, the fact that China's seaborne transport has to traverse strategic maritime positions in the Indian Ocean before reaching the Malacca Strait, enroute to the East Sea and East China Sea - the "gateways" to China's most economically vibrant regions in its eastern territory - has become a vulnerability for the Chinese economy as the Indian Ocean is an area traditionally influenced by India. Therefore, India and China have competed fiercely in this region to increase power and control over the vital shipping lanes. Myanmar is a country with an important geostrategic position as it borders both regional powers, holds a special place overlooking the Bay of Bengal and Andaman Sea, and with its wealth of resources and minerals has become a destination for Indian and Chinese investors (Zhao, 2008). Hence, Myanmar has become an important target in the India-China competition strategy in the Indian Ocean region.

LITERATURE REVIEW

India's AEP has garnered significant scholarly attention in recent years as a key pillar of India's foreign policy orientation towards Southeast Asia and the wider Indian Ocean region. The policy builds upon India's LEP initiated in the early 1990s and represents a more proactive Indian approach to deepening strategic, economic and cultural linkages with its eastern neighbors. A number of scholars have examined the origins and evolution of India's AEP. For instance, Vu Duc Liem & Ninh Xuan Thao provides a useful historical overview of how India's engagement with Southeast Asia has progressed from the LEP to the AEP phases (Liem & Thao, 2021, p.85). He highlights major drivers including India's economic reforms, China's rising regional clout and domestic imperatives as catalysts for the policy shift. Meanwhile, Le Hoang Kiet analyze the changing regional dynamics, especially China's assertiveness, that prompted India to upgrade its eastern outreach under the Modi government (Kiet, 2023). When it comes to the concrete implementation and key priority areas of the AEP, several studies emphasize the economic dimension. Nguyen Tuan Binh & Hoang Thi Minh Hoa discusses how the policy aims to boost India's trade and investment ties with ASEAN countries through initiatives like the ASEAN-India FTA (Binh & Hoa, 2020). Infrastructure connectivity projects also form a vital component, as noted by Hemant Singh through analysis of

major initiatives like the India-Myanmar-Thailand trilateral highway and Kaladan transport network (Singh, 2019).

In terms of geopolitical significance, many scholars concur that the AEP is an important counterbalance to China for India. Ton Sinh Thanh contends that developing stronger partnerships with Southeast Asian states allows India to curb Chinese dominance in the Indian Ocean region (Thanh, 2021). Similarly, Aron Paode views enhanced security ties under the AEP as a “soft containment” strategy with China (Paode, 2013). Due to its strategic position between India and China, authors such as Azman Ayob have identified Myanmar as an important AEP partner for India in controlling China’s ambitions to increase its influence down to the Indian Ocean region. Therefore, the article provides an objective, multi-dimensional perspective on the position and role of Myanmar in India’s AEP in the current period.

METHODOLOGY

The article utilizes a qualitative analysis method through secondary data sources collected in September 2023 related to the article’s topic. The time frame spans from 1991 to 2023. Specifically, the article aims to explore and objectively assess the position and role of Myanmar in India’s AEP under Prime Minister Narendra Modi. It emphasizes Myanmar’s pivotal role in containing China’s hegemonic ambitions in the Indian Ocean and Southeast Asia. Additionally, statistical, historical, and logical methods are also employed in this article.

RESEARCH RESULT

Overview of the history and circumstances surrounding the emergence of India’s Act East Policy

In the late 1990s, China openly decided to expand its power down to South Asia and the Indian Ocean, which seriously impacted the traditional security and status of India in this region. During this period, India carried out comprehensive reforms of the economy towards global integration, freedom and development of multilateral and global trade relations in 1991. At the same time, former Prime Minister Narasimha Rao announced the LEP as part of the foreign policy and strategy in the new era of the New Delhi administration. It had four main objectives: i) Strengthening market connectivity, expanding economic and trade cooperation relations with countries in Southeast Asia, ii) Building economic corridors extending from South Asia to the Pacific, creating momentum for the development of the remote, poor Northeast region of India in particular and the Indian economy in general, iii) Increasing influence on Southeast Asian countries, while promoting regional peace and stability, iv) Indirectly countering policies and strategies being implemented by China in Southeast Asia, especially Myanmar. India’s LEP can be divided into two stages, including:

Stage 1 (1991 - 2003): 1991 is recognized by many Indian researchers, policy and strategy makers as the starting point for the implementation of the LEP under former Prime Minister Narasimha Rao and continued by successive national leaders. The driving force during this period focused on connecting

and establishing political and economic relations with ASEAN countries. India focused on strengthening diplomacy and establishing links between India and ASEAN. In 1995, India became an official partner of ASEAN and began expanding efforts to enhance bilateral investment and trade cooperation. In 1996, India joined the ASEAN Regional Forum (ARF), marking India's presence in Southeast Asia. In 1998, India officially declared its nuclear weapons capabilities and was more proactive in expanding its influence to important geopolitical areas in Southeast Asia, specifically the strategic straits of Hormuz, Malacca and the East Sea. In 2003, India and Singapore signed a Joint Defense Treaty to enhance military cooperation, especially naval forces to ensure maritime security in waters around the Malacca Strait. At the same time, India continued to strengthen naval training and maritime security cooperation with other coastal countries like Malaysia, Indonesia, Thailand and Vietnam to enhance cooperation in protecting the security of the vital sea lanes passing through Southeast Asian waters.

Stage 2 (2003 - 2014): In this stage, the scope of countries was expanded to include East Asian countries - China, Japan, South Korea and Oceania countries - Australia and New Zealand. In stage 1, cooperation between India and ASEAN countries was still very limited and focused mainly on enhancing India's connectivity with ASEAN, with emphasis on maritime security and bilateral diplomacy without any major agreements on economic and trade cooperation. However, stage 2 witnessed positive developments in India-ASEAN relations, especially in the economic sphere. On October 8, 2003, at the 2nd India-ASEAN Summit, bilateral cooperative relations showed signs of improvement when India and ASEAN signed the Framework Agreement on Comprehensive Economic Cooperation (AIFTA). Based on AIFTA, India-ASEAN economic cooperation relations laid the foundation for the two sides to expand cooperative relations in other important areas such as services, investment, trade in goods. On August 13, 2009, India and ASEAN signed the Agreement on Trade in Goods between India and ASEAN to create a favorable environment for free economic cooperation, eliminating tariff and non-tariff barriers to most bilateral trade in goods, laying the foundation for one of the world's largest free trade agreements. On November 12, 2014, India and ASEAN signed the Agreement on Investment and Services to enhance cooperation in investment, further deepening economic and trade cooperation between India and Southeast Asian countries. On the other hand, during stage 2, India also signed several important trade agreements with ASEAN such as the ASEAN - India Free Trade Agreement (2010), the Comprehensive Regional Economic Partnership Agreement (2011). Regarding political relations, this period witnessed the strong rise of India on the international political scene, the overall increase in national power and fluctuations in the regional political situation prompted India to have a stronger foreign policy in Southeast Asia, especially when China becomes increasingly aggressive in the East Sea. Therefore, in order to balance power and create space for the development of the Southeast Asian region, ASEAN countries all want India to play a more important role in the regional security structure of the Indian Ocean. Therefore,

the correlation of common interests between India and ASEAN, the New Delhi government has strengthened the expansion of political and security cooperation, while indirectly expanding competition for influence with China in the Southeast Asia region.

Observing the fluctuations in the Indian Ocean geopolitical situation, India under Prime Minister Narendra Modi made adjustments in its foreign policy towards Southeast Asian countries. On November 12, 2014, at the India-ASEAN Summit, Prime Minister Narendra Modi declared: "An era of industrialization, economic development and commerce is dawning in India. India's LEP will now be our AEP" (Thanh, 2021). Therefore, under the influence of the times factor and the strong development of national power, India has taken a stronger approach directly competing with China's policies and strategies being implemented in this region. In addition to inheriting the goals of the LEP, the upgrade to the AEP under Prime Minister Narendra Modi also has important goals such as: i) Comprehensively and profoundly strengthening India-ASEAN economic and trade cooperation relations, ii) Establishing strategic cooperative relations with countries that are important to India in foreign policy in Southeast Asia such as Vietnam, Malaysia, Singapore, Indonesia, iii) Contain China's influence, while directly counterbalancing China in this region, iv) Mark India's permanent presence in Southeast Asia, especially in unstable geopolitical areas like the East Sea today.

Therefore, to quickly implement the AEP, Prime Minister Narendra Modi visited 8/10 ASEAN countries (except Cambodia and Brunei visited by Deputy Prime Minister or Foreign Minister) and upgraded Comprehensive Strategic Partnership with Vietnam, Singapore, Malaysia. On the other hand, to continue affirming its greater role and promoting maritime security cooperation with ASEAN, India for the first time in 2014 officially mentioned the importance of maintaining maritime security and freedom, respecting the sovereignty of countries in the East Sea in a joint statement between former US President Barack Obama and Prime Minister Narendra Modi. When the incident of China deploying the Haiyang 981 oil rig in Vietnam's exclusive economic zone waters in May 2014 occurred, Prime Minister Narendra Modi stated his support for Vietnam: "For peace and stability in the East Sea, all countries must abide by international principles and laws, including the 1982 United Nations Convention on the Law of the Sea, the 2002 Declaration on the Conduct of Parties in the East Sea" (Liem & Thao, 2021, p.104). Therefore, it can be seen that India has made efforts to demonstrate its position and role as a peacefully rising power completely opposed to China's aggression. Although in 2019, India decided to withdraw from the Regional Comprehensive Economic Partnership Agreement, this event affected India's position and role in Southeast Asia, however, India was also ready to lower tariffs with ASEAN countries. Thus, in the context of ever-changing and complex geopolitics in Southeast Asia today, the consensus on correlated interests between India and ASEAN has brought the two sides closer together, especially with coastal countries like Myanmar, Vietnam, Malaysia, Indonesia, Singapore, Philippines,... Therefore, India's AEP has been endorsed by ASEAN countries

and the international community for its important role in promoting multilateralism, creating an environment of security, peace and freedom of navigation in Southeast Asia.

Myanmar in India's Act East Policy

Myanmar is a country located in Southeast Asia with an area of 676,577 km², has a geographical location bordering India in the West by land and bordering India's waters in the Bay of Bengal and the Andaman Sea in the South (Myanmar National Portal, 2023). Therefore, Myanmar is a neighboring country bordering both the mainland and waters of India, while also having similarities in history, culture and religion with India's ancient civilization. As such, the two peoples have an intimate relationship and intersection in the historical flow between the two countries. During the colonial period, Myanmar was once part of India when the British Empire invaded and annexed it into India's territory in 1886 (Godrej, 2008). After Myanmar gained independence on January 4, 1948, India-Myanmar relations remained close and intimate under the democratic government led by Prime Minister U Nu believing that it was "the unbreakable India-Myanmar friendship" (Ayob, 2016). However, the coup by the military government led by General Ne Win in 1962 disrupted India-Myanmar relations when India opposed the rise of the dictatorial government and ignored "democratic" values. By 1991, India realized China's growing influence in Myanmar, India's leaders made adjustments in their approach to Myanmar's military government by implementing the LEP strategy in 1992 which evolved into the AEP in 2014 to promote two core goals of India for this country, including:

First, building Myanmar into an intermediary area connecting India with ASEAN. On July 24, 1991, India carried out comprehensive reforms to liberalize the economy towards openness and international integration after a long period of pursuing a domestically oriented, self-sufficient economic model that India applied before the end of the Cold War period (Singh, 2019). Therefore, to strengthen cooperation with countries in the region, especially ASEAN. The government of Prime Minister Narasimha Rao (1991 - 1996) adopted the LEP strategy in 1992 with the goal of enhancing economic connectivity between countries in the region, comprehensively developing and integrating deeply with the ASEAN economy (Paode, 2013). In which, Myanmar plays the role of an intermediary area connecting the remote, poor Northeast region of India with ASEAN, in order to build economic corridors extending from South Asia to the East Sea and heading towards major economies in Northeast Asia, Southeast Asian archipelago countries, Oceania, thereby creating an economic leverage for the development of the Northeast region and the Indian economy. Former Prime Minister Manmohan Singh noted: "Myanmar is a key partner in India's LEP and has an advantageous geographical location to become the economic bridge between India and China, between South Asia and Southeast Asia" (Ayob, 2016). Therefore, to realize its strategic goal, India has taken a more pragmatic and appropriate approach to the political situation in Myanmar, through improving relations with the Myanmar military

government with a commitment to respect “internal” issues within the government and promote comprehensive cooperative relations in line with the core interests between India and Myanmar (Das, 2010). Thus, bilateral relations quickly became cordial when Myanmar was facing international isolation due to civil war, democracy and ethnic conflict issues. Currently, India has four major connectivity projects in Myanmar as of February 2023, including: i) The Kaladan Multimodal Transit Transport Project approved in 2008 with a total investment of \$484 million, ii) The India-Myanmar-Thailand Trilateral Highway Project approved in 2002 with a total investment of \$170 billion, iii) The Rakhine State Development Programme approved in 2018 with a total investment of \$25 million, iv) The India-Myanmar Border Area Development Project approved in 2017 with a total investment of \$25 million (Banerjee, 2023). These projects aim to establish connectivity corridors with countries to the east of India, create economic momentum for four states in the northeast region, including Arunachal Pradesh, Mizoram, Nagaland and Manipur. At the same time, building a sea route through Myanmar helps ease pressure on the strategic Siliguri corridor, the only route connecting the Northeast to the Indian “subcontinent” center.

Second, preventing China’s influence from expanding into the Indian Ocean region. Since the late 1990s, China has openly decided to expand its power down to South Asia and the Indian Ocean, in which Myanmar occupies an important position in China’s neighborhood diplomacy policy. According to Petr Konovalov’s assessment, China is actively turning Myanmar’s geographical location into a blockade of India’s eastern region, similar to the role of Pakistan, Afghanistan in northern India (Konovalov, 2022). Thereby, China is setting a “trap” to attract Myanmar into China’s orbit, which will create geopolitical advantages in its competitive relationship with India. On the other hand, Brian Gicheru Kinyua argues: “In Myanmar, China saw an opportunity for direct access to the Indian Ocean, significantly expanding its sea power beyond their sphere of influence in the Pacific, in line with China’s maritime strategy to control vital shipping lanes across the Indian Ocean” (Kinyua, 2022). Therefore, when India noticed China’s growing presence in Myanmar after the military government’s detention of Aung San Suu Kyi in 1989, India changed its more pragmatic approach to the Myanmar military government to prevent the eastern region isolation scenario similar to the northern region, while also preventing the spread of China’s power down to the Bay of Bengal and the Indian Ocean region. Hence, India adopted the LEP and strengthened comprehensive cooperation with Myanmar, ignoring the “democracy” issues that caused discordant relations between India-Myanmar in the period 1962 - 1991. Thus, relations between the two countries quickly improved when Myanmar also wanted to reduce sole dependence on China and enhance “strategic autonomy” in international relations issues in the region and the world. Simultaneously, cultural, historical and religious similarities and promoting resolution of instability in the border areas between the two sides helped India-Myanmar relations quickly move in a positive, cordial direction.

Therefore, Myanmar plays an extremely important role for India in the strategy to contain China's hegemony in the Indian Ocean region.

DISCUSSION

This study has comprehensively analyzed the position and role of Myanmar in India's AEP under Prime Minister Narendra Modi. The findings demonstrate that Myanmar holds a pivotal strategic location in India's strategy to expand its influence eastward, promote economic integration with Southeast Asia, and contain China's expansion in the region. The long history, cultural affinities and geographical position are crucial factors underlying the close ties between India and Myanmar. In the context of increasingly fierce strategic rivalry between India and China in the region, Myanmar has become a hotspot of competition for influence. Hence, India's strengthened cooperation with Myanmar will help consolidate border security, expand geopolitical space, and restrain China's southward expansion. However, some challenges remain in the India-Myanmar strategic partnership. As noted by Le Hoang Kiet, the domestic issues of ethnic conflicts and democratization in Myanmar could potentially complicate bilateral relations despite convergent security interests (Kiet, 2023). Myanmar's heavy economic dependence on China, with over 23,5% of foreign investment coming from China (Oinam, 2023), may also limit its ability to fully act as a reliable counterweight for India in checking China's regional clout.

Regarding concrete cooperation, India has initiated major connectivity projects with Myanmar such as the India-Myanmar-Thailand Trilateral Highway and the Kaladan Multi-Modal Transit Project. However, progress has been sluggish. As shown by recent data, the Trilateral Highway is only about 10% complete, while the Kaladan project has faced long delays (Oinam, 2023). To bolster its position in Myanmar, India needs to find solutions to accelerate the pace and effectiveness of such initiatives. Beyond the China factor, Myanmar is also a strategically important partner for India in its own right. As analyzed by Vu Duc Liem & Ninh Xuan Thao, Myanmar provides economic opportunities for India's northeastern states, constitutes an overland gateway to ASEAN, and allows India alternate access to its far eastern states that avoids the narrow Siliguri Corridor (Liem & Thao, 2021, p.253). Maritime security cooperation with Myanmar also enhances India's status as an Indian Ocean power. Hence, a multi-faceted perspective is needed to assess Myanmar's significance for India across economic, political and security realms.

In conclusion, this study affirms Myanmar's indispensable role in India's Southeast Asia and Indian Ocean strategy. Enhancing comprehensive strategic partnership with Myanmar will enable India to cement its standing as an emerging power and counterbalance to China in the region. Further in-depth analysis can enrich the discussion on the array of strategic benefits Myanmar offers India beyond just counterbalancing China.

CONCLUSIONS AND RECOMMENDATIONS

The paper has profoundly analyzed the position and role of Myanmar in India's AEP under Prime Minister Narendra Modi. The research results demonstrate that Myanmar holds a pivotal place in India's strategy to expand

its influence eastwards, promote economic integration with Southeast Asia, and contain China's expansion in the region. The long history, cultural similarities and strategic geographical location are crucial factors underlying the close bonds between India and Myanmar. In the context of increasingly fierce strategic competition between India and China in the region, Myanmar has become a hot spot of rivalry for influence. Hence, India's strengthened cooperation with Myanmar will help consolidate border security, expand geopolitical space, and restrain China's southern expansion. In conclusion, Myanmar holds an indispensable position in India's Southeast Asia and Indian Ocean strategy. Enhancing comprehensive strategic partnership with Myanmar will enable India to cement its standing as an emerging power and counterbalance to China in the region.

ADVANCED RESEARCH

While this study offers important insights into Myanmar's strategic role in India's AEP, there remain opportunities for further research to deepen understanding. Firstly, comparative analysis of how other key Southeast Asian countries like Vietnam, Thailand and Indonesia feature in India's regional strategy would enrich perspective. Examining similarities and differences with Myanmar can elucidate Myanmar's unique importance for India. Secondly, primary research through expert interviews and surveys in India and Myanmar could provide useful data on elite and public perceptions shaping the bilateral ties and regional outlooks. The domestic landscape influences foreign policy. Thirdly, social network analysis mapping connections between political and business interests in the two countries may uncover interesting dynamics and alignments. This can elucidate how domestic interests interact with geopolitical factors. Finally, examining Belt and Road Initiative (BRI) and the roles of other powers like the US and Japan can provide broader perspective on the India-China rivalry over Myanmar. In conclusion, the four issues above are important research directions that need to be explored in order to clarify the increasing role of Myanmar in India's current foreign policy in the face of challenges from China.

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