IMPLICATIONS OF BORDER TRADE BARRIERS vis-a-vis CONNECTIVITY BETWEEN INDIA AND MYANMAR WITH SPECIAL REFERENCE TO NORTH EAST INDIA IN THE ADVENT OF LOOK EAST POLICY

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ABSTRACT

The “Look East Policy” of the Government of India, when successfully implemented will make Myanmar the gate way of India to Asian countries. It is a fact that once trade with Myanmar is in full swing, it could enter the South East Asian market. Since all goods from and to India have to pass through the north eastern region, the latter will certainly develop commercially through the ‘Look East Policy’ of the Government. With Myanmar becoming an ASEAN member, common markets of as many as 500 million consumers will be the entry point to South East Asian market. However to achieve the end, it is not only the infrastructure have to be improved but also law and order situation have to be brought under control. The infrastructure is divided into two categories: Economic infrastructure associated with Energy, Transportation, Banking, Finance, Insurance, and Communication etc.; and Social infrastructure included Education, hospitals, etc. Before the 10th Assembly
ends in 2017, Imphal would have been connected by a rail line. The close and cooperative relationship that India and Myanmar have come to share for long and the strengthening of economic ties with Myanmar would certainly boost trade in the North East region which could develop the backward nature of its economy. The interesting point is whether North East India is going to stand in the strategic shift of Delhi as just another state on the map of this policy or be in a position to work the geographical location to her advantage? Paper focus to have the answers or when the moment of reckoning comes, the people will be left with only the questions. The most urgent need at this moment is to develop Infrastructure of the region to start with the trade ventures.

**Key words:** India’s Look East policy, Infrastructure, Manipur the door-way, Joint venture, Trade relation between Myanmar and India.

**INTRODUCTION**

Infrastructure is generally defined as the physical framework of facilities through which goods and services are provided to the public. Its linkages to the economy are multiple and complex, because it affects production and consumption directly, creates positive and negative spill over effects (externalities), and involves large flows of expenditure.

The infrastructure sector covers distinct components which could be defined generically to include the following.

**Economic Infrastructure-**

1. Energy (electricity, coal and oil and gas).
2. Transport (railways, roads, ports, civil aviation).
3. Telecommunications (including posts).
4. Special Economic Zones.
5. Urban infrastructure (water supply, sewerage, drainage, city roads).
6. Rural infrastructure.

**Social Infrastructure**-

2. Poverty and Poverty Alleviation Programmes.
4. Education and Training.
6. Empowerment of Women.
7. Empowerment of socially disadvantaged groups.

Regionalism is a universal phenomenon in contemporary international relations. There are about 240 Regional Trade Agreement (RTA) in the mid of 2000, transacting roughly 50 per cent of the global trade. Regional trade is becoming increasingly important for promotion of economic cooperation among the ASEAN (Association of South East Asian Nations) countries to ensure peace, security and welfare. So, India has also adopted a policy of enhanced trade and economic relationships with the ASEAN countries. Developing the North – east must be an integral part of India’s plans to court the advanced economies of South East Asia. In the past few years, there has been much talk about the ‘Look East Policy’ bringing about a transformation of north east India, which is often projected as our gateway to South – East Asia. And given the peculiar geo-political location of North East India, which is surrounded by Bangladesh, Myanmar, China and Bhutan, cross-border markets are likely to be more cost effective and faster route for trade and development. Hence, the significance of trade and regional economic cooperation for development of
relatively backward areas of North East India and Myanmar gets a new rationale. Besides, in this era of globalisation, regional trading arrangement (RTAs) are becoming increasingly vogue and significant.

The Indo – Myanmar Border runs along the four states of the North eastern Region viz. Arunachal Pradesh, Manipur, Mizoram and Nagaland. Together they share about 1450 kms long border with Myanmar. Because of the relatively better infrastructural support and historical reasons, much of the land border trade between India and Myanmar runs through Moreh sector of Manipur.

The North – East region being the gateway of India it is now politically feasible not only to the south East Asian markets but also central Asian countries. The proposed Asian Highway and Tran’s Asian railway will connect the region with south East Asian countries like Myanmar, Thailand, Laos, etc.

In this regard, it has been rightly observed that Indo – Myanmar Trade has special significance to the economy of India particularly north Eastern India, with international border longer than 5000 kms. And which has long remained one of the poorest regions in the world.

The development of infrastructure including banking facilities on both sides of the border is also essential for cross border trade, as the development of banks in the entry ports is a must for development of trade. Furthermore, it will also help in educating those
academicians who are unaware of the implications for India’s north east and South East Asia due to the Indo – Myanmar border trade.

Now with the joining Myanmar, India comes into direct contact with ASEAN countries. At the same time improvement of relationship with Myanmar invites certain genuine fears in the minds of the Northeast Indians in general and Manipur in particular. The joint statements speaks of (a) the construction of a highway from Moreh in India to Mae Sot in Thailand through Bagan in Myanmar to be completed within two years (b) Promotion of trade (c) investment and tourism through facilitation of movement of goods and peoples across border (d) cooperation in the field of infrastructure, human resource development, industry, railways, oceanography, science and technology etc. (e) economic development of the region along the India-Myanmar border with special focus (f) undertaking of cross border projects such as the Tamanthi Hydroelectric project, the Rhi-Tiddim and Rhi –Falam roads and Kaladam multi – modal Transport Project. At the same time, the Myanmar side reiterated that it would not allow insurgent activities against India from its soil. The Indian side thanked the Myanmar side for the assurance. Both sides agreed to take necessary steps to prevent cross border crimes, including drug trafficking and arms smuggling, and to upgrade substantially bilateral cooperation in this context.

Moreh town lacks minimum civic facilities and it is seen to be in dismal condition as compared to Tamu in Myanmar. State Government of Manipur with the assistance of central Government has taken up steps to improve power, trade centre and market, road, complex, convention hall, stay facilities, food testing laboratory, hospital etc. India’s effort in trying to globalize North Eastern states on the International border with the global economy has opened new vistas for the region. The region is very close to the vibrant
economies of South East Asian countries. Manipur has now a new hope in the developmental horizon with the neighbouring country, Myanmar. The operationalization of Indo-Myanmar border trade since April, 1995 is significant not only in terms of trade and commerce but also landmark in furthering the relation between India and Myanmar. The informal or illegal border trade should be reduced through proper legalized trade policy. In this era of Globalisation, it is necessary to develop a potential trade between India and Myanmar, having all the adequate infrastructural facilities, for better economic condition of our region.

REMARKABLE ACHIEVEMENTS IN SOME INFRASTRUCTURE SECTOR – AN OVERVIEW

The Economic Survey 2011-12 tabled in LokSabha by the Finance Minister Shri Pranab Mukherjee, says that the overall performance in creation of infrastructure in physical terms, in some sectors, during Eleventh Five year Plan, have been remarkable as compared to the previous Five Year Plan, though there have been slippages in some sectors. The success in garnering private sector investment in infrastructure through the public – private partnership (PPP) route during the Plan has laid solid foundation for a substantial step in private – sector funding in coming years. PPPs are expected to augment resource availability as well as improve the efficiency of infrastructure service delivery. The planning Commission has projected an investment requirement of over Rs 45 lakhs crore (about US $ 1 trillion) during the twelfth plan (2011-12). It is projected that at least 50 per cent of this investment will come from the private sector as against the 36 per cent anticipated in the Eleventh plan and public sector investment will need to increase to over Rs. 22.5 lakhs crore as against an expenditure of Rs. 13.1 lakhs crore during the Eleventh Plan. Financing
infrastructure will, therefore, be a big challenge in the coming year and will require some innovative ideas and new models of financing, says the Survey.

The Survey has pointed out that the performance of broad sectors and sub sectors in key infrastructure areas in the current year presents a mixed picture. There was improvement in growth in power, petroleum refinery, cement, railway freight traffic, passenger handled at domestic terminals and upgradation of NHAI. Coal, Natural gas, Fertilizers, handling of Export Cargo at airports and number of cell phone connections show negative growth. Steel sector witnessed moderation in growth.

According to the Survey, the performance in core and infrastructure sector is still to a large extent dependent in public sector projects the flash report for the month of October 2011 tracks the progress report of 583 projects in different sectors of which only 7 are a head of schedule, 166 are on schedule, 235 are delayed and remaining 175 projects have been sanctioned without specifying any commissioning schedule. This has implied of cost over run of 15.3%, the survey says that such delays increase project risk and cost, and could be minimized.

As per the Survey, credit growth to the infrastructure sector turned negative in the current financial year. The incremental credit flow to the infrastructure sector during April – December 2011 was nearly 61 per cent of the credit to this sector during April – December 2010. A significant reduction in credit flow was observed for the power and telecom sectors. The total FDI inflows into majors’ infrastructure sectors during April-December 2011, however, registered a growth of 23.6 per cent as compared to the FDI inflows during April-December 2010. Power (43.6%), Non Conventional Energy (338%) and
Telecommunications (499%) were the preferred sectors for foreign investors. Other sectors, however, failed to share the buoyancy in FDI inflows. There is need for introducing more innovative schemes to attract large-scale investment into infrastructure. The survey has state that a harmonized list of main sectors and sub-sectors of infrastructure approved by the Government to serve as a guide for all agencies responsible for supporting infrastructure, is a welcome move.

Availability of adequate, efficient and affordable infrastructural facilities, both economic and social, constitutes the core of development strategy and efforts. In the absence of infrastructure services, enterprises are forced to seek higher-cost alternatives which impact profits and production levels adversely. The demand for infrastructural services has increased rapidly after industrial liberalisation of the Indian economy. Unfortunately, infrastructural bottlenecks remain the biggest stumbling block of industrial progress between Indo – Myanmar trade relation. By their very nature, infrastructure projects involve huge initial investments, long gestation periods and high risk.

LITERATURE REVIEW

An attempt has been made to review some of the available studies.

Dr. S. Gyaneswar Singh(2008) attempt to draw a road map for a policy of Education to be provided for the younger generation for Human Resource Development in the context of Look East Policy with special reference to Manipur so as to enable them to gain the benefit out of it.
Yambem Imo Singh (2011) identify land routes as the only major means of transport with marginal presence of water transport in the relatively small rivers, and the nature of economic activities supported by surface transport.

A.K. Neog (2009) emphasised that economic development is basically a function of work and resultant output. Capacity to do work depends on application of electrical energy.

Hanjabam Ishworchandra Sharma (2008) reiterates the need for creation of substantial economic and industrial infrastructure to envisage a positive role for Manipur in the Look East Policy.


In the backdrop of the review of literature, it is evident that Manipur’s position in the equations of India-Myanmar relations has felt needs careful scrutiny of infrastructure.

**IMPORTANCE OF THE STUDY**

Infrastructure development is crucial for the growth and development of any region. An expansion of the markets within each state and then between states is a primary requirement to enlarge the size of the local market. This would then lead to specialisation in products according to the comparative advantage of each village, enabling it to reduce the cost of production through economies of scale. Thus, increasing the size of the regional market through better connectivity is the first step, before the region can think about exporting its products.
STATEMENT OF THE PROBLEM

The North East Region vision 2020 is an authoritative document addressing various developmental attraction for the region, there is an important missing link – how to bring the region on to a path of development – the market or non-market agency?

THE OBJECTIVES AND SCOPE OF THE STUDY

The study under consideration proposes to achieve the following objectives:

i) To find out the significance of the experience of the people of North East India with respect to connectivity aspects concerning Look East Policy.

ii) To give suggestions in the context of the infrastructural sustainability of the Look East Policy in light of Indo-Myanmar border trade.

RESEARCH METHODOLOGY

The data collection comprises of primary data collection, secondary data collection and informal discussions. The data for the study are collected through personal interview, discussion with different persons concerned; related journals & books and ‘The Imphal Free Press &Sangai Express (Manipur English Daily newspaper) etc. are chosen for the purpose of the present study.

The type of sample used for the selection of respondents is the Multi – stage sampling.
RESULTS AND DISCUSSIONS OF THE STUDY

This paper critically examines the relevance of the ‘look east policy’ for the industrialization of the North East Region of India. While recognizing the strategic and political importance of the North East in formulating India & neo-economic diplomacy and foreign policy is a positive step, it remains a mystery as to when the Look East Policy became the new paradigm of development for the region. The crucial constraints to development faced by the region are the lack of intra-regional and intra-state connectivity and trade, infrastructure, security and governance. The new paradigm of development seems to ignore these constraints by diverting attention to an issue i.e. connectivity with the outside world, which may have only a marginal impact upon the economy.

FINDINGS OF THE STUDY

The recent Indo-Myanmar Friendship Car rally (10th March-22nd March), for boosting Look East Policy, was a harbinger of the proposed Imphal – Mandalay bus service. In view of the bad shape of the highway of Myanmar from Kalewa to Monywa, Indian officials even considered launching the trans-border bus service between Imphal and Kalewa for the initial period. On the side of Manipur, there are no single decent restaurant/eateries where passengers can rest and have meals. Though Myanmar is comparatively backward, its highways are broader than those of Manipur. A sight common to both Manipur and its immediate neighbour Myanmar is the sale of petrol/diesel on the streets. Despite blessed with rich natural resources but nullified by lack of infrastructure or technological development, people of the Myanmar continue to suffer due to the rider that any business venture should either have the consent of the local military authorities or should be a public – military partnership.
On 22nd April, 2012, Manipur State Chief Secretary DS Poonia has brought up the matter of introducing international flights from Imphal to Mandalay, Yangon, Bangkok and other South east Asian cities; setting up of cold storage and introduction of cargo service; urged to operate BSNL mobile towers with solar energy, increase internet connectivity and develop Manipur as a Special Economic Zone for IT; etc. The recommendations will take up during 12th Plan period.

On top of the sericulture project presently being implemented in the State, the Japanese Govt. has reportedly assured to provide necessary financial and technical assistance to the Govt. of Manipur for development of infrastructure and enhancing trade relations.

For development of infrastructures related to transport sector including Inter-state road connectivity in Manipur, NEC has given its approval to provide Rs. 600 crores during the 12th Plan period. In addition, NEC has approved another amount of Rs. 420 crores for development of requisite infrastructures for expansion of Tulihal Airport at Imphal after acquiring the required land. According to an official source, decision to provide Rs. 600 towards development of Inter-State road connectivity as well as approval for sanctioning Rs. 420 crores for up gradation of Tulihal Airport were adopted during the 4th Working Group meeting held at the conference hall of NEC at Shillong on April 26 last.

**BUDGET 2012 – 13: EMPHASIS ON NORTHEAST INDIA**

Union Budget 2012-13 has made an attempt to address research and development framework in various areas including Education, Handloom and erosion control in the Northeast India.
Finance Minister, Pranab Mukherjee has shown resolve to take Banking services in the far flung areas when he announced to extend Swabhimaan campaign to habitation with population of more than 1000.

The scheme which was launched last year in the country provided for providing banking services through business correspondent (BC) model to population of more than 2000. Several areas of the region still do not have banking service.

Mr. Mukherjee has been advocating financial inclusion and this measure are expected to penetrate banking service in the accessible areas of the region. Industry body, Federation of Industries for Northeast Region (FINER) President, R.S. Joshi said that this will assist in promoting financial inclusion. He added that the credit deposit ratio of the region is hanging around a meagre 35 per cent against an all India average of 57 per cent. “This scheme will help in taking banking services to the inaccessible areas of the region.”

Mr. Mukherjee has proposed innovative scheme of Rs.500 crore pilot schemes for geo-textiles in North-Eastern region. Geo bags are large cylindrical tubes made from Geo-Textile fabric which is woven from heavy plastic threads have been used in Matmora dykes in Lakimpur district in Upper Assam which breached almost 20 times since 1980’s. Repeated attempt made by government for creation of earthen embankment has failed in the area.

S.K. Mahanta, who runs a Consultancy Firm working in the field of geo textile said, “Presently geo textile works are undertaken in river island of Majuli and in Arunachal Pradesh. The results have shown that geo bags are useful in arresting flooding and erosion.
This announcement will benefit the region in the big way as presently we are importing geo bags from Malaysia.”

This announcement is expected to boost indigenous production of geo bags and lessen dependency on imports.

Union budget 2012 – 13 has hiked the budgetary allocation of Ministry of Development of North-eastern Region (DoNER) from Rs. 1664.27 crore to Rs. 1929.33 crore. The allocation under grants from Non – Lapsable Central Pool of Resources (NLCPR) has also been raised to Rs. 879 crore from Rs. 799 crore in 2011 – 12. Under special fund for infrastructure development in Arunachal Pradesh and other border areas budget has allocated Rs. 170 crore.

However industry bodies had mixed response on the budget, while Confederation of Indian Industry (CII) welcomed the budget, FINER termed the first budget of the 12th five year as a routine affair and financially crippled.

Abhijit Barooah, Co-Chairman, CII North East Council felt that this budget was more or less on expected lines.

“Onus would now be on implementation and delivery. Major emphasis has been accorded to Skill Development sector. These would have immense implication in the North east and help mitigate the demand supply gap for skilled manpower in the region in general and the
nation as a whole. Budgetary provisions have been announced for Skill development institutes, Rs. 1,000 crore to be provided for NSDC in 2012 – 13.”

He added, “Increase in service Tax and excise duty from 10 – 12 per cent will add to the prices rise.” Dipak Chakravarty, Chairman, CII Assam State Council & Managing Director, Numaligarh Refinery Ltd. said that major emphasis has been accorded to cluster development. This together with announced PPP projects is a step forward that would translate and accelerate economic activities in the region.” The announcement of setting up of the Rs.5,000 crore venture fund for MSME sector through SIDBI would encourage this sector. This coupled with the interest subvention to women Self-help groups is a boon for entrepreneurs of the region, CII observed.

For the Agriculture sector announcement covered all the five “I’s” including Infrastructure, Incentives, Investment, Initiative and Institution with special emphasis on the eastern region. The region will definitely benefit from the announcements in this sector like the continuation of the Green revolution.” The outlay for the second Green revolution in the Eastern India has been increased from Rs 400 crore to Rs.1000 crore.

Since public sector resources are scarce, an aggressive effort at promoting Public Private Partnership (PPP) in infrastructure development will be needed. PPPs will not be feasible in all types of infrastructure. In certain parts of the country, which are economically disadvantaged most of the investment in infrastructure would have to come from the public sector. There are also some infrastructure projects, such as capital dredging in ports, that are not amenable to PPP, and these would have to be carried out by the public sector.
Public sector investments would have to be prioritised so that the more important projects are taken up first.

However, PPPs are feasible in many areas and these possibilities should be exploited. A number of initiatives have been taken in the last two years of the 10th Plan by both the Centre and the states to promote infrastructure development through PPP and the experience gained helps identify the conditions under which PPPs are more likely to succeed. But since this is an ongoing process, and somewhat controversial, further reviews by independent experts will be made and corrective action taken if necessary.

AN INDO-ASIAN RAPPROCHEMENT IN REACTION TO THE SINO-BURMESE COMPLICITY

The vulnerability of India’s north-eastern States was aggravated by the fact that this region was becoming a hub for illegal trade in narcotics and arms. It would be an understatement to say that the Burmese border was porous and led to drug trafficking as well as the proliferation of small arms. While the situation in the north-east took on the scale of a national security issue in the early 1990s, New Delhi undertook to establish a collaborative relationship with the Burmese Junta as far as law and order was concerned. In March 1993, the two countries signed a cooperation agreement to fight against drug trafficking. On its part, the SLORC seemed to have reduced its assistance to the Nagas in the north of its territory. The two countries signed a cooperation agreement on 21 January 1994 on the surveillance of trans-border flows. The objective of this collaboration was to suppress drug trafficking and smuggling activities and, at the same time, promote trade. Negotiations for the agreement took place between the Myanmar Minister of Foreign Affairs and the Indian Ministers of External Affairs, Trade and Home Affairs.
India’s policy of appeasement vis-a-vis Myanmar was also the outcome of mounting concerns in the face of Chinese infiltrations into that country. Indeed, while relations with New Delhi continued to deteriorate during the 1980s, Rangoon entered a de facto alliance with Beijing. In 1988, an agreement was concluded between the two states to legalize bilateral trade, which rose substantially with time. Transportation infrastructure developed on both sides of the border to facilitate traffic and Chinese consumer products invaded the Burmese market, to the detriment of those from Thailand. China’s interest in Myanmar can be better understood from a historical perspective. Over the centuries, Myanmar gave the south-western Chinese provinces commercial access to the Indian Ocean. Therefore, Beijing’s successive regimes always wished to maintain this privilege. For south China, particularly its Yunan province, the ‘Burma route’ continued to offer a way of taking part in the economic regionalization of South-East Asia. Consequently, a technical and economic cooperation agreement was signed in 1991, which saw China provide Myanmar with massive aid for civil infrastructural projects, bridges, roads, railway lines and port facilities. Thus, China’s most immediate objectives seemed to be economic, and the investment in the development of the land route to Myanmar reflected its desire to access South Asian markets.

**THE ROLE OF DEVELOPMENT OF INFRASTRUCTURE**

In terms of road transport, the per capita road network is significantly higher in the North East Region (NER) relative to the rest of the country. This is to be expected, given the hilly terrain and low density of population. However, road length per unit area is higher only in Assam, Nagaland and Tripura and a large part of these roads are village and district roads.
So there is deficiency of road infrastructure in the region. Even though village and district roads are necessary to promote intra-region mobility, state and national highways are needed to connect state growth centres with the rest of the country. Since the other modes of transportation and travel are expensive and difficult to provide, it is necessary to increase road connectivity within the region.

So far as the rail network in the region is concerned, there are no railway routes in Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Tripura and Nagaland have railway routes in their plains areas. Even the track density in terms of population and area is much lower than the all-India average. However, inland water transport could be an alternative, given the presence of several perennial rivers in the Northeast region. It could be a viable alternative, since it is the cheapest mode of transportation in the region. But because of inadequate navigation facilities, this form of transport has not taken off.

Other than the transportation issue, inadequate power has been a major problem for the growth of industrial and other development activities. Most states in the region are deficit in power. Thus, clearly, development of physical infrastructure is crucial for growth of industrial activity in the region.

**NEED FOR A NEW DIRECTION OF EDUCATION SYSTEM OF NORTHEAST INDIA**

It is precisely with this background that the Advanced Research Consortium (ARC), Manipur, decided to the following recommendation after organizing a seminar-

1. There is strong need for establishing Tourism and Hospitality Management Institutes.
It is highly recommended that an Institute of South East Asian Studies be immediately established in Manipur for understanding the similarities and differences in culture, organizational styles and strategic perspectives prevent in the South East Asian countries.

English is not the most popular medium of communication in the south east Asian countries, entrepreneurs from the North east region need for a separate School of Foreign Languages in Manipur University.

Foreign students be attracted and accommodated in the Manipur University.

Infrastructure in the Health care and Paramedical Institutes should be upgraded to the International level.

**TOURIST ASPECT**

Internationally tourism occupies a very important place in the economies of several countries. Governments all over the world are competing with each other in selling tourism. It is the world’s largest industry which is forecasted to grow at 4 per cent per year till 2010. However as per the WTTC’s vision the estimated growth rate over the coming decade has been put a 4.6 per cent p.a. Tourism, the fastest growing sector of the global trade, accounts for 10.7% of Global GDP, 12.8% of Global Exports, 8.2% of Global Employment and 9.4% Global Investment. The global market trends in tourism are changing due to the change in living standard, free time for leisure, advancements in transportation and development of IT etc.
At the strategic level, India’s Look East Policy envisages the ASEAN states and Japan as key partners in East Asia. Ties with South Korea are also strengthening. Tourism was identified as a high potential sector for cooperation between India and the ASEAN. This multilateral approach was backed by Singapore’s initiatives, the latter being very determined to develop tourists’ ties with India on a bilateral basis. Thus, the Singapore Tourism Promotion Board (STPB) set up an office in Mumbai, in 1993. Its aim was to promote the city-state both as a leisure destination for well-off Indian families and as a luxury destination for Indian businessmen. India, therefore, became a partner country in Singapore’s economic regionalization programme, just like Vietnam, Myanmar, China, Australia, Indonesia and Malaysia. Promoting tourism in its partner countries meant developing a market in which the city-state’s airlines and hoteliers would be the first to gain a foothold. Accordingly, HPL, a Singaporean hotel chain, established a base in India quite early. As Prime Minister Manmohan Singh said, the Look East Policy is not merely an external economic policy; it is also a strategic shift in India’s vision of the world and India’s place in the evolving global economy. Most likely beneficiary may be the North Eastern Region of India.

**LOCATIONAL ADVANTAGE**
As connectivity is concerned, there are no railway routes in Arunachal Pradesh, Manipur, Meghalaya, and Mizoram; Tripura and Nagaland have railway routes in their plains areas.

As part of the North East Integrated Tourism Master Plan, the issues related to Manipur, Nagaland and Tripura have been discussed at the official level during a meeting chaired by Secretary of North Eastern Council (NEC) UK Sangma here 28/6/11. With regard to Manipur, it has been proposed to develop Kangla, Loktak Lake, Moreh as a tourist circuit. Talking to media persons after the discussion at Classic hotel, UK Sangma informed that the meeting for the remaining States with regard to implementation of the North East Integrated Tourism Master plan would be held at Guwahati on 29/6/11. He explained that the Tourism Master plan is to be implemented during the 12th Five year plan which is due to commence from next year.

Under this master plan, NEC would help the state govt. in development of infrastructures related to tourism. It is said that the master plan has been developed by Tata Consultancy Services and the same already submitted to the Ministry of Tourism.

The major tourist attractions in the North East States of India, amongst others, are fascinating lakes, breath taking green hills and landscapes, historic monuments, unique art forms of various cultures and traditions and indigenous sports of the land.

TRANSPORTATION ASPECT

Deputy General Manager of the Rail India Technical Evaluation Services (RITES), AN Mishra arrived Manipur today to conduct a field assessment of the feasibility of introducing mechanized vessels in the major rivers of Manipur so that agriculture, forest and horticulture produces can be transported from interior areas at the cheapest rate. A N
Mishra is also the Deputy General Manager of the Ports and Waterways Division. He held a meeting with top officials of the State Inland Water Transport Wing on 28/06/2011 and discussed about developing waterways on major rivers of the Manipur State.

The North Eastern states have stressed on development of infrastructure for improved connectivity and rural transformation for development, Planning Commission deputy chairman Montek Singh Ahluwalia said on 4/07/2011. “Many of the states pointed out that the Govt. of India’s Look East Policy puts the North-east in the centre,” Ahluwalia told reporters after the first day of the Regional Consultative Meeting on the Approach Paper on the 12th Five Year Plan. “They want connectivity with the neighbouring countries to be improved for trade,” said the Deputy Chairman of the Planning Commission. The ‘Look East Policy’, he said, was designed to achieve greater integrity of the country with the South-East Asian countries for trade. “The areas benefiting are strategically situated in the NE region. Concerted efforts will be made for better air connectivity,” he said.

Imphal airport is the second largest airport in the NE. Apart from these aspects there are speculations of Tran Asian Highway and railway passing through Manipur. Indian’s Gas Authority of India Ltd. and the Oil and Natural Gas Videsh Ltd. are engaged in gas extraction in the Rakhine state, a part of which is likely to reach North Eastern Indian. Rail India Technical and Economic Services Ltd.(RITES) are engaged for the developmental Myanmar railways especially from Yangon to Mandalay. Kaladan Multi-modal project is expected to provide transport to Mizoram.

HOSPITALITY ASPECT

Except for Assam and Nagaland, public administration has the largest share in the Hospitality industry. These values are substantially higher than the values prevalent in
advanced States like Gujarat, Karnataka, Maharashtra and Punjab. Since activities in this category are not associated directly with production, its high share in the tertiary sector has been a cause for concern. In these advanced states and at the all India level the predominant sub sector in such industry is hospital, hotels and restaurants. However, it is only in Nagaland that public administration has an accelerating growth rate. Among the North East Region states only Assam has acquired a structure akin to the structure of developed and high growing states. To upgrade Hotel Imphal of Manipur state to the status of a 5 star hotel in order to boost infrastructure in the state in tandem with implementation of the Look East Policy, 1.5 acres of Kaboleikai land would be acquired by the State, Chief Minister of Manipur asserted on 25/06/2011. There are a number of comfortable private hotels like 3 star Classic Hotel, etc in Manipur.

EMPOWERMENT OF SOCIALLY DISADVANTAGES GROUPS

The India’s Look East Policy when successfully implemented will make Myanmar the gateway of India to Asian countries. It is a fact that once trade with Myanmar is in full swing, it could enter the South East Asian market. Since all goods from and to India have to pass through Manipur, the latter will certainly develop commercially through the ‘Look East Policy’ of the Government. With Myanmar becoming an ASEAN member, a significant about-face in democratic politics on won by-election by opposition leader Aung San SuuKyi’s party, common markets of as many as 500 million consumers are at the door step of Manipur for which Myanmar will be the entry point to South East Asian market. However, to achieve the end, it is not only that the road conditions have to be improved but also that the already experienced frequent disrupt of transport due to agitations and militant activities of insurgent groups have to be brought under control. The most urgent
need at this moment is to develop Tourism Industries at appropriate places of the Manipur to start with the trade ventures.

On the other hand, replying to a question on infrastructure development along the Chinese border, Antony said that 10 railway and 73 roads had been identified in the north and north-eastern regions. “The Army has identified 73 roads as critically and strategically important. In addition to this, 10 railway projects have also been identified for development in Jammu and Kashmir, Himachal Pradesh, Uttarakhand and Arunachal Pradesh,” he said.

What is now of utmost importance is infrastructure development in the hinterland bordering China, given especially the neighbour’s infrastructure marvel on the other side of the border. As the Army has identified 73 roads as critically and strategically important, apart from 10 railway projects, these need to be worked on, on a priority basis.

The state of road infrastructure in Arunachal Pradesh is abysmal. One should visit the state to see the state of affairs. But China, in the same terrain, in Tibet, has worked out a road-and-rail infrastructure wonder. If necessary, New Delhi, in tandem with Itanagar, should invite foreign experts, especially structural engineers, to develop transport infrastructure in Arunachal Pradesh.

There is no gainsaying that Beijing has a hegemonic design in South Asia, as evident from its repeated claims over the whole State of Arunachal Pradesh and its “string of pearls” strategy to encircle India. China is also gradually getting closer to Myanmar and Bangladesh.
by way of extending economic aid to the two countries. India needs to counter this too, by evolving a pragmatic, region-specific diplomacy. Old or outmoded thoughts will not do.

While dealing with China, one must also keep in mind that Beijing has used its official mouthpieces like The People’s Daily to carry out sinister campaigns against India. The neighbouring country has used its strategic experts to strategize against India. Such propaganda has to be countered effectively. We need to engage our own strategic think tanks to evolve the right kind of strategy to meet the challenge from across the border.

Last but not the least, there ought to be consistency in dealing with China, with no room at all for contradictory statements. Both the political spectrum and the armed forces need to speak in one voice, which they can do. Our armed forces are capable of securing our borders, however hostile be forces on the other side, and it is precisely because of this reason that the political class must serve as a great and unfailing armed forces morale-booster. Let good sense and reason prevail.

That is, as infrastructure development is carried out rapidly in the hinterland and as more armed forces divisions are raised, politicians must not fail our valiant soldiers. Nothing should emanate from the political universe that contradicts what the armed forces have done or maintain. The uniform has done its job well, and will do so.

Delegates of the International Conference on Asian – India Connectivity and North Eastern Region of India on 4th May, 2012, highlighted that Manipur, among other North East states, lacks trade infrastructures in the trade between East Asian countries and India. The
conference held on 3 stars Hotel Classic was jointly organised by Research and Information System for Developing Countries (RIS), Delhi; Economic Research Institute for Asian and East Asia, Jakarta and Indian Chamber of Commerce, Kolkata. Observing that the ongoing trade between India and East Asian nations has been a giant leap, the conference took note that lack of necessary infrastructure is posing to be a great challenge in converting the trade as a big development. Speaking at the occasion, Dr Prabir De, fellow of RIS posited that infrastructure development in the fields of tele-communication, irrigation, road and highway, education and health should be ensured while initiating trade with other neighbouring East Asian countries.

Stating that India’s Look East Policy is also aimed of establish cordial trade relation with neighbouring East Asian nations, Dr De said the trade would be meaningful if and when infrastructures of the region are developed. He further stated that the production of items would also increase if the infrastructures are developed first while adding that lack of infrastructure due to economic backwardness is causing a problem towards this end. Senior research Fellow of Economics Research Institute for Asian and East Asia, Jakarta, So Vmezaki said the trade relation between North Eastern States of India and its immediate neighbour Myanmar is at its low ebb though Myanmar shared 1643 km stretch of its national boundary with some North east states like Mizoram, Manipur, Nagaland and Arunachal Pradesh. In order to have closer trade link with Myanmar, missing infrastructures of the North east states should be strengthened, Vmezaki opined. Prof. Bijoy of Manipur University’s Political Science Department said the presence of too many security check posts in between Imphal and Moreh has posed a major inconvenience while travelling. Delegates were of the view that lack of proper infrastructures is a major problem in the trade relation between India and East Asian nations. Stating that the conditions of National Highways that pass through Manipur could not improve, the delegates drew the attention
of the Central Government in this front while also adding that the quantity of the International Airport in Imphal is not satisfying.

Manipur daily English newspaper ‘The Sangai Express’ under the caption ‘MoU for border haats likely this month, dated 5th May 2012, reported that a Memorandum of Understanding may be signed between India and Myanmar in the later part of the current month for opening border haats at Somra and Tusom in Ukhrul district during Prime Minister Dr.Manmohan’s proposed visit to Myanmar. In the meantime, it is reported that the GOI has decided to send a technical team to make a field assessment of the highways identified for the proposed Imphal – Mandalay bus service. Responding to the proposal of GOI, the Government of Myanmar agreed to set up border haats at Tusom and Somra. In the aftermath of the establishment of a democratic Government in Myanmar, a meeting of the inter-ministerial group was held yesterday at New delhi with DoNER Secretary AS Lamba in the chair. The main agenda of the meeting were trans-border trade and connectivity between India North east and Myanmar. The meeting also decided to send a technical team to Myanmar from May 10 to 11 to make a direct assessment of the highways which have been identified for the proposed Imphal – Mandalay bus service. The meeting also deliberated on a trilateral highway connecting Moreh in India with Bagan in Myanmar and Maesot in Thailand whose development work would be assigned to the BRO. Notably, Imphal – Mandalay highway is a section of the Asian Highway-I which would connect Turkey with Japan. Around 70 bridges which dot the highway from Tamu to Kalewa would be repaired /developed with financial assistance from the GOI, the DoNER Secretary reportedly stated during the meeting. Incidentally, the Government of Manipur has been insisting upon the Centre to upgrade Tulihal Airport as an International Airport so as to connect Imphal with South east Asian countries.
In this connection, it would not be wrong to highlight some of the developments, which had taken place inside the Indian government. In this connection four agreements may be cited as significant – (a) curbing insurgency in Northeast India (b) controlling of drug trafficking and other illegal activities (c) undertaking of cross border transport and communication linkages and (d) transport connectivity.

**SUGGESTIONS OF THE STUDY**

The close and cooperative relationship that India and Myanmar have come to share for long and strengthening of economic ties with Myanmar would certainly boost trade in the North East region which could develop the backward nature of its economy. It is not only that the plywood industry which has already died down in Assam could revive with Myanmar’s raw materials, but the joint venture could also give a new direction to the development of energy, transport and communication, bamboo products and science and technology sectors. It is important to note that trade and commerce will be least costly as compared to the respective mainland alternatives in their own countries. The trade between north east and Myanmar is still existing one has to note the fact that the unofficial volume or simply smuggling is much larger than the formal volume of trade. BK Sharma & SN Goswami (2000) pointed out that with the liberalization of the border trade, the activities like trade and commerce, banking and insurance services transport and communication, warehousing facilities, etc., would be increased in North Eastern region which in turn would accelerate the economic activities of the region.

North East to gain from India’s PTA and FTA with the economies of the east, the key variables is transit arrangements, proliferation of trade routes and custom check post, easy visa regime making it possible for traders, businessmen and transport operators to move in and out of the region. For this to be possible would require substantial investments in
infrastructure, construction of highways and bridges, re-establishment of rail links and communication facilities. In this regard, Baruah (2000) supported that the decision of the SAARC nations to have a regional liberalisation to move towards a South Asian Free Trade (SAFTA) would definitely have certain positive implications on the economic prospect of North Eastern regions.

The ‘Look East Policy’ when successfully implemented will make Myanmar the gate way of India to Asian countries. It is a fact that once trade with Myanmar is in full swing, it could enter the South East Asian market. Since all goods from and to India have to pass through the north eastern region, the latter will certainly develop commercially through the ‘Look East Policy’ of the Government. With Myanmar becoming an ASEAN member, common markets of as many as 500 million consumers are at the door step of North Eastern region for which Myanmar will be the entry point to South East Asian market. However to achieve the end, it is not only that the road conditions have to be improved but also that the law and order situation have to be brought under control. The most urgent need at this moment is to develop Special Economic Zones at appropriate places of the region to start with the trade ventures.

CONCLUSIONS OF THE STUDY

i. The experience of the people of North East India with respect to connectivity aspects concerning Look East Policy.

Millions of rupees are pumped by the Indian Government to maintain its security forces in Manipur and other states bordering Myanmar while necessary infrastructural developments related with the border trade are blatantly ignored. Improvement of relationship under India’s Look East Policy invites certain genuine fears in the minds of the
Northeast Indians in general and Manipur in particular. Northeast India’s level of economic development and its competitiveness, simple lifestyle of the people in the area are some of the factors of vulnerability of economic onslaughts of China and the ASEAN in particular. The genuine fear is aggravated by another factor of connectivity—Trans Asian Highway and railway connectivity. Of course, they will take some more years to operate fully. Even then genuine fears are not unfounded.

Guided by a firm belief that a huge income can be earned by exporting fruits produces of the States to foreign countries like Myanmar, Vietnam, Laos, Thailand, etc., the State Govt is preparing to send a proposal to the Union Ministry of Commerce and Industries for opening a tetra-packaging unit in the Manipur State under export infrastructure development programme. Meanwhile, the Govt. of India has been working hard to enhance its export quantum to the tune of US $ 500 billion by 2014. As part of the export infrastructure development programme, the Ministry of Commerce and Industries has given informal assurance to the State Commerce and Industries Department to extend necessary assistance in setting up a tetra-packaging unit in Manipur.

ii. Suggestions in the context of the infrastructural sustainability of the Look East Policy in light of Indo-Myanmar border trade:-

Contrary to their expectation nothing sort of significant progress came. Practically positive improvement in the direction could be possible only when the right type of planning is taken up with sincerity on the part of policymakers in New Delhi, taking into confidence the local authorities, and by going much beyond its narrow outlook of security maintenance.

Noting that majority of the Chinese do not speak English, the Principal Secretary said the Government should ask Manipur University to open a Chinese study centre in order to
facilitate trade and commerce as well as tourism industry between China and North east India. Meanwhile, the Indian Chamber of Commerce has been already asked to make necessary initiatives so that Chinese students can learn English in Manipur University. Manipur University opened the course of Myanmar language programme.

First of all it is necessary to build up a sense of awareness. Just to cite an example in this regard the “Centre for Alternative Discourse”, Manipur has done a good job by bringing out two special issues of its Journal wholly devoted to the Look East Policy and implications on Manipur. Second thing the Government of Manipur and North Eastern Council (NEC) should take up certain appropriate measures like organizing conferences or seminars or projects to identify areas for adjustments for our future. Thirdly, businessmen, small scale industrialists like the handloom and handicraftsmen should be encouraged to undertake trips to ASEAN countries with government sponsorship. In nutshell, the following points should be considering the relevant infrastructure regarding India’s Look East Policy:-

i. It is necessary to emphasize in the development of the physical infrastructure for facilitating trade and economic links between the North east and the neighbouring countries is largely absent. Undeniably, one can argue that the links are weaker today than they were in 1947. The Stilwell Road is now a mere muddy track and rail links with Bangladesh stand severed. Infrastructure bottlenecks and delays at border points add substantially to the transaction cost in international trade. It is hardly surprising that with closed borders and open ports, the North east is not a part of India’s trade expansion strategy with eastern neighbours.

ii. There is all probability that the large volume of trade with the Greater Mekong Sub-region, Bangladesh and ASEAN is likely to move through the international sea lanes, completely bypassing the North East region. The regions gaining so far are the
hinterlands of Chennai, Vizag and the Calcutta port on the eastern flank. With the given state of infrastructure and the poor state of road, rail and air links with the neighbouring countries in the North East, the bulk of the trade is likely to move through the sea ports of India could be argued.

iii. To gain from India’s PTA and FTA with the economies of the east for the North East, the key variables are transit arrangements, proliferation of trade routes and custom check post, easy visa administration making it possible for traders, businessmen and transport operators to move in and out of the region. For the fulfilment of the said, the possible requirement would be considerable investments in infrastructure, construction of multi-lane highways and bridges, sufficient rail links and other communication facilities. The Shukla Committee on ‘Transforming the Northeast’, estimate such investment to exceed Rs. 25,000 crore.

iv. Yet it is not the investment which is the key issue. India’s almost entire policies towards the North East region have been heavily suffocated by the security establishment and managing the armed forces in the name of fighting insurgency and securing its eastern frontier. India’s Look East Policy is totally devoid of any plans to seriously wind up the isolation of the North East and opening up of the region to the neighbouring countries, its policy-makers are in absolute suspicion of such links. However, in the absence of such an initiative to open borders with neighbouring countries, it is unlikely that the North East will gain in any material sense from India’s Look East Policy.

v. Integrating the entire North East India can give numerous possibilities of economic revolution. The NER has a hydro-power of about 60,000 MW, of which only about 2% has been tapped so far. So the vast hydro-electric resources can be harnessed to
export electricity to the neighbouring countries. Utilizing the vast river networks to move goods cheaply in and out of the region would largely add to its attractiveness as an investment destination. Investment in large plants catering not only to the North east but to the neighbouring markets in Bangladesh, Nepal and Tibet – Yunam are also possible. Despite of those avenues there seems to be no such government initiatives on the prospect.

The biggest constraint in the development of NER has been the poor state of infrastructure, in particular, roads, railways and power. Significant initiatives must be taken to improve connectivity. Infrastructure and Connectivity could support the Look East policy. With the announcement made by Prime Minister during the SAARC summit in May 2007 that India would follow a duty-free policy with the least developed SAARC countries from 2008 with significant upgradation of infrastructure in the borders to facilitate trade and ensure faster movement of goods to and from neighbouring countries is required. Much of the requisite investment will have to come from the private sector and the government will have to create the enabling environment for private initiative in economic activities. The central government has to augment infrastructure spending directly.

REFERENCES


