

**THE NORTHEAST REGION IN A RISING INDIA AND A GREATER ASIA:
'FROM BATTLEFIELDS TO MARKET PLACES'**

Remarks of M Rajaretnam, Director and Chief Executive, International Centre Goa, India, and Executive Director of the Asian Dialogue Society at the DIALOGUE on Shared Integration: Promoting a Greater Asia held in Hotel Pragati Manor, Guwahati, Assam, India, on 23 November 2006

Shri Tarun Gogoi, Hon Chief Minister of Assam
Prince M.R. Sukhumbhand Paribatra
Mr Sanjoy Hazarika
Distinguished Guests
Ladies and Gentlemen

This one day meeting in Guwahati should be regarded as rather special for a number of reasons. It is probably a very rare occasion and perhaps the first one where a delegation from Southeast Asia has this unique opportunity to meet and dialogue with friends who come from almost if not all of the states of the Northeast region of India. The fact that this meeting is in Assam, which is renowned globally for its high quality tea product, has an added meaning. The logo of the Asian Dialogue Society comprises a tea-leaf and a tea-cup. Dialogue over a cup of chai is common to Asian civilizations from the Bosphorus Straits in Turkey to the Kamchatka Straits off Japan. Tea is a powerful symbol of what is possible in Asia.

We are also meeting at a time when several momentous events have occurred within a short span of a week. These developments are expected to have great impact on the Indian sub-continent and which will surely have an important bearing on Northeast India as well and the reason why I wish to raise them.

A few days ago the United States senate approved the India-US civil nuclear treaty thus accelerating the process to eventually confirm this treaty. At this very moment the Chinese President Hu Jintao is visiting India. The declaration that was issued at the end of talks between the Indian and Chinese leaders cited the Sino-Indian relationship as having “global and strategic significance”.

Prof Manmohan Mohanty from the Institute of Chinese Studies in New Delhi yesterday described the agreement between China and India as “important for India’s ‘look east’ and China’s ‘look west’ policies and gives China access to Northeast India and India to Southwest China”.

The Chief Minister of Arunachal Pradesh , Gegong Apang, has advocated the reopening of the ancient trade routes along the Sino-Indian border: “Let them (governments of India and China) talk on the border issue. But we can do business”.

Both these events will deepen cooperation between India and the two largest powers in the world. The momentum for these positive trends has been set. At the sub-regional level India last week hosted an international conference on Afghanistan to bring peace, stability and development to an insurgency-prone neighbour.

President Hamid Karzai said that the international conference on Afghanistan “must serve as an impetus to define a vision that reflects the shared interests of all of us and agree on working together towards achieving it”.

Two days ago the Government of Nepal and the Maoist insurgents signed a landmark Comprehensive Peace Agreement to end a decade of violence and bring hope to millions of poor Nepalis.

These events will strengthen the forces of peace and freedom in the region and confirm India’s “strategic partnership” with the United States while expanding relations with China. In the next generation, to be sure, these three economies will shape the outlook of the world. Within Asia, China has pursued an aggressive policy of not only developing its interior but has also opened trade and transportation routes with all its neighbours, thus building bridges of friendship and economic cooperation despite outstanding bilateral problems in some cases. This is the new realism that is emerging in Asia.

To reinforce the argument that these are positive trends let me cite a recent nationwide survey of readers of the *Hindustan Times*. The survey revealed that there was a “tectonic shift” in the way Indians perceived the world. On China, sixty percent of Indians see China as India’s ally on global issues and an increasing number, regardless of economic status, see China not as a military threat but as an economic collaborator. About 17% view China as India’s best friend.

What is fascinating about India goes beyond its pluralistic and democratic traditions. The India of today is bound by the synergies found in three significant entities rarely found in other emerging powers: a responsive democratic state, an innovative and dynamic business class, and a people-centred civil society.

Despite its shortcomings in terms of pace and depth reform is, however, high on the government’s agenda. The change will accelerate when its full benefits are realized.

The business class is expansive and has become a global force. In the first 10 months of this year the total mergers and acquisitions by Indian companies were 380 worth \$24.4 billion of which 147 deals worth \$15.72 billion involved acquisitions of foreign companies. If you include the acquisition of Arcelor SA by Mittal Steel Co (which is not an India-based company) this figure of \$24.4 billion will increase by another \$38 billion!

Unlike in many Asian states like China, for instance, civil society has flourished and in the long term, despite political and economic obstacles, the society at large will benefit from the empowerment of these institutions.

I do not have to elaborate about the embedded ancient, intellectual and scientific capacities of the Indian people which are well known. India, too, will have the youngest population in the world compared to an ageing China and Japan.

This is the new realism that is sweeping Asia. Old mindsets will now be increasingly challenged for their relevance. It is in this spirit that we want to share with you impressions of our visit to Northeast India earlier this year and the recommendations that we have made. So we have come to Guwahati to challenge you- whether you are part of officialdom, business, civil society or academia- to think the unthinkable.

First, I must ask for your pardon. It has been almost unthinkable *for us* to present this report to you today and to discuss its contents. This is not an expert's report because none of us who were involved in the visit or in the writing of the report had either any knowledge of the Northeast nor had ever visited the area until last January. As I had mentioned in the report the mission to the Northeast grew out of a suggestion of the Governor of Goa, the Hon. Mr. S.C. Jamir, that it would be beneficial for the people of Nagaland to understand how some of the Southeast Asian countries had developed their societies.

Secondly, we had no intention to write this report at that stage. We came to listen and to see and to understand so that we can decide whether or not we should send a proper mission with people more competent and knowledgeable than ourselves to the Northeast. I don't really recall what happened but we ended up preparing this report. Perhaps the warmth and hospitality that we encountered at all the places we visited compelled us to at least give the many friends we made the benefit of our views. For their sake I hope there is some wisdom in our views.

Thirdly, this report is perceptual and limited. We came for 10 days and we visited 3 states only and we therefore did not want to generalize. It is a catalogue of some impressions which we do not want to pass off as analysis. Not being experts we had to rely much on open-sourced information. We had also placed great value on the discussions we had with various people that we met.

Lastly, this report has not addressed all issues. Two of the most important issues are the historical and the political problems. I acknowledge the significance of the history of a people and for the Northeast this cannot be ignored. The report did not also address the problems of violence that has been going on for decades.

There are no lessons that that we can give you and we have not come to do that. But we can share experiences of Southeast Asia in recent decades. But I should first place the two regions in context. Like the NER, Southeast Asia is one of the most diverse regions of this world in terms of religion, ethnicity, insurgencies etc. Our two regions are similar in the tapestry of community and historical experiences and in the diversity of our political choices. Northeast India has always been described as a complex region. So is Southeast Asia.

You are a region of 8 states while Southeast Asia is a region of 10 countries and if Timor Leste eventually becomes a member we will be a region of 11 countries. You have many ethnic groups. Southeast Asia is no different. The largest Muslim country in the world and the largest Christian country in Asia are found in Southeast Asia. You will find more Buddhists in Southeast Asia than in India. Amidst all these variations you find an entirely Hindu island, Bali.

This morning, however, I feel compelled to raise one of the most important challenges that confront the Indian and Northeastern peoples and this is the continuing challenge of political violence and insurgencies in the Northeast. The real lesson that we in Southeast Asia have learned is the value of keeping the peace *within* and *among* ourselves. Those states that have been able to do this best have been the ones who have gained the most.

Regional peace and stability have allowed the states of Southeast Asia to plan their economic development. In 1967, when Southeast Asia was still the battleground of the cold war between the United States and the communist bloc, 5 countries – Indonesia, Malaysia, the Philippines, Singapore and Thailand – formed the Association of Southeast Asian Nations (ASEAN) as a non-communist bloc against the communist-inspired revolution in Indochina. At that time Southeast Asia was a much divided region.

But in 1994 Vietnam joined ASEAN and by the late 1990s Laos, Cambodia and Myanmar had become members of ASEAN as well. Regional peace and internal stability provided the space for those countries that took advantage of it to reform and develop their economies. Countries like Thailand, Malaysia, Indonesia and Singapore developed very quickly in the 1970s and 1980s to develop strong foundations for a market economy. Their successes are known to you. Next year ASEAN will celebrate its 40th year of existence but more important it is to celebrate 40 years of peace among neighbours

Vietnam is the most spectacular example of recent success. After decades of devastating war Vietnam only emerged after the collapse of the Soviet empire in 1989. After its historic decision to join ASEAN, a bloc of countries it detested, Vietnam and ASEAN brought lasting peace between former enemies. Vietnam has not looked back since and is now the fastest growing economy of the ASEAN region bringing tremendous peace and prosperity for its people. Last week Hanoi hosted the APEC leaders' summit. It is today the engine that is driving the ASEAN locomotive. Internal peace and external stability are prerequisites for development. We have come to believe that and so has China. In the Vietnamese case they did not allow historical animosities and ideological differences to obstruct the benefits of peace and stability.

While there have been these success stories there are also affirmations of failures due to domestic divisions. For instance, the Philippines' government's failure to resolve its several decades-long Muslim and communist insurgencies have sapped its efforts to bring development benefits to almost half of the country. On the other hand a country like Myanmar, unfortunately, has also gained little from the peace dividend in the region because the country is divided internally. The condition of the people has progressively

worsened. Even Myanmar's ASEAN neighbours can no longer ignore the daily tragedy of the Myanmar people. There is also the issue of poor governance and failing states. They are reminders of the excesses that should be avoided.

Due to the Northeast region's proximity to Myanmar we have addressed this issue substantially in our report and we have proposed that in the spirit of Building a Better Asia, India and China should cooperate on bringing a lasting solution to Myanmar rather than face the prospect of political and social turbulence in our immediate neighbourhood that could be externally induced as well.

This proposal for a broader cooperation between Asia's two biggest neighbours may seem controversial to some people due to historical legacies and strategic reasons but we believe that India's Look East policy is meaningless unless India and China find collective modalities to defuse hostilities in their common border areas, including Myanmar. We believe that India and China have far more possibilities today to engage in the common development of their border areas.

There is a second lesson in the ASEAN book of experiences. In 1979 Vietnam, flushed from its victories over the Americans, invaded and occupied Cambodia. The Chinese attempt to punish Vietnam failed. But in 1989 after Vietnam retreated from Cambodia the then Prime Minister of Thailand, Gen Chatchai Choonhavan, enunciated his famous "from battlefields to marketplaces" challenge to Vietnam to cooperate and compete in the marketplace instead.

Thailand's policy deviated from a cardinal ASEAN approach of consensus but it had the effect of forcing a fundamental shift in the thinking of ASEAN and Vietnamese strategists and if we are to look back this policy contributed to a further consolidation of peace in the Southeast Asian region.

There is a third and important lesson. This is the issue of leadership. The ASEAN experience has also demonstrated how a group of leaders view the importance of regional collaboration in the consolidation of peace and stability. We were not heroes of our own destinies. We believed in a shared destiny where our individual societies can grow and prosper in collective harmony.

I am sure there are other interesting experiences of ASEAN or other states such as good leaders and competent and effective bureaucracies but this last lesson of turning frontiers of insecurity into borders of opportunity and markets needs to be mentioned at this dialogue because the architect of that policy is here with us today. I refer of course to my good friend and colleague, M.R. Sukhumbhand Paribatra because this particular accomplishment is worth mentioning because it has relevance to the future of the Northeastern people.

The future of the Northeast Region cannot rest on its continued isolation from the mainstream of India or Greater Asia. The future of your region, I believe, will be directed by its integration into India and Greater Asia

Why Shared Integration? Shared integration promotes the idea of multifaceted cooperation in which the NER is part of Greater Asia and part of India. The key issue here is the 4 dimensions of integration: NER amongst its constituent parts, NER and the rest of India, NER and SEA, and NER and Greater Asia.

Why shared? There cannot be meaningful integration if there is no physical proximity among states. There are geographical and physical contiguities that the NER shares in varying degrees with its neighbours. There is also the matter of cultural contiguities but this also raises the all-important issue of identity. Simply put, is there a crisis of identity in the NER? Is there, however, an opportunity to find a common space over this issue? Yet another question is whether or not the issue of political and state violence has an opposite and disintegrating effect. As you look towards a better future you need to confront these questions.

We believe that the future of the NER rests firmly in the future of a resurgent, free India. At the same time the political and bureaucratic leadership of India could do well to adopt a “shared integration” approach to the NER.

We know that all the objective factors for cooperation between the Northeast Region and Southeast Asia already exist in abundance – history, culture, resources, expertise, experiences, synergies. But we also need the political will to seize all these given factors and will them into being. The outcome shall bring limitless possibilities for our posterity and for building a greater and better Asia.

Before I end I want to express my gratitude to a number of people who have cooperated to make this dialogue possible. I want to thank the Hon Chief Minister, H.E. Tarun Gogoi for his keynote speech. My colleague and friend Sanjoy Hazarika for his tireless efforts to put together the program in Delhi and Guwahati. Without his helping hand and commitment this dialogue would have been impossible. His staff at the Centre for North-East Studies and Policy Research for all their assistance; and to all of you who have come from all the states of the Northeast to Guwahati for this dialogue. I want also to thank the Sasakawa Peace Foundation for their continued support of the ADS and in particular for their support of this particular event.

I cannot end without thanking my friends at the ADS. It was only three days ago my already small delegation was to be reduced even further when Dr Surin Pitsuwan, who led the delegation to the NER in January, and Prince Sukhumbhand had to cancel their participation because of some other unavoidable pressing appointments.

In the end things worked out. Both had made the supreme effort to sustain this dialogue on Shared Integration. Surin arrived in New Delhi at 3 am on the 21st and left at 11pm the same night after a full day’s programmes of meeting. Much as he wanted to be in Guwahati he had to return to Bangkok for the budget debate in the national legislative assembly.

Sukhumbhand arrived in Guwahati from Bangkok two hours ago to be with us this morning. I have given both of them sleepless nights and I apologize. But I salute their commitment to this dialogue on Shared Integration in Delhi and in Guwahati. Finally, I want to also thank two young people in the ADS team -Johnson Paul from Singapore and my assistant Karuna from Goa for their dedication and for standing by in the last few weeks in the preparation of this event. When the young people of Asia display such interest and spirit the prospect of a better Asia is indeed good.

The Asian Dialogue Society can be best described as a fellowship of citizens and friends of Asia. The ADS has a simple mission: to promote the idea of Building a Better Asian continent through dialogue and peaceful processes. We believe in the necessity of using ideas to challenge existing conventions. We should build an Asia that is better than her past and an Asia that is greater than herself. For this we want to work with men and women who share this idea in fellowship.

Indeed, it has been a privilege for the ADS to be associated with this work on the Northeast. We believe, rightly or wrongly, that the concept of shared integration will be good for the Northeast and for India and for the rest of Asia. It can be another building block of confidence building to bring peace to an area where peace has been illusive and to promote development in a more holistic basis so that the integrity of the people and their culture and ecology will also be preserved in a nexus of human security, cultural connectivity and green economy. As we said in the report our recommendations “are intended to unleash the potential of a region whose capacity far exceeds its imagination”. In a democracy that is India we also believe that the people of the Northeast have no less imagination and creativity than any other people. We in the ADS look forward to have a productive dialogue with you today and in the future and to promote a partnership between the people of Southeast Asia and the Northeast Region.

Thank you