



PROGRAM NOTES

JUNE 2010

Next Generation Fellowship Research Findings

The Next Generation Fellowship is a post-master's degree program designed to cultivate the next generation of Asian affairs specialists committed to and capable of bridging the gap between scholarly research and the needs of U.S. foreign policy.

Next Generation fellows gain first-hand experience working on NBR's policy research projects. Under the supervision of NBR project directors, the fellows are involved in the activities of an organization that conducts advanced independent research on strategic, political, economic, globalization, health, and energy issues affecting U.S. relations with Asia. As a signature element of the Next Generation Program, each fellow collaborates with a leading scholar to conduct independent research and produce an article of publishable quality. Fellows also participate in NBR's outreach to the policy community in Washington, D.C., through conferences, briefings, and meetings.

The 2009–10 fellows researched a range of significant policy issues. This summary features the main findings and policy implications from these independent research projects. Jared Bissinger examined the major catalysts of the surge in activity over the maritime boundary dispute between Myanmar and Bangladesh, and explored the likely avenues for resolution as well as the implications for the two countries and the region at large. Nilanthi Samaranayake investigated Sri Lanka's growing economic, military, and political ties with China as a case study in the larger discussion about the nature of China's deepening ties with countries in the Indian Ocean region.

2009–10 FELLOWS

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The Maritime Boundary Dispute between Bangladesh and Myanmar

Motivations, Potential Solutions, and Implications

After more than two decades of inactivity, the maritime boundary dispute between Bangladesh and Myanmar has resurfaced to become one of the most important bilateral issues between the countries and among the most militarily and diplomatically active border disputes in the world. The dispute represents a strategic and diplomatic challenge that will, at least legally, involve India and that has the potential to bring in China, countries that are separately courting both Bangladesh and Myanmar.

The recent push to delimit the maritime boundary between Bangladesh and Myanmar stems from two factors. First, there are strong prospects for newly accessible gas in the overlapping claims. Speculation about gas prospects results from advances in offshore drilling technology that allow exploration in new swathes of the geologically promising but disputed ocean. Second, there is heightened demand for natural gas by the two countries. The growing

demand for natural gas in Bangladesh, which has experienced power shortages, constitutes a major domestic political issue. Demand for gas has also grown rapidly in potential export markets, creating strong incentives for Myanmar to export gas in order to bring in foreign reserves and gain favor with countries such as China and India.

Bangladesh and Myanmar are actively pursuing a settlement through bilateral negotiations and the International Tribunal for the Law of the Sea (ITLOS). Both maritime baselines and the legal principles for defining the exclusive economic zones will be key issues in the proceedings.

Implications

- A maritime boundary agreement would allow Bangladesh and Myanmar to begin exploiting potential resources, which could help alleviate Bangladesh's gas crisis and bring more foreign reserves to Myanmar.
- Gas discoveries in Myanmar's newly delineated maritime territory will likely rouse competition for gas exports between China and India similar to competition over gas from the Shwe fields.
- Gas discoveries in the overlapping claims area offer the opportunity for Myanmar to create stronger economic, strategic, and political links with India.
- Development of energy infrastructure in northwestern Myanmar will disproportionately challenge the livelihood of the Rohingya.
- Some scope exists for regional multilateral organizations, especially the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), to help engender cooperation in the region.
- If settled through the ITLOS, the dispute could provide a legal precedent that affects future maritime boundary cases elsewhere.



"The maritime boundary dispute between Bangladesh and Myanmar has become one of the most important bilateral issues between the countries and among the most militarily and diplomatically active border disputes in the world."

— JARED BISSINGER

Are Sri Lanka-China Relations Deepening?

A Case Study of China's Involvement in the Indian Ocean Region

During the past few years, Sri Lanka and China appear to have forged closer economic, military, and diplomatic relations. While most observers expect Sri Lanka's ties to neighboring India to be stronger than those to distant China, Sri Lanka has welcomed Chinese investment in the construction of a port in Hambantota, received arms from China for use in its civil war, and been granted "dialogue partner" status in the Shanghai Cooperation Organisation (SCO).

High-profile moves such as these have unnerved analysts concerned about the rise of Chinese influence in the Indian Ocean. Consequently, news reports addressing bilateral relations have been filled with fleeting references to these developments based on anecdotal accounts and speculation instead of substantive data.

A systematic analysis of the trends in economic, military, and political relations between Sri Lanka and China reveals that bilateral ties have indeed been strengthening. Trade has been robust in recent years, and Chinese investment in Sri Lanka is also on the rise. For Sri Lanka, Chinese infrastructure development projects are attractive because they do not carry the types of preconditions required by Western entities such as the International Monetary Fund. In the military realm, China's arms sales to Sri Lanka have been increasing, with weapons exports jumping by roughly a seven-fold margin in the year prior to the end of Sri Lanka's 26-year civil war in 2009. Political relations have intensified as well, with more frequent visits by high-level officials. China's vital support of Sri Lanka in the United Nations following the country's civil war and the invitation for Sri Lanka to join the SCO as a dialogue partner underscore the growing importance of diplomatic ties.



"Sri Lanka's ties with China have been strengthening along economic, military, and political lines in recent years. This does not, however, imply strategic obligations from Sri Lanka to China going forward."

— NILANTHI SAMARANAYAKE

Implications

- While economic, military, and political relations between Sri Lanka and China have been tightening, concerns that Sri Lanka is moving into an expanding Chinese sphere of influence in the Indian Ocean region are premature.
- Economic ties, including high-profile infrastructure projects, will most likely continue on their upward path. Chinese investment is mutually beneficial and part of a larger pattern of infrastructure development in Sri Lanka that is being undertaken by a variety of countries and institutions.
- Following the conclusion of Sri Lanka's civil war, weapons imports from China are likely to decrease. The cash-strapped Sri Lankan government's postwar cancellation of a \$200 million ammunition order from China could portend the beginning of this decline.
- Observers should wait to see whether China will reciprocate with head-of-state visits to Sri Lanka. Meanwhile, China's diplomatic support of Sri Lanka in international forums such as the UN Human Rights Council has not yet been tested by protracted Western resistance and could yet falter as did China's support of Sudan.

Leadership Forum

The 2009–10 Next Generation fellows, together with other NBR fellows, organized several events for the Next Generation Leadership Forum, a professional development program designed to cultivate leadership through a series of seminars and discussions with scholars and policymakers. The curriculum serves to nurture promising Asia experts who can operate in both the academic and policymaking worlds, enabling their own potential as leaders in the field of foreign policy.

MAY 14, 2010

Events in Thailand and Implications for U.S. Policy toward Southeast Asia

Ambassador Darryl N. Johnson

U.S. Ambassador to Thailand, 2001–04

APRIL 12, 2010

Japan's Foreign Policy from the LDP to the DPJ

Christopher W. Hughes

Edwin O. Reischauer Visiting Professor of Japanese Studies, Harvard University, and Professor of Politics and Japanese Studies, University of Warwick

MARCH 12, 2010

U.S.-Bangladesh Relations

Ambassador James Moriarty

U.S. Ambassador to Bangladesh

FEBRUARY 10, 2010

Unleashing the Production and Consumption Power of China's 750 Million Rural Poor

Roy Prosterman

Founder and Chair Emeritus of the Rural Development Institute (RDI) and Emeritus Professor of Law, University of Washington

DECEMBER 1, 2009

Korea-U.S. Free Trade Agreement: Opportunities and Challenges

Minister Jong Hyun Choi

Minister for Economic Affairs in the Korean Embassy in Washington, D.C.

OCTOBER 5, 2009

Counterterrorism Cooperation in South Asia: Challenges and Opportunities

Ambassador Farooq Sobhan

President, Bangladesh Enterprise Institute

JULY 2, 2009

Bangladesh-India Relations: When Challenges Intersect with Opportunities

Ambassador Tariq Karim

High Commissioner of Bangladesh to India

For further information on the Next Generation Leadership in Asian Affairs Fellowship Program, contact:

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