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India's Eastern Policy in A Multipolar Asia: A Transition from Look East to Act East

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Abstract

The Look East Policy (LEP) can be succinctly characterised as an initiative aimed at fostering enhanced economic relations between the Indian subcontinent and the robust economies of East and Southeast Asia during the post-Cold War and post-economic liberalisation eras in India. "The LEP has evolved progressively over two decades through the execution of trade agreements, engagement in trade dialogues, and the establishment of numerous bilateral and multilateral partnerships between the Eastern and Southeast Asian regions." Nevertheless, in 2014, the Government of India instituted the Act East Policy (AEP), which superseded the LEP and signified a transition from a passive approach to a more proactive and outcome-oriented Look East Policy of India with respect to the economies of East and Southeast Asia. "The transformation from the LEP to the AEP encompasses three interconnected dimensions: economic, connectivity, and security." Prioritization of infrastructure development, particularly in the North Eastern Region of India, and the development of defence and maritime cooperation are the areas through which the "Act East Policy" is to be converted into reality. This change from "looking" to "acting" is an indication of the growing confidence and responsibility of India in the region.

Keywords: *Look East, Act East, liberalization, trade, North East, cooperation*

Introduction

Starting in the early 1990s, India began a consistent shift in its foreign policy toward Southeast Asia. The Look East Policy (LEP), officially introduced by Prime Minister P. V. Narasimha Rao's government in 1991, represented a long-term effort to more closely connect India with the rapidly growing economies of East and Southeast Asia following the Cold War's conclusion and India's economic reforms. The policy aimed to foster political, economic, and security collaboration with ASEAN and East Asian nations while reviving historical and cultural ties. Over more than twenty years, the LEP gradually expanded through trade agreements, dialogues, and multilateral partnerships. In November 2014, Prime Minister Narendra Modi's government introduced the Act East Policy (AEP) as a successor to the LEP, marking a transition from passive engagement to a more proactive, results-driven strategy. While the LEP focused on broad engagement, the AEP aimed to put this engagement into action through infrastructure development, increased trade integration, defence and maritime cooperation, and targeted efforts to connect India's North Eastern Region (NER) with Southeast Asia. The policy's objectives included accelerating connectivity projects such as roads, railways, and ports; enhancing people-to-people interactions; boosting trade and investment; and establishing a strategic presence in the Indo-Pacific.

Methodology

This research will be based on qualitative research with descriptive quantitative attributes. The sources used will include official government statistics on India-ASEAN trade, official government releases on the matter, peer-reviewed research, and policy commentaries. Some limitations will include the fact that the research will be based on secondary sources that are publicly available.

Evolution of India's Look East Policy: From Look East to Act East

The Look East Policy was initiated in 1991 and represented a significant shift in India's strategic and economic alignment towards the Asia-Pacific region post-Cold War. The transition from the Look East Policy to the Act East Policy reflects India's growing aspirations and responses to geopolitical shifts in Asia.

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Origin and Objectives of the Look East Policy

The Look East Policy was initiated in 1991 by the Indian Prime Minister P. V. Narasimha Rao in the context of the liberalization of the Indian economy and the disintegration of the Soviet Union. India aimed to enhance its international relations and engage in the rapidly developing Southeast and East Asian economies, which were moving ahead at a quick pace (Kumar, 2007). In its first stage, the policy was limited to economic diplomacy to enhance trade, investment, and technology links with the Association of Southeast Asian Nations (ASEAN). During the 1990s, India joined the ASEAN as a sectoral dialogue partner in 1992, as a full dialogue partner in 1996, and as a member of the ASEAN Regional Forum in 1996. This marked a major move in India's engagement in Southeast Asia and reflected its desire to get integrated into the broader Asia-Pacific economic grouping (Muni & Mohan, 2004). However, the engagement was cautious, incremental, and largely limited to the economic sphere.

Expansion of Look East Policy (Phase II)

In the early 2000s, LEP's second phase was initiated by widening its scope from merely covering Southeast Asia to include other significant and powerful East Asian economies such as Japan, Korea, and China. The scope of such engagements was further expanded to include strategic and security issues such as defence dialogue, naval exercises, and counter-terrorism cooperation (Mohan, 2014). In 2009, another significant achievement was reached by India through the finalization of the ASEAN-India Free Trade Agreement in Goods, followed by another in services and investments. Nevertheless, it was argued that LEP was not devoid of challenges in its implementation, particularly concerning physical connectivity and the development of India's North Eastern Region (NER), which was designed to serve as a gateway to Southeast Asia from India (Das, 2013).

Emergence of the Act East Policy

In 2014, the Indian Government, under the leadership of the current Prime Minister Narendra Modi, launched the Act East Policy. It was a significant move towards changing the paradigm from passive to more proactive. The change in the nomenclature from "Look" to "Act" was to highlight the significance of execution, delivery, and results (Ministry of External Affairs [MEA], 2014). Though the Act East Policy was an extension and improvement upon the existing Look East Policy, the new policy was more inclined towards connectivity, strategic partnerships, and people-to-people contacts. The Act East Policy also placed greater emphasis on the development of India's Northeast region as a strategic initiative and proposed the development of infrastructure projects connecting the region to Myanmar and Southeast Asia via road, rail, sea, and digital connectivity. Some significant initiatives such as the India-Myanmar-Thailand Trilateral Highway and the Kaladan Multi-Modal Transit Transport Project have emerged as integral parts of the policy. Furthermore, the AEP also brought India closer to the dynamic concept of the Indo-Pacific strategic discourse and enhanced defence and maritime cooperation with the ASEAN nations, Japan, Australia, and other regional players (Pant & Passi, 2017).

Continuity and Change from Look East to Act East

Although the Act East Policy indicates the continuation of the trend of the shift of the attention of India towards the East, it also involves considerable changes. The main focus of the Look East Policy was economic, and it was ASEAN-centric, while the Act East Policy is guided by strategic considerations, is multi-dimensional, and has a wider scope. The Act East Policy includes the economic, political, security and cultural aspects more comprehensively and is more suitable for the changing power balance of Asia, especially in the light of the rise of China's power. The success of the Act East Policy depends not only on the intentions behind the policy, but also on the political commitment, regional cooperation, and the capabilities of the institutions capacities.

Outcomes of the Look East Policy

The major economic objective of LEP was to link India with the growing economies of Southeast Asia and East Asia after the beginning of economic liberalization. One of the remarkable achievements of LEP was the creation of ASEAN-India Free Trade Agreement in Goods in 2009 and subsequently in services and investments in 2014. This led to lower tariffs and increased market access and encouraged cross-border investments (Das, 2013). As a result, the volume of trade between India and other ASEAN countries increased remarkably, indicating the success of LEP in repositioning India in Asia's new geography of trade. However, the economic outcomes of LEP were mixed and not robust in nature. Although the growth in trade was concentrated in certain sectors such as petroleum products, electronics, and raw materials, India continued to face trade deficits with a large number of ASEAN nations.

Economic outcomes of the Act East Policy

In the context of economics, the AEP is particularly focused on the development model fuelled by connectivity, regional supply chains, and the integration of the NER with the economies of Southeast Asia (Ministry of External Affairs [MEA], 2014). Major infrastructure projects such as the India-Myanmar-Thailand Trilateral Highway and the Kaladan Multi-Modal Transit Transport Project are critical to this strategy to reduce the cost of transportation, increase trade, and revitalize the economies along the borders. India has always strengthened its trade and investment ties with ASEAN through the AEP, as ASEAN remains one of India's largest trading partners.

One of the major economic consequences of the AEP is the development of the North Eastern Region of India. The AEP is seeking to transform the NER from being a remote landlocked area into a connected economic corridor through the development of connectivity and trade facilitation. The development of border trade points, the creation of integrated check points, and the development of the tourism sector are likely to create employment and stimulate private sector investments in the region (Das, 2018). However, the economic consequences of the AEP, although in its development stage, have not been achieved to the desired standard due to the delay in the development of infrastructure in the region, the political instability in the region, and the non-tariff barriers that have not been fully eliminated in the region. Moreover, the exit of India from the Regional Comprehensive

Economic Partnership (RCEP) in 2019 has led to issues of competitiveness and trade imbalances, which have shown that the development of deeper economic integration requires the development of domestic capabilities (Pant, 2020).

Strategic and Security Dimensions of India's Look East and Act East Policies

The 'Look East Policy (LEP)' and 'Act East Policy (AEP)' signify the two emerging stages of the Indian engagement with East and Southeast Asia, which not only cover the economic dimension but also the strategic and security dimensions. While the 'Look East Policy' initially started with diplomacy and economic cooperation, security issues gradually started to emerge in response to the changing dynamics in the region. While the 'Act East Policy' launched in 2014 has given much emphasis to strategic and security cooperation as integral parts of the policy, thereby linking the Indian engagement in the east with the Indo-Pacific region.

Strategic and Security Dimensions of the Look East Policy

In the initial stages of the 1990s, the main focus of the Look East Policy was the economic dimension, and there was little consideration given to security issues. However, with the progress of India's relations with ASEAN, the role of security issues gained prominence. An important milestone was achieved in 1996 when India was included in the ASEAN Regional Forum (ARF), which brought India into the security dialogue in the Asia-Pacific region concerning issues like confidence-building measures, maritime security, and counter-terrorism (Muni & Mohan, 2004). In the early 2000s, the Look East Policy was extended to include defence cooperation and maritime diplomacy with countries like Singapore, Vietnam, Indonesia, and Thailand. India's strategic engagement also reflected the concerns over the growing Chinese role in Southeast Asia and the Indian Ocean region.

Strategic and Security Dimensions of the Act East Policy

The Act East Policy marked an important shift in the country's foreign policy, moving from strategic and security cooperation in its engagement with Eastern countries. This policy was introduced in the face of growing geopolitical tensions in the Indo-Pacific region and reflects the need to consider maritime security, freedom of navigation, and defence cooperation (Pant & Passi, 2017). There has been an upgrade in defence cooperation with ASEAN member-states, particularly with Vietnam, Indonesia, and Singapore, through defence agreements, lines of credit, capacity development, and joint defence exercises.

As part of the Act East Policy, India's naval presence in the South China Sea and Western Pacific has been enhanced by participating in multilateral naval exercises such as the ASEAN Defence Ministers' Meeting-Plus (ADMM-Plus), and strengthening partnerships with other nations such as Japan and Australia. This reflects India's growing status as a security provider in the Indo-Pacific region, while at the same time strengthening support for ASEAN-centric security architectures (MEA, 2019). An important component of the Act East Policy relates to the linkages between connectivity and strategic security. Projects such as the India-Myanmar-Thailand Trilateral Highway and the Kaladan Multi-Modal Transit Transport Project are seen not only as economic corridors but also as strategic assets that enhance India's presence and security in its Eastern Neighbourhood (Mohan, 2019).

Challenges to India's Look East Policy

The 'Look East Policy,' initiated in 1991, was a major move in the foreign policy of India to reach out to the countries in the East and Southeast regions of Asia. Though the 'Look East Policy' has been able to achieve success in the area of developing the relationship with ASEAN and the Eastern countries in the region, the implementation of the 'Look East Policy' has been marred by several issues, which led to the development of the 'Act East Policy.'

Limited Infrastructure and Connectivity

One of the major challenges to the successful implementation of the Look East Policy was the lack of physical connectivity between India and Southeast Asia. The low level of infrastructure development, particularly in the North Eastern Region of India, was a major hindrance to the development of the region as a gateway to Southeast Asia, as envisioned by the government of India (Das, 2013).

Implementation and Institutional Weaknesses

The implementation mechanisms of the Look East Policy were not effective. There was a lack of coordination among various ministries and agencies, which led to a delay in decision-making (Mohan, 2014). There was a lack of an institutional framework to monitor the progress of the projects under the LEP, which led to the projects remaining only at the level of diplomacy.

Economic and Trade Constraints

Though the LEP helped to increase trade with ASEAN, India still faced the problem of trade deficits and the absence of export diversification. Indian industries were not able to compete with the more efficient industries of East Asian countries due to the higher costs of production, poor logistics, and regulatory issues (Kumar, 2007). Moreover, the absence of a strong domestic manufacturing sector and regional integration into regional value chains also reduced the potential of India to leverage the opportunities available in East Asian economies.

Security and Political Challenges

Security concerns in India's North East such as insurgency, border management issues, and political instability posed major obstacles to cross-border cooperation (Muni & Mohan, 2004). Additionally, political instability and governance challenges in neighbouring countries like Myanmar complicated India's outreach.

Strategic Ambiguity and Limited Security Focus

Yet another barrier was the strategic ambiguity of the Look East Policy. In spite of the strategic consequences of the dominance of China in Southeast Asia on India, the LEP took a strategic ambiguity that was careful and non-aggressive, which impacted the security presence of India in the region (Mohan, 2014). The economic diplomacy of the LEP was also lacking a strategic clarity of regional security, which impacted the strategic profile of India.

Policy Recommendations for India's Look East to Act East Policy

The change of the 'Look East Policy' to the 'Act East Policy' indicates India's resolve to move beyond merely stating its intentions to actually deliver in the area of regional integration with East and Southeast Asia. The policy suggestions that follow are intended to improve the effectiveness of the 'Act East Policy' by building on the groundwork set by the 'Look East Policy.'

Strengthen Connectivity and Infrastructure Delivery

Connectivity is also vital to the Act East initiative. India should prioritize the timely completion of vital projects like the India-Myanmar-Thailand Trilateral Highway and the Kaladan Multi-Modal Transit Transport Project. To achieve this, India must improve the effectiveness of its ministries and be willing to incorporate flexible project approaches that can easily change to accommodate the political volatility of the transit countries (Mohan, 2019). India must also increase the amount of multilateral funding to mitigate the risk and add credibility to the projects.

Deepen Economic Integration and Trade Facilitation

India must focus on building the quality of its trade engagement with ASEAN by addressing issues of non-tariff measures, logistics efficiency, as well as regulatory issues, which would improve the conditions of trade engagement for Indian companies to participate in the value chain of the region (Pant & Passi, 2017). On the domestic side, it is imperative to improve the competitiveness of manufacturing as well as the capabilities of MSMEs to unlock the potential of the East Asian region.

Accelerate Development of the North Eastern Region

This effectiveness of the Act East policy largely depends on the transformation of the Indian North Eastern Region into an economically connected hub. It requires the formulation of policies that incorporate the development of infrastructure with investment in human resources, trade facilities, tourism, and encouraging local business activities (Das, 2018). The engagement of the state government and the locals will enhance inclusiveness and social sustainability.

Enhance Strategic and Security Cooperation

India must continue to strengthen its defence and maritime ties with the ASEAN countries, without compromising the central position of ASEAN or its strategic autonomy. This can be achieved by stepping up joint training exercises, developing capabilities, and cooperating in the areas of HADR operations, which will instil confidence among the countries of the region (Muni & Mohan, 2004). Infrastructural projects must be seen as strategic assets, which must be matched by simultaneous diplomacy and security ties.

Improve Institutional and Policy Coordination

A focused Act East coordination system with clear accountability mechanisms should be developed to measure the progress, challenges, and synchronize the foreign policy goals with the domestic developmental agenda. Continuous policy reviews and data-driven evaluations would be beneficial to transform the aspirations of Act East into reality.

Conclusion

The shift from the Look East Policy to the Act East Policy reflects the substantial change that has taken place in the foreign and strategic policy of India towards East and Southeast Asia. Starting from the early 1990s, the policy has developed from an economic and foreign policy initiative to a more holistic and practical policy that covers all aspects of economic, connectivity, security, and people-to-people ties. The Look East Policy has provided the fundamental foundation through the integration of India with ASEAN regional institutions and the strengthening of economic ties. The Act East Policy attempts to overcome the limitations of the Look East Policy through the emphasis on the practicality of the policy, regional connectivity, and strategic cooperation, especially under the umbrella of the Indo-Pacific concept. By focusing on the development of infrastructure, especially in the North Eastern Region of India, the Act East Policy attempts to transform into reality from the limitations of the Look East Policy, despite the challenges of regional stability, infrastructure development, and economic competition.

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