



India's shift from Look East Policy to Act East Policy

Suman Paul, PhD Research Scholar, Department of Political Science, Assam University, Silchar, India.

Abstract- The domestic and international situation during the early 1990s compelled India to bring a shift in its earlier protectionist approach which resulted in underdevelopment, corruption, lack of infrastructure etc. That is why in 1991 the P V Narasimha Rao government decided to bring economic reforms and under this the government of India adopted the Look East Policy in order to look towards its East Asian neighbors via northeast. After a long period of time in 2014 the NDA government under PM Narendra Modi realized the changing regional and international scenario and therefore renamed the earlier LEP as the "Act East Policy". Under this new version of the LEP, government of India have now been given active focus on the development of India's northeast through increasing trade, economic, cultural cooperation with East Asia. Besides, one major cause for this modification is to contain China in this region. It is in this background the present paper focuses on the evolution of India's LEP and its objectives. The paper also throws light on the Objectives of the Act East Policy and the differences between these two.

Keywords: Look East Policy, Act East Policy, India's Northeast, ASEAN, China

I. INTRODUCTION

India's Look East Policy (LEP) is an important shift in its foreign policy which was adopted by the Government of India in 1991 under the prime minister ship of P. V. Narasimha Rao. This was the time when the Cold war ended and Soviet Union disintegrated. The world witnessed a new type of international order in which the United States of America became the only superpower. AT that time Indian government realized the need of the time because it was the time when India suddenly became orphan as earlier India could get any kind of help from the erstwhile USSR and now USSR disappeared from the world with the end of the Cold war. Therefore India decided to adopt a new shift in its foreign policy and started looking towards its eastern neighbors. The prime focus of the LEP policy was to shift the country's trading focus from the west and neighbors to the Southeast Asian nations. In 2003, the scope of India's Look East policy was expanded and included the East Asian nations such as - China, Japan and Korea. Trade and investment ties remained the most important elements. This policy remained the same till the formation of the NDA government in 2014 under the Prime Minister Ship of Narendra Modi who upgraded it to "Act East Policy". The "Act East Policy" was introduced at the East Asia Summit in Myanmar in November 2014. It is in this background the present paper focuses on the evolution of India's LEP and its objectives. The paper also throws light on the Objectives of the Act East Policy and the differences between these two.

Objectives

The paper has three major objectives;

1. To understand the evolution of India's Look East Policy;
2. To explain the objectives of the Act East Policy; and
3. To examine the differences between the Look East Policy and the Act East Policy of India.

II. METHODOLOGY

The study is entirely based on secondary sources. To meet the objectives of the study, data is collected from various secondary sources which include books, journals, newspaper reports, government websites, government records, and internet and so on. Various statistical data from authentic sources have been used to understand the ground situation. A descriptive method of analysis is followed to meet the objectives.

Domestic and International scenario in the early 1990s and the LEP

The beginning of the 1990s was a turbulent period for India. The country witnessed an unstable domestic environment characterized by increasing terrorism and insurgency, political instability, economic doldrums and financial crisis. The unstable domestic environment was compounded by an unfavorable regional environment. Although insurgency in Punjab had declined by the end of 1992, there was an increase in the number of violent activities initiated by insurgents in Jammu & Kashmir (J&K) and Northeast India.

Insurgent groups started to become active with the emergence of Sagiang Division of Myanmar as a safe haven for the insurgent groups of Northeast India, the underground smugglers market of Cambodia as an important source of arms ammunition and the drug smugglers market in the Golden Triangle, a border area comprising Laos, Myanmar, Thailand and Cambodia. This created threats to India's national security, and needed cooperation from the governments of these eastern neighbors of India in dealing with such threats. The 1990 Gulf crisis also made a negative impact on India's economy as it depended much on the 'Middle East' for oil and trade. During this period the political scenario of India was marked by instability as three successive governments were formed within two years. The withdrawal of BJP's support to the National Front government at the end of 1990 led to the collapse of that government. After the fall of the National Front government, a minority government with the support of the Congress Party was formed under the prime minister ship of Chandrashekhar. Within a few months the Congress Party withdrew its support which led to the fall of the Chandrashekhar Government and fresh elections held in June 1991. In this election, the Congress emerged as the single largest party with 232 seats and a Congress-led minority government with P.V. Narasimha Rao as Prime Minister, supported by some regional parties, was formed in June 1991. The new government was confronted with the mountainous task of putting the derailed economy back to tracks, restoring a stable political system and facing challenges created by globalization and the New World Order. It was in this background the government of India adopted the policy of economic reforms and the main objective of these economic reforms was to bring the economy back to the track by increasing foreign trade and Foreign Direct Investment (FDI).

Political and economic developments in different parts of the world during the early 1990s brought radical changes in the international relations, resulting in the emergence of an era of globalization. Globalization had increased integration of economies and societies and opened opportunities and challenges for both the global south and the global north. Globalization greatly intensified international competition and has given rise to a new wave of regionalism. Regionalism has proved to be an effective device to serve economic and commercial interests of nations in a particular region. In this changing political and economic context, India needed to smoothly examine the evolving international situation and take timely steps to adjust its policies in order to achieve its national interest. Therefore, India directed its foreign policy on three important objectives: 'Maintaining the territorial integrity of India, ensuring its security by establishing peace and stability in the region and to build a framework for a healthy external economic environment'. In the South Asian region, India and its neighbors made attempts for regional cooperation. The South Asian Association for Regional Cooperation (SAARC) which was established on 8 December 1985 aimed at economic and social cooperation among the seven member states. But over a period of time it was realized that several issues prevented the SAARC to become a successful regional organization.

In 1991, the Soviet Union collapsed and brought huge implications for India. The former Soviet Union (the Union of Soviet Socialist Republics) had been a time-tested partner of India. It supported India by ensuring supply of arms, petroleum and to some extent economic assistance. It was also a leading trade partner and a big market of Indian consumer goods. Besides, the Soviet Union had always stood in favor of India diplomatically. Collapse of the USSR created tension for New Delhi as it could no longer rely on Soviet diplomatic support at the Security Council of the United Nations (UNSC). Thus, India went under international pressures like disarmament, non-proliferation and the Kashmir issue. The collapse of the Soviet Union was therefore a big loss for India in political, strategic as well as economic terms.

With the end of the Cold War globalization and free market economy became popular and thus economic factors became a major factor in international relations. Since the international status of a country depends much on its wealth, by the end of 1991, Prime Minister Narasimha Rao asked MEA (Ministry of External Affairs) and its officials abroad to focus more on the economic aspects of India's external relations. Hence, economic diplomacy became the new trend in India's foreign policy. Belatedly, the Indian policymakers realized that China already started in opening up, reforming and developing its economy

ahead of India and strengthening its political and economic ties with Southeast Asian countries. It was also realized that unless India took steps to reduce China's influence in the region and develop similar linkages with the political leaderships, economies of this region, it would find itself in a degraded position in the near future. In April 1995, Gautam S. Kaji, one of the managing directors of the World Bank, expressed that, "Certainly, the East Asian nations are still grappling with some of the same problems as India, albeit on a lesser scale. But they have demonstrated with the right commitment, it is possible to move very far. With the same kind of commitment, I am convinced that there can be an 'Indian miracle'".

The Look East Policy (LEP)

Because of the above compulsions, the Look East Policy was officially launched by the government of India in the year 1991 under the Prime Ministership of Narasimha Rao. The term 'Look East Policy' was mentioned for the first time in the Annual Report of the Ministry of External Affairs in 1996. I.K. Gujral once stated that "What look east really means is that an outward looking India, is gathering all forces of dynamism, domestic and regional and is directly focusing on establishing synergies with a fast consolidating and progressive neighborhood to its East in the Mother Continent of Asia ". The Look East policy is thus a result of various compulsions, changed perceptions and expectations of India in the changed international environment.

Initiation of the Look East policy in 1991 had shown a rapid progress in bilateral relations between India and ASEAN (Association of SouthEast Asian Nations) members. India's linkage with ASEAN member countries was upgraded to a Sectoral Dialogue Partnership in March 1993, mainly in three areas - trade, investment and tourism. In December 1995, India-ASEAN relations were upgraded to a Full Dialogue Partnership at the fifth ASEAN Summit in Bangkok. This increased the interactions between ASEAN and India from the senior official to the ministerial level. At the ASEAN Post Ministerial Conference in Jakarta in July 1996, ASEAN and Indian ministers expressed a vision of a shared destiny and intensified cooperation in all fields, specifically infrastructure, human resource development, science and technology and tourism, among others.

The increased cooperation between India and ASEAN strengthened not only economic ties but also security linkages, resulting in India's admission to the ASEAN Regional Forum (ARF) in 1996. The ARF is significant for security cooperation in the Asia-Pacific region in which global and regional security issues, as well as disarmament and non-proliferation issues, are discussed. India's admission to the ARF ensures the acceptance of its role and position in the Asia-Pacific region.

In 2002 India-ASEAN relations were upgraded to a Summit Level Partnership and India became one of the four ASEAN Summit Level Partners along with China, Japan and Korea. In the Second India-ASEAN Summit that was held in October 2003, India and ASEAN signed the Framework Agreement on Comprehensive Economic Cooperation. In 2003, the scope of India's Look East policy was expanded and added the East Asian nations, China, Japan and Korea. Trade and investment ties remained the most important elements. Finally in August 2009 India signed a Free Trade Agreement (FTA) with 10 members of the ASEAN. On 29 September 2003 the then Indian Foreign Minister Yashwant Sinha in his speech on 'Resurgent India in Asia' at Harvard University, stated that, "In the past, India's engagement with much of Asia, including South East and East Asia, was built on an idealistic conception of Asian brotherhood, based on shared experiences of colonialism and of cultural ties. The rhythm of the region today is determined, however, as much by trade, investment and production as by history and culture. That is what motivates our decade-old 'Look East' policy."

Objectives of the Look East Policy

Following are the major objectives of India's Look East Policy;

1. Regional Integration

The prime objective of India's Look East policy is economic integration with East and Southeast Asia. Under this policy India realized that its East Asian neighbors achieved rapid economic development and that it was lagging behind. According to G.V.C. Naidu, India relied on three approaches to forge regional cooperation under its Look East Policy. They are:

- a. To restart political contacts with the ASEAN member countries;

b. To increase economic linkage with Southeast Asia through increase in trade, investments, science and technology and tourism; and

c. To promote defense links with many countries of this region to strengthen political understanding.

2. Reform and Liberalization

The Look East policy is one aspect of India's economic reform and liberalization in 1991. It wants further reforms to liberalize India's trade and investment in order to ensure deeper economic integration with East and Southeast Asian nations. Thus, India wants to reduce trade barriers and liberalize the foreign investment. In 2005 India signed a Comprehensive Economic Cooperation Agreement with Singapore. India has also concluded a number of pacts with Thailand and Singapore. In 2009 India signed a Free Trade Agreement with the ASEAN members.

3. Rapid Economic Growth

Over the period of time, Look East policy as a foreign policy alternative provided a development alternative as well with the globalization and the resurgence of Asia as an economic powerhouse. Once Prime Minister Manmohan Singh stated that, "it was also a strategic shift in India's vision of the world and India's place in the evolving global economy". It is a fact that only with the formulation of the Look East policy in 1991, India started giving East and Southeast Asian regions due importance in its foreign policy making. Thus East Asia's growth was an important cause for India's engagement with the East Asian economies.

4. Development of the North-eastern Region

The Look East policy also aimed at reducing India's internal development disparity. The North-eastern states for a long time had been suffering from economic underdevelopment and this gap has increased since independence. The sense of neglect has led to various forms of unrest in the region. Under the Look East policy, India for the first time sees the region as a gateway to East Asia and by linking the North-eastern region with Southeast Asia through a network of pipelines, road, rail and air connectivity. It is believed that these steps would initiate economic development and help the eight North-eastern states to develop infrastructure, communication, trade, investment, logistics, agro-business and other commercial activities.

Look East to Act East

India's 'Act East' policy is a diplomatic move to promote economic, strategic, and cultural linkage with the Asia-Pacific region. The Act East policy is regarded as the modern version of the Look East Policy that was launched in 1991 by the then Prime Minister P.V. Narasimha Rao. In 2014, the NDA government under Prime Minister Narendra Modi upgraded the LEP to "Act East Policy". This was launched at the East Asia Summit in Myanmar in November 2014. India's "Act East Policy" is primarily based on 4 C's – Culture, Commerce, Connectivity, and Capacity Building. For PM Narendra Modi, India's vision for the region is SAGAR – Security for All and Growth for All.

Objectives of the "Act East Policy"

The Act East Policy wants India's more active role in the following areas;

1. To promote economic, cultural and strategic relationship with nations in the Asia-Pacific region through continuous engagement at regional, bilateral, and multilateral levels.

2. To increase the interaction of the North-Eastern states India's Eastern neighbors through physical connectivity, infrastructure development, development of trade etc.

3. To discover the alternatives of India's traditional business partners and more focus will be on the Asia-Pacific countries along with the Southeast Asian nations.

4. To contain China through curbing its increasing influence in the ASEAN region. Trade between **India and ASEAN increased up to \$71.6 billion in 2016-17** from \$2 billion in the early '90s. On the other hand, trade between **China and ASEAN stood at \$452.31 billion in 2016**.

5. Many experts are of the view that under the “Act East Policy” the government of India is relying on the **4 C's (Culture, Connectivity, Commerce and capacity building)** to develop better relations with the ASEAN member countries and others in the Asia-Pacific region.

Difference between Act East Policy (2014) and Look East Policy (1991)

Some of the major differences in the ‘Act East’ Policy and ‘Look East’ Policy of India are mentioned in the below,

1. The Look East Policy was launched in 1991, whereas the Act East Policy was launched in 2014.
2. The LEP was launched by the Congress led minority government under the Prime Minister ship P V Narasimha Rao. On the other hand, the Act East Policy was launched by the NDA government in 2014 under the Current Prime Minister of India – Narendra Modi.
3. India had a very fragile economy when Look East Policy was launched, due to the 1991 Economic crisis. India was in a transition phase to a liberalized economy. On the other hand India was in a very favorable economic condition while the “Act East Policy” was launched in 2014.
4. The LEP has focused more on boosting economic co-operation with India’s Eastern neighbors. On the other hand, the Act East Policy has its focus more on boosting economic co-operation, building infrastructure for greater connectivity, and importantly strategic & security ties with the countries in the Asia-Pacific region.
5. During the late 1990s the Indian economy was heavily dependent on the erstwhile Soviet Union, but the fall of the Soviet Bloc compelled India to look at alternative regions mainly South East Asia to sustain the economy. India could realize that there was immense scope for growth in the region, as Japan and China had already become major economic players in the region. It was in this situation the LEP was initiated by the then Indian government. On the other hand, the Act East Policy was initiated to tackle the changing Geo-political scenario due to dominance by China, in the South China Sea and its increasing influence in the Indian Ocean Region.
6. Under the Look East Policy, the government of India also focused on promotion of trade and investment relations with Southeast Asian countries. At that time there was not much focus on Quad – India, USA, Japan, and Australia or up-gradation to the strategic partnership with other nations in the region. Furthermore the Act East Policy has a greater strategic and political angle to the cooperation. Under this policy India has been improving relationship with Japan, South Korea, Vietnam, Malaysia, and Australia. These relationships have been upgraded to a strategic partnership to counter the dominance of China in the entire region.
7. Under the Look East Policy historical ties between India and ASEAN were not given much prominence and therefore not capitalized in this policy. But the Act East Policy has been focusing more on historical, cultural, linguistic, and religious ties with the ASEAN through more people-to-people exchanges.
8. Another difference between the LEP and the Act East Policy is that under the LEP India’s North East was neglected in its plans of forging deeper ties with East Asia whereas the Act East Policy has given stress to the development of the North East region. India believes that the North East region of India can be the gateway to East Asia and Southeast Asia.
9. Under the Look East Policy India did not focus much on developing infrastructure in other countries but under the Act East Policy India is collaborating with Japan in developing infrastructure in Sri Lanka, Myanmar, and Bangladesh and other Eastern neighbors of it.
10. The Look East Policy did not much focus on defense cooperation with its Eastern neighbors but with the emergence of the Act East Policy India has been paying Greater focus on defense cooperation with its neighbors in the Southeast Asia and beyond.

III. CONCLUSION

The above discussion states that there were several causes for the adoption of the Look East Policy by the Indian government in 1991. During the early 1990s both the domestic and international environment compelled India to look for an alternative and therefore India's foreign policy took a turn and started looking towards its east for achieving its economic development. Further in 2014 the NDA government under the Prime Minister ship of Narendra Modi realized the need for an active role of India through its active involvement in developing economic, cultural, strategic, defense cooperation with the South East Asian countries and beyond. One of the major causes for adoption of the Act East Policy is to counter China by reducing its influence in SouthEast Asia. The Act East Policy is just a modern version of the erstwhile Look East Policy of India. Under this Act, the East Policy government of India has now been taking several steps to develop the north eastern states as the northeast under the LEP is regarded as the gateway to SouthEast Asia. One of the significant differences between the Look East and the Act East is that under the Act East Policy the government of India has provided much focus on infrastructure development in India's northeast to ensure its physical connectivity with East Asia. Besides under this policy the Indian government has been seeking to establish defense cooperation with its Eastern neighbors mainly to ensure its security threat from China.

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