India’s ‘Act East Policy’ Potential: Implications: Opportunities and Challenges

Mr. Sartaj Ahmad Wani (Ph.D. Research Scholar DAVV Indore M.P)
Email Id: wanisaratj01@gmail.com

Dr. Lata Mansare (Associate Proff. Political Science Govt. College Mandleshwar M.P)
Email id: hegemankhr@mp.gov.in

Abstract:

The main objective of this paper is to provide the concept of India’s ‘Act East Policy’ Potential: Implications: Opportunities and Challenges. One of the most noteworthy aspects of India’s ‘Act East Policy’ Strategy has been the lack of any specific articulation about it from the Indian establishment. India’s Look East Policy required to be undertaken as more vigorous. Keeping this, the Look East Policy was malformed into ‘Act East Policy’ with a view it more action oriented by the active policy makers and planners. The ‘Act East policy’ strategy is becoming gradually more distinct from Look East policy in its larger geographic scope and greater strategic strength. The wider geographic scope of the strategy and its expansion beyond South East Asia (SEA).

Key words: Act, East, Policy, Potential, Implication, opportunity, Challenge.

Introduction:

One of the most sticking and noticeable aspects of the “Act East Policy” strategy has been the lack of any precise articulation about it from the Indian establishment. This could well be due to the strategy being an embryonic one. Apart from its own evolution through the Indian strategic prism, Act East Policy (AEP) clearly is trying to take note of the brisk and multifaceted development in the region, predominantly changes in the economic and security dynamics. A more stout foreign policy driven by the convention that geostrategic influence is a function of the length and depth of economic success achieved by the Indian makes the Act East Policy a different instrument from its precursor, the Look East Policy (LEP). As India looks to expand economic ties with countries to its East, it is also enlarging the domain of the East to move beyond Southeast Asia and create a strategic vision for the greater Asia-Pacific. This was hardly the objective of the Look East Policy, which had restricted itself almost entirely to the architecture of Association of Southeast Asian Nations (ASEAN) and focused on interaction with individual Southeast Asian countries. While not neglecting Southeast Asia in any respect, the Act East Policy approach is expected to strengthen India’s strategic engagement with China, Japan and South Korea, Australia and New Zealand and the Pacific Islands as part of the broader
strategy for engaging the Asia-Pacific region. In this respect, Act East Policy could be an effort to correct India’s past overlook and lack of strategic vision for the Asia-Pacific.

Historically, India has long exerted a substantial cultural influence over East and Southeast Asia as their native land of Buddhism. The British used India as the principle strategic base for its colonial presence in the rest of Asia (Muni 2011) making India highly integrated as the region’s economy. In the period after gaining independence in year 1947, India’s new leaders sought to rearrange Indian foreign policy from that of its colonial masters; to assert a leadership role in international system—despite its developmental challenges-based on India’s size and civilizational inheritance; and to preserve the country’s new found autonomy despite growing pressure to do otherwise. In the inter war period, Indian nationalist leaders like M.K. Gandhi promoted the ideas of a universal Asian identity in opposition to the west based on ideas and non-violence, Hindu spirituality and Buddhist spirituality, anti materialism and communal solidarity over individualism. It was thought that this identity could then be drawn upon to unite the region in the common pursuit for colonial liberation under Indian headship.

As Asia was alienated on cold war lines, India’s capability to exercise leadership in the region based on common Asian identity fell away and so did its economic association with the region. This was exacerbated by New Delhi’s domestic assure to developing semi-socialist economy that is an economy, which had capitalist elements but was also moderated by the communal ownership of resources, a heavy dependence on state-owned enterprises in important sectors such as banking and manufacturing, widespread subsidization of all important goods and services and as focus on developing self-sufficiency in means of production.

These features meant that India’s economy was inward focused and thud became marginalized from the boom in trade and investment between Asia’s maritime countries such as Japan, South Korea, Singapore and Malaysia. In terms of external trade and investment, between 1964 and 1984, the USSR and India had a strong economic relationship. India was the largest non-communist recipient of USSR aid, and its largest trading partners in the developing world. As a consequence of these policies, for almost 40 years after independence, India suffered from what many derogatively termed the ‘Hindu rate of growth’ were per capita GDP growth per year averaged about 1.3 %.

Autonomy in post-cold war context meant a number of things: ensuring no one state came to dominate economic and political relations in the Asian region, as well as globally; establishing strong ties-short of alliances-with states with common interests and similar perspective in different global power centers; defending open access to key markets and securing opportunities for trade growth; securing India’s strategic supremacy over the ocean and defending a sphere of influence on its South Asian neighborhood; and establishing the means to secure recognition of India’s status as the Hegemonic power.
India’s Look East Policy, launched in year 1992, which aimed to establish deeper and closer ties with countries of Asia, would be means to achieving these aims.

**Potential of India’s ‘Act East Policy’:**

The economic integration of India in the region has improves, but its potential has yet to be realized. The greater scope for an prolonged role for India is clearly in terms of its capacity to play a soft harmonizing role to manage the rise of China. India could assist the strategic players by exerting additional costs and constraints on China to discourage behavior that disrupts and undermines the normative and strategic basis of Asia’s regional order. India’s own strategic culture may be the greatest obstruction to it playing this role. India’s aversion to obligation has consequences for how much can be expected of it in terms of physically challenging Chinese assertions of sovereignty in the South China or East China seas. New Delhi’s priority is maintaining a naval advantage in the Indian Ocean, and securing recognition of a sphere of influence there, and genuinely appears committed to defending free an open access to these waters for trade. Beyond this geographical theatre, however, it is unclear how committed it will be as a partner of Association of Southeast Asian Nations, Japan, South Korea or the united Sates should conflict arise. The participation of the Indian Navy in bilateral exercise with Japan and the annual Malabar exercises with both Japan and the United States in the sea of the Japan and the western Pacific Ocean certainly suggests contemplation of a wider role, but this has not yet been tested other than rhetorically in the regions institutions. With its history of Non-Alignment and commitment to strategic autonomy. There would be doubts about how convincing India will be as a security partner in a time of conflict. For now, however, as part of its own strategy of ambiguity and soft-balancing India is not keen to commit unambiguously to taking any role in testing China’s self-assured claims. It clearly sees the US as shouldering the major burden in terms of maintaining peace and stability in the South and East China Seas.

India is extensively considered to be a major power and of the key stakeholders in the emerging security dynamics of South and East Asia. Because of the India’s Look East Policy, over its 20 years it has become well-established as a nation of economic, diplomatic and strategic consequences in the region. India’s role in East Asia taking shape; whilst not yet a substantial economic force, its military capabilities and common interests with states in Asia in defending the existing norms of the regional order, have raised expectations about the role it can and should play if tension continues to rise. The basic aim of this is to preserve the existing norms of Asia’s regional order, particularly freedom of access to the maritime commons, and the resolution of disputes peacefully using accepted legal principles. Whilst major conflict is far from certain to arise over these disputes, India’s greater eagerness to diplomatically, defend established principles of regional order under the headship of Indian PM Narendra Modi, has raised
expectations that India will be willing to go beyond rhetoric. India’s strategic culture and preference for strategic autonomy make it an unreliable partner for this kind of endeavor.

Implications of India’s Act East Policy:

As the ‘Act East Policy’ takes the shape, the ties of India with Southeast Asian Nations poised to shift new curve. The NDA government under the leadership of Modi plans to constructively engage the Asia Pacific and plays a great role in regional affairs are expected to appreciably influence regional dynamics. The main potential spheres of influence are.

Regional Economic Architecture:

Several important upcoming sets of architecture are going to control the economic landscape of Southeast Asia and the Asia-Pacific in the coming years. The Trans-Pacific Partnership (TPP)—an ambitious FTA aiming to achieve seamless movement of goods and services through deep domestic regulatory convergence and new trade governance systems—has been signed by 12 APEC members, including four from Southeast Asia, and is awaiting ratification. The Trans-Pacific Partnership will have a significant impact on Southeast Asia by drawing parts of it into tighter and building US style Free Trade Area (FTA) trade compacts, as opposed to ASEAN-style trade agreements that allow for greater special and differential treatment to the members. The TPP has been accompanied by RCEP, which, while having much moderate trade liberalization ambitions, is modeled on the ASEAN-style FTA’s. The RCEP negotiations are at an advanced stage. Alongside the TPP and RCEP, trade discourse in the Asia-Pacific has been increasingly dominated by the vision of a free Trade Area of the Asia-Pacific (FTAAP).

Territorial Disputes:

India’s increasing posturing over the tensions in the South China Sea can be taken as an example of the “multi-alignment” likely to characterize its Act East Policy. While not subscribing to the formation of an anti-China alliance on the South China Sea, India is clearly keen on multi-alignment in the region through deeper engagement with various actors. Many signs are visible in this regard. These include extending diplomatic support to the Philippines and its decisions to approach the Permanent Court of Arbitration in its dispute with China over claims to island in the South China Sea—reiterating the importance of settling maritime territorial dispute through established multilateral processes and cooperating with Vietnam in exploring offshore oil production possibilities. Indian Prime Minister Narendra Modi’s exhortation on securing the seas at his recent address in Singapore reflects India’s intentions of playing a major role in the regional maritime space, both in the Indian and in the South China Sea.
A more active India in the South China Sea will likely add greater complexity to the already fragile strategic dynamics of the region. India is unlikely to play a non-committal role as it had previously, given the economic importance to the South China Sea in expanding the countries trade and business with Southeast and East Asia, particularly Japan and South Korea, but China also. Strategically, a more proactive role in the South China Sea might also be a response to the similarly proactive role of China in the Indian Ocean manifesting through the proposed Maritime Silk Road Imitative (MSRI; as a part of the OBOR initiative), connecting the Chinese coast of Europe through the South China Sea, Indian Ocean and Persian Gulf. The articulation of concerns over disputes in the South China Sea makes a significant departure from past Indian policy and displays the regionally proactive dimension of Act East Policy.

**India and ASEAN:**

It is uncertain whether ASEAN will be entirely comfortable with India making its presence felt more forcefully; in Southeast Asia and the Asia-Pacific. Many opinions within Association of Southeast Asian Nations though have been keen in a more proactive India in the region, primarily with the objective of counterbalancing the powerful strategic influence of China. The China’s strategic influence has led to the emergence of major divisions of opinion within Association of Southeast Asia Nations (ASEAN), within members failing to agree as to whether to mention China and South China Sea disputes in official ASEAN statements. While India’s larger say in regional affairs might see it contributing more to major regional matters-like natural disaster management and healthcare-it might also see Southeast Asia (SEA) becoming a tenser region, with some countries beginning to engage India more actively to pressure China. This might test the cohesiveness of Association of Southeast Nations (ASEAN) fathers.

As long as India was content to play role limited to peripheral issues of the region, SEA did not have to worry much about its strategic impact. The Act East Policy may introduce major shifts in this respect. Greater strategic proactivity by India would require ASEAN to study carefully the impact of such proactivity. The key imperative in this regard would be to arrive at a regional consensus on engaging a more proactive India-a consensus that might be rather difficult to arrive at.

**Opportunities:**

The Act East Policy offers enormous opportunities for the Northeast region of India needs to be tapped in a systematic manner for the development of this region. The Northeastern region of India is abundant with natural resources like oil, coal, forest products, natural gas, limestone, tea, rare herbs and medicine value plants. The whole region of Northeast region of India is one of the hotspots of global biodiversity constituting approximately near about half of the country’s total biodiversity. At the same
time the region of India’s Northeast holds one fifth of the country’s total hydrocarbon reserves and is highly affluent in hydropower reserve. There is tremendous potentialities in the region of India’s Northeast to develop industries based on agriculture, plantation products; horticulture, handicrafts and handlooms, herbal industries, pharmaceutical, IT and electronic industries, hydro energy projects, mineral and food processing industries, engineering and allied industries. It is quite relevant to mention that the said region shares approximately 98% of its land border with countries of Bangladesh, Bhutan, Nepal, China and Myanmar. Therefore, the land border potentialities of Northeast region of India could be effectively tapped to argument cross border trade and commerce.

Trade in services is another possible area between association of Southeast Asian nations ‘ASEAN’ and India’s Northeastern region. Health care, education, hospitality and tourism sectors provide great potential for cross border collaboration. Moreover, this sector through backward linkages can generate trade in transport, communication and other related areas. The Act East Policy (AEP) would promote regional and sub-regional cooperation in South and Southeast Asia. It would enable India’s Northeast to collaborate with ASEAN nations association, Mekong Ganga Cooperation Project (MGCP) and Bangladesh-China-India-Myanmar (BCIM) forum regional and sun-regional cooperation in the field of trade, transport, technology, automobile, machineries, electronics, petrochemicals, herbal, agro-horticulture, tourism, culture, education, banking and tourism by harnessing their respective software and hardware resources for a meaningful bilateral or multilateral venture. The policy would generate growth triangles in the region. Growth triangles are formed because of different comparative strengths of contiguous regions by capitalizing their natural resources, technology, finance and human resources.

Challenges:

Some of the noteworthy challenges to Act East Policy (AEP) are as follows:

1. The Act East Policy (AEP) leverage upon Northeast India to act as a connecting bridge to connect the Southeast Asian economies. However, even after more than seventy (70) years of independence of India, the Northeastern region still remain isolated and underdeveloped, difficult terrains, low infrastructure, insurgency and ethnic violence still remain a tremendous challenge.

2. As for India is concerned in connection of Southeast Asia, Myanmar is the gateway to the South East Asia. However at the same time Myanmar remain politically unstable from long period of time, strife torn and underdeveloped is one of the serious challenges before the policy.

3. China has capitalized the opportunities of delayed implementation of projects by India. During the past decade specially, China has made a substantial influence in the region. For every move, India has to be wary of China.
There is an apprehension that drugs and small arms might sneak into Northeastern region of India jeopardizing the peace and stability of the region. Myanmar, located in the opium producing golden triangles, acts as a land bridge to such regional and sub-regional cooperation and in the event of cross border trade, it may be transformed into a potential drug cartels use about thirty trafficking routs.

**Conclusion:**

The Act East Policy is becoming gradually more distinct from the Look East Policy in its larger geographic scope and greater strategy depth. The wider geographic scope of the policy and its extension beyond Southeast Asia has most likely been motivated by the realization on the part of India that a strategic vision for Southeast Asia is not exclusive of a similar vision for East Asia and the Pacific-Asia. Similarly, strategic views of the latter cannot be constructed without corresponding vision of Southeast Asia. The non-exclusive is a result of the character of the regional dynamics that is intricately connected between countries and sub-regions. For India, it makes distinguished sense to have a holistic strategic vision of the Asia-Pacific rather than confining itself to limited parcel views.

Taken collectively with the expensive geography, the greater strategic content of Act East Policy approach, predominantly the security module leaves the minor doubt about India’s seriousness in working hard on its ambition to become a major regional actor. There are major implications are likely to be on the political and economic balance of power in the region. The nature of these implications will become noticeable over time as strategic complications untie.

The India’s action oriented Act East Policy initiative is highly expected to deepen the India’s connection with SEA region on a multiplicity of issues. In this respect, the engagement with Association of Southeast Asians Nations is likely to alter to that of a wide-ranging tactical connection, similar to those that India has already begun striking with several nations in this province. While bilateral issues might condition the character of many of these affairs, association of ASEAN needs to look after to adjust to India as a strategic partner.

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