

# KEY TAKEAWAYS



## India's Look East - Act East Policy: A Bridge to the Asian Neighbourhood





# FOREWORD

India's Look East policy has always been crucial from the point of view of collaborative growth and development in Southeast and East Asia. For this to become a reality, discussions and dialogues are necessary between relevant stakeholders, including policy makers, across borders.

This publication aims to provide key takeaways that emerged from the deliberations that took place during the International Relations Conference 2014 titled "India's Look East- Act East Policy: A Bridge to the Asian Neighbourhood" that the Symbiosis Institute of International Studies organised with the support of the Public Diplomacy Division of the Ministry of External Affairs, Govt. of India. These meaningful insights could potentially inform the evolving 'acting east' contours of India's Look East Policy.

We also hope that this publication serves as a basis for developing research agendas by scholars, students and academicians around the key elements of this important area of India's foreign policy.

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## EXECUTIVE SUMMARY

The International Relations Conference 2014 titled “India's Look East – Act East Policy: A Bridge to the Asian Neighbourhood” was organized by the Symbiosis Institute of International Studies with the generous support of the Public Diplomacy Division of Ministry of External Affairs, Government of India, on 13-14 December 2014 at the Symbiosis International University campus, Pune, India.

The Symbiosis International University (SIU) chose India's Look East Policy (LEP) as the theme for its second International Relations Conference even before the Narendra Modi Government won the general elections of 2014 and decided to make India's neighbourhood and South and East Asia the focus of its foreign policy thrust.

This fortuitous convergence of ideas and interests between the University and the Union Government, particularly the government's intent to more proactively engage with its South and East Asian neighbours and to not merely 'Look East' but also to 'Act East,' provided the conference a certain salience that gave relevance and immediacy to its deliberations. The SIU conference theme also evolved, to become 'India's Look East-Act East Policy: A Bridge to the Asian Neighbourhood.'

The discussions revolved around the enormous potential in enhancing relations with a region with which India shares deep-rooted civilizational, historical, cultural and economic linkages, over land and water. Underlying these bonds and an intricate web of rail, road, and maritime links, currently being forged, is a vision of an Asian century, which is increasingly becoming real with the ongoing shift in the economic powers from the West to the East. There is a lot at stake in the flowering of the Asian dream; it is about the rising hopes and aspirations of the people of India and of the South East Asian region, who are yearning to assert their position in a swiftly-changing world.

The conference focused on the neighbourhood beyond our eastern borders, and on the North Eastern states of India, a part of the country that stands to benefit most directly from improved communications and connectivity with South and East Asia. The development of the North Eastern states of India was, in fact, at the core of the LEP when it was first formulated in the early 1990s. This was to serve as a bridge not only between India and South East Asia, but also between New Delhi and the North East region of the country.

The synchronicity helped the galaxy of eminent participants to provide suggestions on and solutions to some of the issues that have created hurdles to the improvement of relations between India and its neighbours.

These suggestions could be taken on board by the government's participating ministries, like the Ministry of External Affairs and the Ministry of Development of North Eastern Region as they fine tune their policies. These recommendations will also open up areas of more targeted research for the University to pursue.



# INTRODUCTION

The Look East Policy (LEP) was a course correction of India's foreign policy necessitated by new geopolitical dynamics and economic trends in the Asia-Pacific following the end of the Cold War. The purpose was to revive both political ties and build economic linkages with Southeast Asia. There has been a consensus in India cutting across the political lines in support of the LEP which has focused on re-establishing better politico-security understanding and economic cooperation.

The first phase of India's Look East Policy was ASEAN-centered and focused primarily on trade and investment linkages. The second phase was characterized by an expanded definition of 'East' extending from Australia to China and East Asia with ASEAN as its core.

The LEP was not formulated to solely improve relations with South East Asia. The multi-pronged approach on which the LEP is based on provides opportunities to do much more. One, establish bilateral relations with individual countries of the region, build strong political ties with the ASEAN and countries of East Asia and also establish India as a strong economic player within the region. Two, the LEP seeks to find a place for India on the larger Asia-Pacific scenario where it will seek to play a strategic geopolitical role. Three, project India as a viable partner for trade and a favorable destination for investments. And last, the LEP also provides a roadmap for integrating the long neglected North East region with the rest of India and the opportunity to bring neighbouring countries like Bangladesh, Nepal and Bhutan in its ambit.

India has made progress in all the four aforementioned areas. Today, the country is a part of a number of regional and sub-regional groupings to facilitate trade and investments in the South East Asian region; it has signed the Free Trade Agreement between members of the ASEAN countries to ensure smooth development of economic cooperation; it is

also now a member of the East Asia Summit; it is also engaged in the RCEP negotiations.

However, India is yet to reap full benefits from Phase I and II of the LEP.

The Narendra Modi-led Government has accorded priority to the LEP and in fact, it forms the thrust of India's foreign policy. To this end, the 'looking east' is being fast replaced by 'acting east', wherein there is a strong emphasis on moving from discourse to action.

To this end, the International Relations conference on India's Look East Policy organized by the Symbiosis Institute of International Studies with the support of the Ministry of External Affairs, sought to explore the LEP from different angles with the aim to provide inputs for its subsequent evolution.

The conference sought to fulfill four objectives:

- to analyze the policy as a vector for India's growth and for gaining international and regional competitiveness;
- to study its impact on evolving geopolitical configurations in the region and worldwide;
- to explore its potential as an engine for economic growth and development of the Northeast region of India; and,
- to further India's niche 'soft power' advantage to collaborate with countries of South East Asia and East Asia.



# Key Takeaways

## International Relations Conference 2014

### Track 1 - India's Trade and Investments in Southeast and East Asia

- There is a dire need for multi-modal transport systems for an integrated transport chain. This enhanced connectivity will have a favourable impact on trade and investments.
- The Public-Private Partnership (PPP) model should be adopted to improve infrastructure, especially for the construction of roads and ports.
- The development of global and regional value chains should be encouraged and supported with countries of Southeast and East Asia to increase regional competitiveness.
- Given the vast complementarities between India and Japan, there is a great potential to strengthen and further enhance economic relations between the two countries. Japanese investment could be sought in areas like infrastructure, connectivity, development of Smart Cities and transport systems.
- There is a strong demand for the expansion and establishment of Lines of Credit, particularly with CLMV countries.
- There is a strong demand to bolster the capacity of indigenous industries for which India has a comparative advantage in the region.
- Infrastructural trade linkages between India and the countries of the ASEAN should be established to remedy the anomaly of the Gravity Model of Trade.
- Lowering trade barriers has had no reciprocal benefit for India as Indian exports are not elastic to tariffs. Similarly, there is no substantial evidence to indicate that Free Trade Agreements (FTAs) that India has signed with the ASEAN have created income growth in the country.

- India should actively engage in the Regional Comprehensive Economic Partnership (RCEP) negotiations and work towards becoming a member of Asia-Pacific Economic Cooperation (APEC).
- To ensure the success of the “Make in India” initiative, India should put in place policies that support supply chains.
- The Indian railways, one of the world's largest networks, should be modernized. New investments should be encouraged to make the Indian railways efficient which would in turn generate profits.
- The Indian railway network should be extended up to the Indo-Myanmar border and linked to the Trans Asian Network.
- The government should endeavor to bring in a business-friendly atmosphere wherein there are no bottlenecks like complex regulations or lack of regulations and difficulties for foreign direct investments. The way forward could include:
  - Introduction of the Goods and Services Tax (GST)
  - Investments in infrastructure
  - Market deregulation
- India should promote trade in services; India has a comparative advantage in various services like healthcare, education, tourism and Information Technology (IT).

## Track II -

### Road and Maritime Connectivity: Vital Elements for Economic Growth

- People-to-people connectivity is of utmost priority. For this there is a pressing need for greater institutional connectivity in the form of:
  - Law enforcement
  - Accessible inter-country borders
  - Acceptable permits for trade and transits
  - Acceptance of driver licenses and identity proof
  - Transparent and competitive custom rules
- There should be a greater emphasis on open regionalism to meet regional and national economic targets.
- India should make a concerted effort to improve ties with Myanmar to overall improve connectivity with countries of Southeast and East Asia.
- Road connectivity between Myanmar and India should be improved. To this end, routes like Moreh/Tamu, Zolkawtar/Rhee, Nampong/Pangsu should be repaired and maintained.
- Energy and digital connectivity between India and Bangladesh should be encouraged and supported.
- Regional cooperation is a must to enhance the ability of countries to counter global challenges and earn noteworthy collaborations with regard to hi-tech expansion, energy security, and disaster awareness.
- Asia will need to formulate an amalgamated geopolitical position vis-à-vis a range of global issues, which can only be attained through regional negotiation and collaboration.

- The Trans Asian Railway (TAR) networks should be supported for greater land connectivity; the TAR would provide landlocked countries access to harbours and ports.
- Regional cooperation, regional integration, “quota free-duty free” markets, and agreement on investment and merchandise should be encouraged and supported.
- Riverine connectivity should be improved to further strengthen relations between Bangladesh and India.

## Track III:

### Security and Defence within the Framework of the Look East Policy

- In the area of traditional and non-traditional security, India could be a useful partner for countries of Southeast and East Asia. Under the "Make in India" initiative, India will have the capacity to extend collaboration with countries in the region, particularly in the area of naval cooperation and maritime security. Special programmes of defence cooperation could be initiated with Myanmar, Singapore, Thailand and Vietnam.
- With regard to defence and security cooperation, India should explore and enhance possibilities of joint naval exercises with Japan.
- In light of the growing importance of Indonesia in connecting the Indian and Pacific Oceans, India should step-up its ties with the country.
- Given that 400 billion dollars worth of Indian cargo transits through the South China Sea, India should step-up its efforts to ensure free navigation of important shipping lanes in this region.
- Given that 80 percent of the world's natural disasters take place in the Indo-Pacific, India should proactively engage in mitigation and management exercises.
- For tactical and technological support in the defence market, India should look at strengthening its ties with South Korea.
- The emphasis of the next phase of the Look East Policy should be to extend strategic, political, scientific, technological, and cultural connectivity, with priority given to people-to-people connectivity.
- With regard to the Northeastern states, India should consider revising its border policies. This could be carried out in two ways. First, by ensuring smooth movement of good across borders; second, by undertaking development initiatives in border towns.
- Connectivity between the Northeastern states of India and South East Asia is an area in need of urgent policy action.

## Track IV:

### Education and Culture: Vectors of Sustainable Human Development

- India should harness the untapped potential of its diaspora in countries of South and Southeast Asia.
- Countries in Southeast Asia like Thailand consider India to be its cultural guru. India should capitalize on its rich socio-cultural and historical strengths.
- It is also important that quantifiable indicators are tracked; a robust monitoring and evaluation system will support the process and strengthen ties with Southeast Asian countries.
- There is a need to develop university-university, school-school partnerships to increase flow of information and technology, which would encourage and recognize innovation.
- India should invest in “Buddha tourism,” a concept from Thailand, which has the potential to yield rich dividends in terms of cultural exchanges to India, Myanmar, and Bangladesh.
- Given the historical and cultural commonalities with countries of Southeast and East Asia, India should leverage this 'soft power' advantage to strengthen its ties with these countries. Educational cooperation should be stepped-up through student exchanges, joint research programmes and projects and faculty exchanges.
- 2015 marks the establishment of the ASEAN Economic Community (AEC). To this end, India should explore possibilities of closer cooperation in the field of educational cooperation, particularly the mutual recognition of degrees.

- India should capitalize on its rich socio-cultural ties with countries of Southeast and East Asia especially with regard to tourism and educational cooperation.

## **Track V:**

### **Northeast Region of India**

#### **within the Framework of the LEP**

- There is a compelling need to assign more autonomy to the North East Council.
- With regard to the states of the Northeast of India, the issues of security and development should not be viewed as “mutually exclusive” but as intrinsically linked. Strong diplomatic relations with countries that share international borders with the states of the Northeast will result in both enhanced security and development.
- The tourism industry has boundless capacity for growth in the Northeast region; there is an urgent need to support and encourage the growth of this industry.
- Trade in the Northeastern region of India could be bolstered by the early completion of the Trilateral Highway that links India to Myanmar and Thailand.
- The lack of connectivity in the North Eastern region could be remedied by developing the city of Imphal as a sub-hub to the city of Guwahati.
- Road and rail connectivity to Bhutan and Nepal should also be supported. These measures are likely to result in seamless integration of neighbouring countries with the Northeastern region.
- Ancient linkages like the Bramhaputra waterways must be restored to boost tourism and trade.

- Success stories from the Northeast like the achievement of Sikkim as a 'brand ambassador' in terms of zero-plastic consumption, organic produce, and eco-friendly industries and the fast-rising popularity of Shillong as the “Education capital” of the Northeast, should be highlighted



Apart from the key takeaways from the International Relations Conference 2014, the recommended steps forward for the principal stakeholders of this event – the Ministry of External Affairs, Symbiosis International University and the organizations, institutes and other bodies that were represented at the conference would be:

## 1. Funding

- Under the aegis of the Symbiosis Institute of International Studies, the Symbiosis International University could explore the possibility of setting up the “Indo-Japanese Centre for Development Studies”.
- The Japanese International Development Agency (JICA) could be approached for funding this initiative.

## 2. Research

- In close collaboration with the Asian Confluence, Shillong, explore possibilities for joint research.
- In close collaboration with the Bangladesh International Institute for Strategic Studies (BIISS), Asian Confluence, Shillong, explore possibilities for joint research.
- In close collaboration with Mahatma Gandhi Institute of Peace and Sustainable Development (MGIEP) - UNESCO, explore possibilities for joint research.
- In close collaboration with think-tanks in Delhi, explore possibilities for joint research with regard to strategic issues.

### 3. Educational cooperation

- Explore possibilities of collaborations with universities in the countries of South Asia, ASEAN and East Asia in a variety of disciplines, particularly in the field of International Studies / International Relations.
- Step-up the student exchanges with aforementioned countries as well as the states of the Northeast.







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