

India's "Look East" Policy: Its Evolution, objectives and Approaches

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Abstract

The Look East policy has emerged as an important foreign policy initiative of India in the post-Cold War period. It was launched in 1991 by the then Narasimha Rao Government with the aim of developing political contacts, increasing economic integration and forging security cooperation with countries of Southeast Asia. The policy marked a shift in India's perspective of the world, where the strategic and economic importance of Southeast Asia to India's national interests is being recognized. In this paper the evolution and objectives of India's "Look East" policy and its recent approaches also have been analyzed.

Keywords: India, Evolution, Southeast Asia, ASEAN, Objectives.

INTRODUCTION

The look east policy was launched in 1992 just after the end of the cold war, following the collapse of the Soviet Union. India's financial crisis of 1991 coincided with the collapse of the Soviet Union which was India's valued economic and strategic partner. Both these developments compelled India to take a fresh look at its foreign policy. It was Prime Minister PV Narasimha Rao's strategic vision that he quickly grasped the changed economic and strategic paradigms of international relations in the early 1990's. The world was no more divided into Cold

War and South-Asia and South-East Asia could no longer be treated as separate strategic theaters. Prime Minister Rao took a conscious decision to plug into the dynamic South-East Asian region.

Review of Literature

Thongkhola Haokip, (2011) “The Look East policy has emerged as an important foreign policy initiative of India in the post-Cold War period. It was launched in 1991 by the Narasimha Rao government with the aim of developing political contacts, increasing economic integration and forging security cooperation with countries of Southeast Asia. In this study, the evolutions of India’s Look East policy and its recent approach have been analyzed. The author concluded that the current phase of the Look East policy marks the beginning of a vibrant relationship on the economic, political and strategic

fronts. The economic potentials of this policy emphasize a link to the economic interests of the North-eastern region of India as a whole. In recent years, the development of this region is being factored into the overall strategy of national development, as well as in the conduct of India’s relations with other countries. India’s Look East policy correctly identifies Northeast India as the gateway to the East and it is one major initiative undertaken by the government of India in the present times.

Rajiv Sikri (2009) A combination of economic, strategic, and domestic considerations has led India to pay greater attention to its eastern neighbours since the 1990s. India's steadily growing ties with East and Southeast Asian countries have become an increasingly important element of India's foreign policy. India is working with these countries

bilaterally as well as through regional frameworks like the EAS, ASEM, and ASEAN, and sub-regional organizations like BIMSTEC and Mekong-Ganga Cooperation. The main driver remains economic, and India has many ongoing and planned FTAs with the countries of this region of late, defence and security ties to have grown. However, India's relations with China remain tense and troubled, with persisting differences over the border, Tibet, and China's patronage of India's South Asian neighbours, particularly Pakistan. Asia's major players will have to overcome internal rivalries and consciously evolve a cooperative paradigm for Asian security and cooperation to enable Asia to play a leading global role.

Objectives of the Study

- To study the Evolution and objectives of India's "Look East" Policy.

- To highlight the various approaches of the "Look East" policy.

Research Methodology

For the purpose of the study, both published and unpublished secondary data as well as primary data has been utilized. Secondary data have been collected from various books, research papers and articles. In addition to this study, data have been collected from various journals also. The research is also based on the referred sources- published, unpublished and electronic.

Evolution of India's Look East Policy

The disintegration of Soviet Union, the end of cold war, the intensification of the process of globalization, liberalization and privatization led to the fundamental changes in the global political and economic architecture. The demise of communist economies of soviet and other east European countries led to the final victory of

capitalist path of development anchored on the ideology of neo-liberalism. It prompted the famous commentator Francis Fukuyama to term this victory as the “End of history”. Politically, the US remained as the only super power of the world, through the emergence of certain other countries like China, Germany and Japan was also visible. While the end of cold war eased global tensions on old issues and some of them like end of apartheid, nuclear arms race etc were even resolved, some of the new problems like the us hegemony and weakening the UN mandate emerged. The new global economic and political conditions had deep impact on the domestic and foreign policies of global actors. The interstate relations were drastically restructured. India was no exception to it. In domestic front India initiated massive programme of economic liberalization, with the twin objectives

of achieving rapid economic growth and close integration with the global economy. In external front too, it brought about major changes in the content as well as direction of her foreign policy. These are: shaking of cold war ideological hangover with greater pragmatism, developing close relations with the US and launching the look east policy for closer engagement with the East Asia and South-East Asia.

Thus, the look east policy initiated in 1991 by the then Prime Minister Narasimha Rao is the product of the post-cold war global conditions. The main objectives of this policy are to develop close economic as well as strategic relations with the countries of this region and to avail better opportunities of market, capital and technology for the rapid and sustained economic growth of the country this policy has been implemented in two phase so far, The first phase of this

policy cover the period from 1991-2003. During this phase the policy mainly focused on the development of trade and investment linkages with the members of ASEAN. The second phase of this policy covers the period from 2003 to the present. During this phase the content as well as the reach of this policy has been expanded in the sense that now it focuses on both the ASEAN as well as non-ASEAN countries of East Asia. Again besides economic relations it is equally focused on the deepening of the strategic relations in this region.

Objectives of the India's Look East Policy

Under the Look East policy, four broad objectives have been pursued in the several years since its initiation. The major priority areas of the Look East policy are discussed below.

Regional Integration: The main objective of the Look East policy is economic integration with East and Southeast Asia. India realized that its East Asian neighbours achieved rapid economic growth and that it was lagging behind. Enthralled by the East Asian economic miracle, the Indian elite came to realize that the East Asian open economic system could be a model for its own development strategy. Thus, New Delhi wanted to expand ties with these high-performing economies with the aim of getting integrated into the process of economic regionalization in East Asia. According to G.V.C. Naidu, India adopted a three-pronged approach in its attempt to forge regional cooperation through the Look East Policy. They are:

1. To renew political contacts with the ASEAN member nations.

2. To increase economic interaction with Southeast Asia (trade, investments, science and technology and tourism)
3. To forge defence links with several countries of this region as a means to strengthen political understanding (Naidu 1996: 83).

Reform and Liberalization: Though the Look East policy is a by-product of India's economic reform and liberalization in 1991, the policy seeks further reforms to liberalize trade and investment in order to forge deeper economic integration with East and Southeast Asian countries. Thus, India seeks to lower trade barriers and liberalizes the investment regime. India has signed a framework agreement during the Bali Summit in 2003 to create a Free Trade and Investments Area with ASEAN by 2016. Since 2003, India, ASEAN and individual ASEAN member countries

have agreed to and begun negotiations on FTAs after signing the Framework Agreement on Comprehensive Economic Cooperation. India and ASEAN agreed to implement an FTA for the ASEAN-5 by 2011 and for all ASEAN member countries by 2016. The Framework Agreement announced an early harvest programme of immediate deliverables and unilateral trade preferences by India in favour of the least developed members of the grouping. Till date, India has concluded a Comprehensive Economic Cooperation Agreement with Singapore in 2005. India has also entered into a number of pacts with Thailand and Singapore. The ASEAN-India Free Trade Agreement was signed in August 2009 with the 10 members of ASEAN.

Rapid Economic Growth: In the aftermath of India's liberalization, the Look East policy become more than just a foreign policy alternative as it

provided a development alternative as well, in synchronization with the globalization and the resurgence of Asia as an economic powerhouse. To quote Prime Minister Manmohan Singh: 'it was also a strategic shift in India's vision of the world and India's place in the evolving global economy'. It is only with the formulation of the Look East policy in 1991 that India started giving East and Southeast Asian region due importance in the foreign policy planning. Thus, tapping East Asia's growth was an important cause for India's engagement with the East Asian economies. When the Indian economy started growing at a high rate from the late 1990s, India has increasingly turned its focus to sustained rapid growth. Strong economic ties with East Asia would position India well for accessing growth opportunities in Asia. India is also encouraging East Asian

investment in the transport, communications and power sectors to keep pace with its expanding economy. India believes East Asia holds a key to India's sustained economic growth, particularly when international economic activities are becoming more critical to India's own growth and other regions are growing at a much slower pace and becoming more protectionists.

Development of the North-eastern Region: The Look East policy is also a means of reducing India's internal development disparity. The North-eastern states lag behind in economic development and this gap has widened since independence. The sense of neglect has resulted in various forms of unrest in the region. With the launch of the Look East policy, India sees the region not as cul-de-sac but as a gateway to the East, thereby attempting to link the North-eastern region with Southeast

Asia through a network of pipelines, road, and rail and air connectivity. This is expected to initiate economic development and help the eight North-eastern states to develop infrastructure, communication, trade, investment, logistics, agro-business and other commercial activities. Knowing fully well the potential, the North-eastern states strongly support the Look East policy. Indeed, the Look East policy is believed to be the new mantra for development of the North-eastern region.

Approaches of the India's "Look East" Policy

Geographical Focus

Since the early 1990s, India started focusing on economic cooperation with the East and Southeast Asian countries. This geographical shift in focus area was primarily due to the success of the East Asian economies, especially the Asian tigers. India initially chose to focus on the ASEAN

countries because the ASEAN members were the first to respond favorably to India's Look East policy. In 2003, the scope of India's Look East policy was widened to include the East Asian countries. This was reflected in Foreign Minister Yashwant Sinha's lecture at Harvard University in 2003: 'The first phase of India's "Look East" policy was ASEAN centered and focused primarily on trade and investment linkages. The new phase of this policy is characterized by an expanded definition of "East", extending from Australia to East Asia, with ASEAN at its core'. (Sinha 2003) Comprehensive Economic Partnership Agreement between India and Korea has been finalized and negotiations are underway with Japan. India and China also have a joint study group evaluating the potential for a bilateral FTA.

Sub-regional Cooperation

India's focus on sub-regional economic cooperation such as Bay of Bengal Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), Mekong Ganga Cooperation (MGC) and Bangladesh–China–India–Myanmar Regional Economic Forum (BCIM Forum) is with a view to reinforce the Look East policy and boost the development of the North-eastern region. The main aim of these groupings is to create an enabling environment for rapid economic development through identification and implementation of specific cooperation projects in trade and investment, industry, technology, human resource development, tourism, agriculture, energy, infrastructure, technology, transport and communications, energy and fisheries.

Free Trade Agreements

Frustration with the slow pace of World Trade Organization (WTO)

negotiations among prominent trading nations and the fear of being marginalized in a world in which economic regionalism is growing, India is now looking towards East Asia for economic cooperation. In its quest for economic regionalism, India chose FTA negotiations as a means to get involved in and shape the course of its economic integration with East Asia. India embarked on bilateral FTA negotiations with individual ASEAN members because bilateral negotiations present an easier path to advancing the FTA negotiations. India has entered into a number of pacts and FTAs with Thailand and Singapore. There were plans to create a free trade area with Brunei, Indonesia, Thailand, Singapore and Malaysia by 2011 and with the remaining ASEAN countries—the Philippines, Cambodia, Laos, Myanmar and Vietnam—by 2016. The ASEAN–India Free Trade Agreement was

signed in August 2009 with the 10 members of ASEAN. India is also negotiating with Japan and South Korea, which would lead to an eventual East Asia–India FTA.

CONCLUSION

The Look East policy of India emerged out of the changed international system in the early 1990s and economic stagnation and political turmoil within the country. The impact of look east policy has been favorable to India. International trade of goods and services is now a strong driver of India's growth rising from 17 percent of gross domestic product in 1991 to 42 percent in 2004. East Asia accounts for a significant part of the rise in India's foreign trade, India's trade with East Asia had been less than 10 percent of India's international trade in the early 1990s. it is now stands 25percent. The current phase of the Look East policy marks the beginning of a vibrant

relationship on the economic, political and strategic fronts. The economic potentials of this policy emphasize a link to the economic interests of the North-eastern region of India as a whole. In recent years, the development of this region is being factored into the overall strategy of national development, as well as in the conduct of India's relations with other countries. India's Look East policy correctly identifies Northeast India as the gateway to the East and it is one major initiative undertaken by the government of India in the present times.

The Look East Policy is changing into Act East Policy while emphasizing on a proactive role of India in this region. Mutual trade, more export items, cultural exchanges, and mutual visits and other diplomatic exchanges are on their way in relations to one another.

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