# SOCIO-ECONOMIC DEVELOPMENT OF NORTH EASTERN INDIA AND BEYOND: A STUDY OF THE LOOK EAST POLICY

Dissertation Submitted to Sikkim University in Partial Fulfillment of the Requirement for Award of the Degree of

# MASTER OF PHILOSOPHY DEBASHIS NATH



Department of Peace and Conflict Studies and Management
School of Social Sciences
Sikkim University

Gangtok - 737102

2014



# DEPARTMENT OF PEACE & CONFLICT STUDIES & MANAGEMENT

# SCHOOL OF SOCIAL SCIENCES SIKKIM UNIVERSITY

[A Central University established by an Act of Parliament of India, 2007]

Date: 10th July 2013

# **DECLARATION**

I declare that the dissertation entitled "Socio-Economic Development of North-Eastern India and Beyond: A Study of the Look East Policy" submitted to Sikkim University for the degree of Master of Philosophy, is my original work. This dissertation has not been submitted for any other degree of this University or any other University.

DEBASHIS NATH

Roll Number: 12PDPC01

We recommend this thesis to be placed before the examiners for evaluation.

Dr. Salvin Paul

Supervisor

Department of Peace and Conflict

Studies and Management

Sikkim University

6th Mile, Samdur, Tadong

Gangtok, Sikkim-737102

Dr. Nawal Kishore Paswan

Head of the Department

Head

Dept. of Peace & Conflict Studies & Management
School of Social Sciences
SIKKIM UNIVERSITY
6th Mile, Tadong 737102, Gengtok- Sikkim

6th Mile, Samdur, PO Tadong 737102, Gangtok, Sikkim, India.
Phone: + 91- 3592-251441 (O) Mobile: +91-97759-96279

Email: pknaswan@gmail.com, www.sikkimuniversity.as.in



# DEPARTMENT OF PEACE & CONFLICT STUDIES & MANAGEMENT SCHOOL OF SOCIAL SCIENCES SIKKIM UNIVERSITY

A Central University established by an Act of Parliament of India, 2007,

# CERTIFICATE

This is to certify that the thesis entitled "Socio-Economic Development of North-Eastern India and Beyond: A Study of the Look East Policy" submitted to Sikkim university in partial fulfillment of the requirements for the degree of Master of Philosophy in Peace and Conflict Studies and Management, embodies the result of bona fide research work carried out by Mr. Debashis Nath under my guidance and supervision. No part of the thesis has been submitted for any other degree, Diploma, associate-ship and fellowship.

All the assistance and help received during the curse of the investigation have been duly acknowledged by him.

Dr. Salvin Paul

Supervisor

Department of Peace and Conflict studies and Management

Sikkim University

6th Mile, Samdur, Tadong

Gangtok, Sikkim-737102

Place: Gangtok

Date: 10th of July, 2014

Dedicated To My Dear Parents...

# CONTENTS

Acknowledgement	i
List of Tables	ii
List of Figures	iii
List of Charts	iii
Abbreviations	iv-v
Maps	vi-x
Chapter I. Introduction	1-14
I.I. Look East Policy and Development of North East Region through Border Trade	2-3
I.I.I. LEP and Border Trade Equation	3-4
I.I.II. Land Custom Stations and the LEP	4-5
I.I.III.LEP and Expectations of North Eastern Region of India	5-6
I.II.LEP and the Conflict Dilemma	7-11
I.III. Rationale and Scope of the Study	11-12
I.IV. Objectives	12
I.V. Research Questions	12
I.VI. Hypotheses	12
I.VII. Research Methodology	12-13
I.VIII. Chapterisation	13-14
Chapter II India's Foreign Policy towards ASEAN	15-41
II. Introduction	15-17
II.I. Philosophical foundations of India's foreign policy	17-24
II.II. Major Limitations of India's Foreign Policy	24-28

II.III. India's attitude towards Regionalism; ASEAN and Beyond	28-33
II.III.I. India's regionalism and ASEAN	33-38
II.IV. Conclusion	39-41
Chapter III	
Look East Policy and North East India	42-73
III. Introduction	42-44
III.I. Waves of LEP	44-44
III.I.I. First Wave of LEP	44-47
III.I.II. Second Wave of LEP	47-48
III.I.III. Third Wave LEP	48-49
III.I.IV. Fourth Wave of LEP	49-51
III.II. Dimensions of the LEP	51-51
III.II.I. Economic Dimensions	51-55
III.II. Strategic Dimensions	56- 58
III.III. Locating North East Region in the LEP	58-65
III.III.I. Sixth Schedule and the LEP	65-66
III.III.II. Need for an alternative Approach	66-71
III.IV. Conclusion	71-73

×

# Chapter IV

Look East Policy and Socio-Economic Development of North East India:	A Case
Study of Moreh	74-98
IV. Introduction	74-76
IV.I. Data Collection, Analysis and Interpretation	76-94
IV.II. Conclusion	95-97
Chapter V Conclusion	95-103
Bibliography	104-112
Appendix	113-130

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# List of Tables

1.	Highlights of India's trade with SAARC countries	32
2.	Share of trade between India and SAARC countries	32
3.	Number of FTA in Various ASEAN countries	54
4.	Human development and infrastructural index of NER	62
5.	Categorization of sample population on the basis of gender	77
6.	Categorization of sample population on expert and non-expert unit	77
7.	Categorization of sample population on the basis of age	78
8.	Categorization of sample population on the basis of religion	78
9.	Categorization of sample population on the basis of educational	
	Qualification	79
10.	Categorization of sample population on the basis of occupation	80
11.	Categorization of the respondents who visited the Tamu Sector and	
	purpose of the visit	82
12.	Categorization of the respondents who are satisfied/dissatisfied with	
	the working of security forces	85
13.	Categorization of the respondent's views on the operation of check posts	86
14.	Categorization of the sample population that have/have not experienced	
	(Witnessed) atrocities from the security forces or in the hands of the UGs	88
15.	Categorization of sample population on the basis of the nature	
	of affliction caused by the ethnic conflict	89
16.	Categorization of sample population on the basis of their perception of chang	es
	brought about in their life by the state induced development measures	90
17.	Categorization of sample population on the basis of their knowledge of LEP	91
18.	Categorization of sample population on the basis of their views on the	
	impact of governmental policies on promotion of trade and economic	
	development in the region	92

# List of Figures

1.	India's trade and investment with ASEAN	38
2.	Decadal growth of population in NER of India	60
3.	Working and non working population in NER of India	61
4.	Literacy rate (%) and number of BPL population in NER of India	61
Lis	st of Charts	
1.	GDP contribution of NER of India	63
2.	Respondent's views on withdrawal of AFSPA	94

# **Abbreviations**

ACE: ASEAN Centre for Energy

AFSPA: Armed Force Special Power Act

AMC: Aggressive Manifest Conflict

ARF: ASEAN Regional Forum

ASEAN: Association of South East Asian Nations

ATM: Automatic Teller Machine

BIMSTEC: Bay of Bengal Initiative for Multi-Sectoral Technical and Economic

Cooperation

BOP: Balance of Payment

BPL: Below Poverty Line

CEPA: Comprehensive Economic Partnership

CP: Check Post

DGCIS: Director General of Commercial Intelligence and Statistics

DONER: Ministry of Development of North Eastern Region

EAS: East Asian Summit

EDI: Electronic Data Interchange

FDI: Foreign Direct Investment

FICCI: Federation of Indian Chambers of Commerce and Industry

FTA: Free Trade Area

GDP: Gross Domestic Product

GOI: Government of India

INA: Indian National Army

IPKF: Indian Peace Keeping Force

LC: Latent Conflict

LCS: Land Custom Station

LEP: Look East Policy

LPG: Liberalization, Privatization and Globalization

MC: Manifest Conflict

MGC: Mekong-Ganga Cooperation

NAM: Non-Alignment Movement

NEC: North Eastern Council

NEH: North East Hills

NEI: North East India

NER: North East Region

PRS: Panchayati Raj System

RIS: Research and Information System for developing Countries

SAARC: South Asian Association for Regional Cooperation

SAPTA: South Asian Preferential Trade Agreement

SEA: South East Asia

TAC: Treaty of Amity and Cooperation

TFR: Total Female Respondents

TMR: Total Male Respondent

UG: Under Ground

ULFA: United Liberation Front of Assam

**UN: United Nations** 

# Map of South East Asia (SEA)

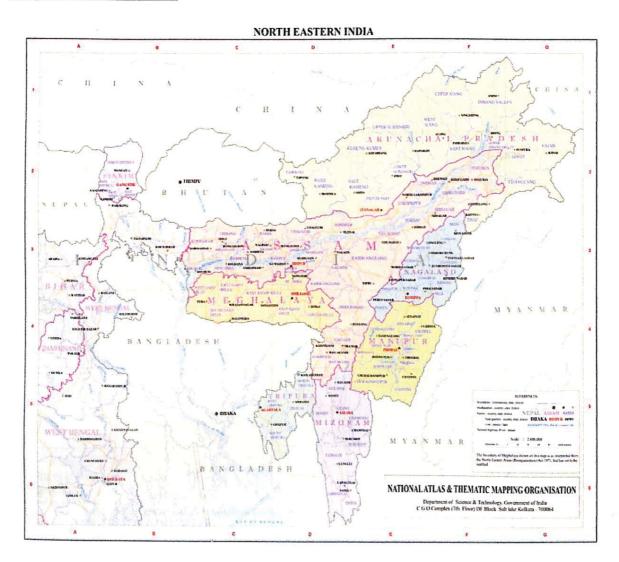


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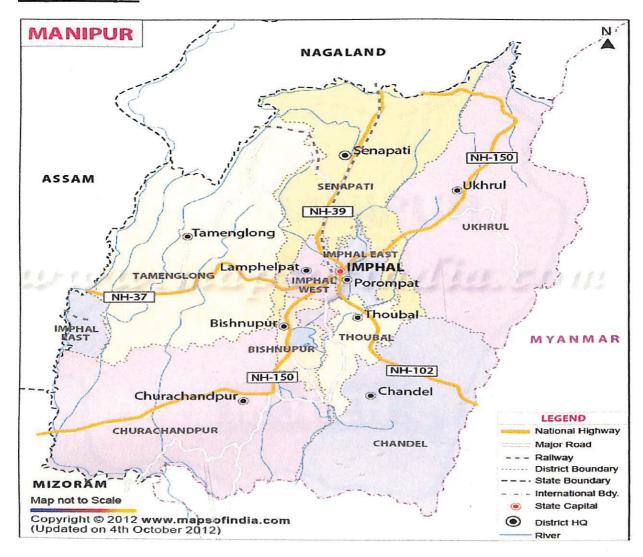
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# Map of Northeast India



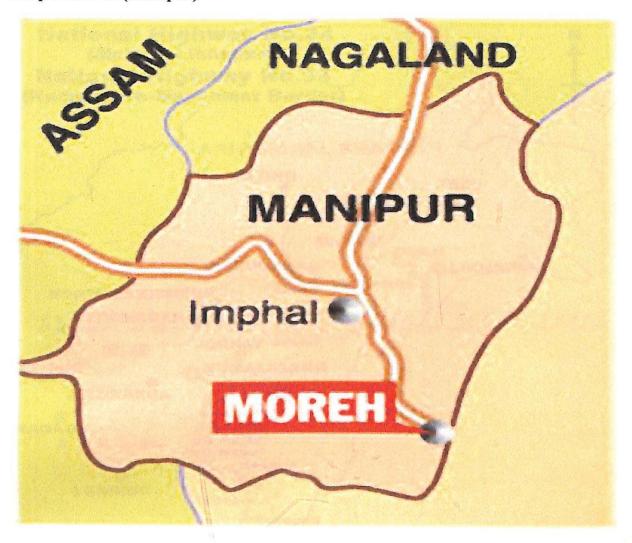
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### Map of Manipur



Source:www.mapsofindia.com,https://www.google.co.in/webhp?sourceid=chrome-instant&ion=1&espv=2&ie=UTF-8#q=map%20of%20Manipur. Accessed on: 05/05/2014M

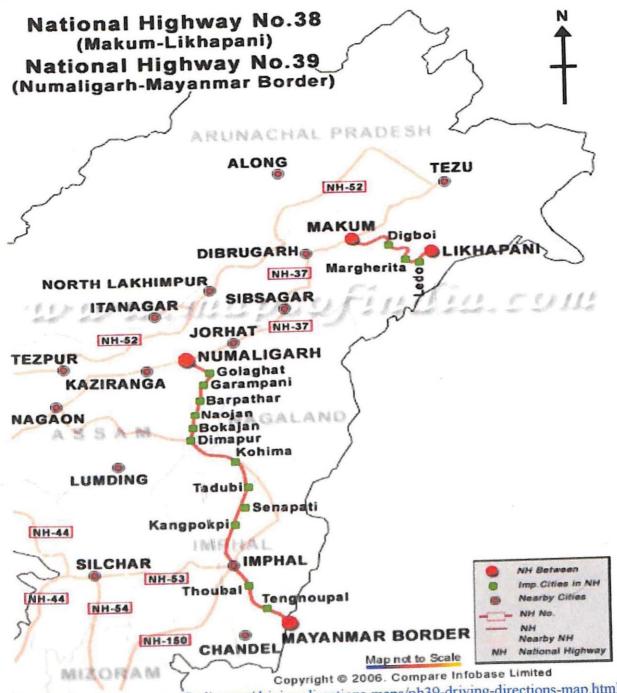
# Map of Moreh (Manipur)



#### Source:

https://www.google.co.in/search?q=map+of+Moreh&espv=2&tbm=isch&tbo=u&source=univ&s a=X&ei=k5njU8j4I9GyuAS6\_oBo&ved=0CCMQsAQ&biw=1280&bih=666 Accessed on: 05/05/2014

# Map of National Highway 39



Source: http://www.mapsofindia.com/driving-directions-maps/nh39-driving-directions-map.html.

Accessed on. 05/05/2014.

Chapter I

Introduction

# Chapter I

## Introduction

India initiated Look East Policy (LEP) as a drive to improve its ties with the fast growing economies of the South East Asia (SEA). For this reason it emphasized on improving connectivity through the North Eastern Region (NER) of India, as it provides a natural link to ASEAN. By introducing LEP as a step towards regional integration, India wanted to open a new horizon of progress by correcting its age old foreign policy limitations.

LEP was formally initiated by India in 1991 during the Prime Ministership of P.V Narsimha Rao, as an attempt to forge closer and deeper economic integration with the SEA neighbors. India's economic and financial crisis of 1991 and the collapse of the Soviet Union compelled India to take a fresh look at its foreign policy. The LEP though not sufficiently materialized, is a time honored policy. It came along with new economic reforms when India introduced liberal economic system and opted for Liberalization, Privatization and Globalization (LPG). It was a historic necessity as India lost its traditional ally with the decline of Soviet Union. As a regional organization SAARC also failed to stand up to the expectation owing to the conflicting relations of the South-Asian countries in general and Indo-Pak rivalry in particular. By that time adverse Balance of Payment (BOP) obliged India to open its market and go for deregulation. ASEAN countries were attaining faster economic growth with the help of foreign investment.SEA Countries particularly, Singapore, Malaysia, Indonesia, Thailand earned the name of "Tiger Club Economy" and served as role model for many developing countries. At that point of tome Indian economy was more of an Elephant economy, but with slow progress and stagnant growth. So association with the tiger economies was a need of the hour for Indian elephant to intensify the speed of its economic growth. Through the LEP, India looks towards East through the NER and is the most attractive features of the policy.

As such, it is more than a mere economic policy. If given complete attention it may prove to be a key to solve many of the long problems of the NER of India. The eight state of the NER have ever been considered a disturbed region with demands for self-determination and problems of lack of economic development.

Some plans should be chalked out to make proper use of the potentials of NER. The region has the potential to develop into India's economic hub. It has a vibrant source of energy, oil, natural gas, coal, and limestone, minerals, rich vegetation directly provided by the nature. Besides, it has huge hydro power capacity in the form of river Brahmaputra and its tributaries. NER is also rich in horticultural product, plantation crops, vegetables, species, rarer herbs and medicinal plants. NER offers huge scope for tourism industry. Presence of rarer flora and fauna in abundance, natural beauty, unique performing arts and culture make the region a valuable destination for trade and development. The region has closer proximity with the ASEAN countries in terms of life and culture. Besides, the region's strategic location makes it essential for India to exploit the available opportunity and get a strategic upper hand in its struggle for power and influence with the ever growing economy of China. Insurgency and other multi-dimensional conflict in NER are some of India's biggest challenges today.

So, there are reasons to be optimistic about the LEP that it will successfully address these issues of development and gradually it will make an inroad into the conflict situation that exist in the region. The problems of the NER are not merely lack of economic development, rather involves a sense of alienation coproduced by various other factors.

Till today much of the talks regarding LEP revolve around many different dimensions viz. foreign policy, trade, multi-lateral relations, strategic importance etc. But, its potential for bringing about positive changes in NER is under rated. While understanding the development paradigm, it is essential to carefully look into the issue, as to how far this policy is practically implemented and what are the stakes that involves in implementing the policy in and through NER. It is therefore, essential to understand the potential of socio-economic development through border trade under the banner of LEP and if such development provides any 'spillover effect' which goes to resolve the other issues in conflict in the region.

# I.I. Look East Policy and Development of North East Region (NER)

The NER of India has been a land of challenges and prospects and looked through the lenses of LEP, it provides for more such opportunities and hurdles. The NER is a land with shifting geography and demographic features and together they make it difficult to

give a final shape to its development requirements. Development of the region necessitates the initiation of an altogether different approach; a step out of the purview of established norms and beliefs. LEP is one such step taken which leads to further progress of NER. Look east means 'looking eastward for fostering newer ties with SEA'. More particularly, it implies India's ties with ASEAN includes extended relationship with the member countries like Thailand, Malaysia, Indonesia, Philippines, and Singapore, and along with these five initial members another five countries were added to ASEAN which include Brunei (1984), Vietnam (1995), Laos and Cambodia (1997) and Myanmar (1997).

However, from the NER's point of view, it is "Myanmar" which is the center of attraction as it shares border with North-Eastern states of Arunachal Pradesh, Manipur, Mizoram and Nagaland. 'It is to be mentioned that Northeast India shares 98% of its territory with the neighbor countries and only 2% with the so called main land India'. The NER with Bangladesh spends about 1940km, with Bhutan 650km, with China about 1000km and with Myanmar about 1450km. Under such a geopolitical situation when one speaks of development of the NER through the LEP that too predominantly sustainable economic development borders must be ever emerging opened for trade. NER and Myanmar seem to be centers which connects the Indian economy and economy south East Asia and then to the far eastern region of Asia

I.I.I. LEP and Border Trade Equations: To conceive a look east policy under the shade of border trade we must test the circumstances which are conducive to border trade.

- In first place, as already said, the NER is in fact far from the mainland which
  provides connectivity problems in the form of poor road infrastructure, high cost
  structure, etc. This is one fundamental aspect which actually argues for a LEP
  featured by border trade.
- Border depends upon preference and competitive advantage It is possible when preference among the people across the border particularly when border cuts across a uniform cultural plane inhabited by a single ethno cultural community'.

- 'It is also feasible when there is competitive in some lines of production enjoyed by one side of the border and their non-availability in the other side of border'.
- NER needs decentralization of economic benefits which is quite possible through LEP. It will ensure more meaningful utilization of natural resources that the region possesses in abundance.
- Trade through northeast may also check local level disequilibrium by providing
  easy access to market in the border region. As such it reduces economic and
  material insecurities of the common people.
- Border trade by land roots appear to be more people friendly than any other such mode of trade by air or sea. It links people across the border. (Das,2006:335)

Accordingly Gurudas Das says, 'it tends to strengthen the links between professional groups, trading communities, and civil society organizations across the border which intern makes border management possible at the grassroots level'.(Das,2006:333) Besides, LEP has every potential to become a vehicle for the promotion of goods and productive relation with the neighbor countries. In fact, such policies are most essential preconditions for the progress of a nation in the globalized era. Border trade and good neighboring relationship are complementary to each other. While looking east through NE, we should keep in mind all these plus points which northeastern region share with the ASEAN. North Eastern state Manipur, becomes vital in any design of LEP. Unfortunately, the NER, despite having so much potential has always been neglected and considered a peripheral land. According to some critics it is used as a buffer zone between presumed Mainland India and the Chinese republic. So, a change in perspective is essential, while looking into the region.

I.I.II. Land Custom Stations (LCS) and the LEP: 'Contemporary border trade with Myanmar involves three LCS – I) the Champai border in Mizoram, ii) Lungwa border in Nagaland and iii) the Moreh-Tamu sector in Manipur. Of them major trade takes place by the Moreh-Tamu sector. Champai LCS located at a distance of 222km from Aizawl was notified as LCS, is partially functional since 2004. These LCS are mend by one superintend, three inspectors, one Hawaldar and two Sepoys.

Indo-Myanmar border trade at Moreh-Tamu sector covers a plot of land about 9.28 acre. It is near the Lockcho Bridge which connects territories of India and Myanmar. It is the largest trading sector between the two countries which had approximately US\$ 3.59mn of trade featuring 41% export, 59% import (DoNER,2011). Trade on this sector has been based more on traditional primary goods.

Same is the case with Zokhawthar LCS in Mizoram has been a big challenge to the trade developing in this region. Besides, trade through Moreh LCS has suffered not only from informal trade but lack of modern infrastructure. It is also affected by lack of adequate security, making the entire trading environment very uncertain. These LCS needs special attention in any design concerning LEP, because they provide access of one region to the other. So, building of suitable infrastructure is essential to make any further progress. The survey conducted by Research and Information System (IRS), North Eastern Council (NEC) and Ministry of Development of North Eastern Region (DONER) shows transaction cost at the LCSs are very high, which vary between rupees 500 to 2500 per transaction. High transaction cost at the border can be mitigated through implementation of trade facilitation measures and policies, which should focus on reducing the number of agencies providing clearances.

# I.I.III. LEP and the Expectations of NER of India

Once infrastructural development is achieved in the micro level other sectors related will start flourishing. Tourism is one of the most productive but less appropriated industries in the region. Here we can take the example of 8<sup>th</sup> North eastern state i.e. Sikkim. In spite of being located in the high hills and remote from the branded mainland, with the help of sound publicity, policy emphasis, accommodation and transportation facilities has successfully pulled a large number of internal and external tourists. If attention is paid to the other north eastern states, they also have the potential to show commendable performance in the field of tourism. Prime Minister Manmohan Singh has however spoken about a 'long-term vision of an integrated Asia from the Himalayas to the Pacific in which it would be possible to trade, travel and invest freely through the region. 'This can be important tool generating sufficient resource which will help the people in the region in turn. It is essential to prioritize this sector in any developmental agenda.

Building public-private partnership in financing new infrastructural projects and development of human resource through concrete programs will definitely reduce the gap between North-East and rest of the world.

While promoting industries in the region, LEP can focus on agro based products, keeping in mind that the region is predominantly agricultural. Government sources has pointed out that there is ample scope for the development of manufacturing or processing units for medicines, rubber, goods, pharmaceuticals products, edible oil, petroleum products, cement industries, cotton yarns etc.

Besides, indigenous informal sector of tribal textiles, of Bodos, Koch Rajbangshis, Nagas, Mizo, Hmar, Manipuri attire, etc. or the Assamese 'Mekhla-chadar', demands institutional support. In fact, Textile, handloom and Handicraft form a complete sector of trade with global potential. What is needed is to link the local workers to the clothing industries so that the overwhelming poverty of the workers related to handloom industries may be reduced. The art of weaving cloths like Assam Silk and all other indigenous clothing industry, etc. have to be made enable to survive any challenge of globalization. It will also help to brand and promote these products to the international market.

Cultural and eco-tourism is another sector which will be beneficial for both NER and the ASEAN countries. NER is a live cultural Museum. Common physical features art and dance forms, social structure and taboos and other cultural practices and similarities will make it more interesting and comparatively easier to have a meaningful interaction easier.

So, LEP has the potential to eliminate assigned remoteness of the north eastern region of India. However, any such development must have a 'North East Face', realizing the true spirit of region. But all these will happen only when the GOI has any such intention. We must therefore try to understand where does NER fit in the wider discourse of LEP? Whether it is viewed by the Centre as only a trading route? Or if there is any design to develop NE through LEP? More radically stating, we need to focus on the question that, whether there is any LEP at all or it is just a political rhetoric?

#### I.II. LEP and the Conflict Dilemma

While speaking of LEP most of the studies revolve around development paradigm. The policy is viewed more as an economic and strategic tool, rather than a tool to address the conflict situation in north east. It is often than not is seen as a policy decision which can be emphasized or deemphasized at any given point of time and importance of North East is seen more as gateway to economic development but not as a centre of development.

Historically, NE states has been the land of indigenous tribal peoples, which came under the British-India after the collapse of 600 years old Ahom Rule owing to Burmese invasion. With the coming of British and their signing of Yandaboo Treaty 1826, merger of NE into British India was complete. With departure of British in 1947, these north eastern regions became included in the map of modern India. However, the geo-political and cultural features of this land have remained unchanged. Truly indigenous in spirit, NE in the days of globalization has successfully maintained its indigenous life style. The values of globalization though have entered the hills of NE but have not been much powerful to affect its tradition and its culture as well as its system of governance in a very drastic sense. In the post independent period the system of governance has been pro-main land and its approach to NE has been too cosmetic in nature.

The mapping of north east has showed a Colonial Governmentality<sup>1</sup> among the new generation Indian leaders. 'Postcolonial state in India has...only expanded and not transformed the basic institutional arrangements of colonial law add administration, of the courts, the bureaucracy, police, the army, and the various technical services of the government'<sup>2</sup>.

¹colonial governmentality, as pointed out by David Scott, is the case that, " Europe has been too much the Centre of our theoretical knowledge of the colonial and post-colonial world- and that, in virtue of this knowledge typically privilege the colonial state's autobiography, its cultural values, its presumptions of an all pervasive and tantalizing influence, its marginalization of resistance...." (Scott,2005:24). NER, according to many intellectuals of present generation face the same governmentality of the Indian leaders. ¹BimalAkoijam, in his article, "Ghost of Colonial Modernity" has pointed out to the faulty process of national integration in the post independent period and said that Indian state in its attitude to the NER has been quite similar to the attitude of the British colonizers viz-a-viz the Indian people. Such an attitude has been responsible for the alienation of the people of NER. For complete article, please refer to the edited book "Peace in India's Northeast.

Nation building process in the region has been faulty which has alienated the region from pan Indian nationalism. According to Ananya Vajpayee, the policies of central govt. have created difference between "India and not India" while speaking about Armed Forces Special Powers Act (AFSPA)<sup>3</sup>, she was quoted saying, 'we could say then, that the AFSPA creates an India and a not India. Another way of to say that AFSPA splits India into a nation and a camp, with the former under Rule of Law and the latter in a Zone of exception'<sup>4</sup>. Development discourse to the north eastern has been unknown to the region and its people leading socio political unrest. As such the region has witnessed 'durable disorder'<sup>5</sup> in the words of Sanjib Baruah. In this context it is essential to view LEP from different dimensions. Any development in the region as already said should have a 'North East Face' showing the spirit of the land. While speaking of look east policy and development in the region it is essential to characterize it with the traditional pattern of life in the region.

In order to use it both as a proper gateway and consumer market people in the region have to be taken into confidence. But how it should be done is a big question, because many of the problems in the region do not have exclusively economic content. The tribal people in the region are much concerned about their identity.

<sup>3</sup> For more details see APPENDIX no I

<sup>&</sup>lt;sup>4</sup> It constitute what Sanjib Baruha has identified, in many of his writing, as a 'permanent regime of exception' to the law that is supposed to be the default all across the Indian union. (Sanjib Baruah as cited in Ananya Vajpeyi's Article "Resenting the Indian State; for a new political practice in the Northeast, in Sanjib Baruah (ed.) book "Beyond Counter insurgency, oxford paper back, New Delhi, pp, 25-48)

<sup>&</sup>lt;sup>5</sup> Durable Disorder' opens up new perspectives in our understanding of ethnic conflict and the meaning of democracy with reference to the Northeast. For decades, states in this region have experienced ethnic conflict and suffered human and material losses due to insurgency and counter-insurgency operations. The study argues that prolonged counter-insurgency operations have eroded the democratic fabric of the region and institutionalized authoritarian practices. The result is a growing dissonance between the idea of ethnic homelands and the actually existing political economy of the region that makes ethnic violence and internal displacements quite predictable. It delves into the historical roots of the region's oldest armed conflict – Naga insurgency – and carries a detailed analysis of the United Liberation Front of Assam (ULFA) during different phases of its power and influences. The author Sanjib Baruah has argues for the economic integration of the region with Southeast Asia through the pursuit of a dynamic "Look East" policy. (Barua Sanjib (2007):Durable Disorder-Understanding the Politics of North east India, New Delhi, Oxford Paperback)

When any developmental strategy acts against the ethno-cultural values it leads to insecurity. This in turn produces urgency for securitization of identity among the tribal. In the event of repeated negligence to their aspirations by the political system, turns latent conflict into manifested one and then to an aggressive manifestation of violence<sup>6</sup>, which common people like us term as armed insurgency. So, while taking developmental strategy through LEP covering North East, it is essential to keep this element in view. It is good to have an open trade through north east but attention should be paid to develop the indigenous industries at the local level and bringing these native products to international market through a sophisticated transportation system, i.e. NER as a center of all activity, not just a medium for development. This will not create any identity threat among the tribal population of the region rather they will be direct contributors and beneficiaries of such trade. Government should come up with plan so that small funding can be provided to the locally grown self-help groups producing local products using local resources. It will be more like an economic decentralization as spoken by Mahatma Gandhi while introducing the Panchayati Raj System (PRS) for the modern Indian state. Such, policy if introduced it will involve grass root people to the LEP. On the other hand, if government of India plans to introduce modern capitalist form of industrial productivity and tries to completely transform the market system in north east and link it to the global market without acknowledging popular sentiments it may face tough resistance.

In the absence of local entrepreneurship entire market system will be flooded by outside capital. Such alien model of development will lead to displacement of the tribes from their original land compelling them to move for refuge and therefore much towards this insecurity, they take radical stand for their security and survival. The entire discourse of Naxalism in India is deeply rooted in such mismanagement and allocation of resources usually depriving a larger section of people in the policy making. It is due to the resource exploitation in the tribal areas by the Vedanta group in Chhattisgarh or by the Tata or any

<sup>&</sup>lt;sup>6</sup>Latent Conflicts (LC) are conflicts that are developing, but have not yet expressed themselves in an observable manner, even for the parties themselves. Manifest Conflicts (MC) are that have developed to some extent that they are observable, but have not expressed in a violent manner. Aggressive Manifest Conflicts (AMC) is conflicts that have escalated from MC to a violent level of expression. (Cheldlin,et.al, 2003:41)

such heavy industrial giants have created resistance among the tribal of the northern and central Indian provinces like Bihar, Chhattisgarh, Madhya Pradesh, even state of Odisha, West Bengal etc. It is the superficial model of development which keeps aside the poorest of the poor and leads to economic concentration in few hands. This has actually led to the rise of red revolution in India, which we believe should not be repeated in North East Region. 'The insurgent economy in the region needs to be understood prior to initiating any major economic program'. LEP should therefore take a different approach which we would like to call 'bottom up' approach. As such to link LEP to the grass root level of life and then making it global, will add sustainability to the policy and its outcome.

Supported by strong connectivity and local approach NER will be ready to expose itself at the global level and will be at much comfort to receive both domestic and international opportunities found in terms of commodities, finance, entrepreneurship, tourists, etc. from the rest of the world or from the ASEAN countries as well. It will ensure people to people contract and serve as a confidence building measure and at the same time enhance the marketability of the LEP and create overall atmosphere for further enhancement of the policy and its programme. What is to be mentioned here is that LEP should create a situation where the people of north east will themselves will work for their own development in a constructive manner. As such the government will not need or at least have lesser need to initiate 'nationalization of space' in the region as it will nationalize the people.

It can also expect that with such political economic programme it will build confidence in the minds of NE regarding the Indian state. With a better satisfied group of people, the Centre will not need to initiate the Draconian law like AFSPA.

However, to initiate or to introduce any such model through LEP will need active civil society participation. It is up to the government to design systematic programme so that awareness of LEP may be created among the various groups which actually represent the aspirations of the native people. In order to link LEP to the north eastern life and culture

<sup>&</sup>lt;sup>7</sup> This concept was first developed in 'Development and Change'. Reprinted by permission of Blackwell Publishing from Sanjib Baruah, 'nationalizing Space: Cosmetic Federalism and the Politics of Development in Northeast India,' Baruah views that "it is hardly surprising that, the push for the nationalization of space has generated significant political and cultural resistance in the region." "Durable Disorder: Understanding the Politics of Northeast" New Delhi, oxford Paper Back, Page 57

it is essential to launch grass root research targeting to understand the life and the region and their approach to development.

## I.III. Rationale and Scope of the Study

LEP has been a part of scholarly debates in the recent past. It is discussed as one of the most sound and time honored ventures of India's foreign policy discourse. However, it has been studied more from a pan- India perspective, rather than as a NE specific issue. Most of the study on LEP wants to project it as an economic policy and views NE as only a trading route or merely a channel for development. So, it is essential to change this kind of orientation to LEP. The entire policy needs to be reoriented to accommodate the NER of India in a much better way. The study therefore, focuses on investigating the probabilities of transforming the NER from an economic bridge to an economic hub. The available literature suggests that, this development paradigm of NE through the LEP has not been sufficiently addressed; rather the policy is criticized categorically for its failure to produce the intended results.

The policy paralysis involving the LEP is also been condemned by the scholars studying the issue. So, a study is needed to be carried out to reorient the LEP and accommodate the NE within its discourse. It is essential to investigate if LEP is capable to produce economic development in the NE region and if the spillover effect of such development may create a congenial atmosphere to address the issues of contestation that exist in the region. It is also essential to study the dilemma concerning the neo liberal orientation of the LEP and the protectionism of the NER which enjoys the sixth schedule status under the Indian Constitution. How far these two mutually opposite discourses can be accommodated together will be rational issue to deal with. It is expected that the study will help to develop new insight into the LEP and its potential impact on the NER of India. It will also be helpful for the policy makers as it will provide an entirely new branch of thought concerning the LEP.

The study is conducted with the help of primary and secondary data collected through field surveys and survey of the existing literatures. The research operation area NER of India particularly the Moreh-Tamu Sector, as it is the most important of all the LCS

involved in border trade with the ASEAN. A Field survey is conducted in Moreh to make the study more objective. Special care is taken to ensure that there is complete absence of ethnocentrism or biasness in any part of the research.

### I.IV. Objectives

- To examine the potential of LEP to improve India's relations with the ASEAN
  countries.
- 2. To analyze the feasibility of accommodation of NER of India within the development paradigm of the LEP.
- To examine the on ground limitations of the implementation mechanism of the LEP.

# I.V. Research Questions

- 1. How far LEP is instrumental to promote India's ties with the ASEAN countries?
- 2. Is it feasible to accommodate NER of India within the development paradigm of the LEP?
- 3. Can implementation of LEP promote development and security in the NER of India?

#### I.VI. Hypotheses

- 1. The LEP is capable of promoting development in North East India.
- 2. LEP is not satisfactorily implemented on the ground level.

# I.VII. Research Methodology

The research employed both qualitative and quantitative methodology. Data has been collected both from the primary and secondary sources. Primary data is collected through field surveys, interviews and with the help of the questionnaire method. Interviews are conducted taking responses of experts, scholars, traders, small business holder, etc. Response is also taken from the natives of the region. Official record and reports

available in various government departments are also accessed. Secondary data is collected from books, articles in edited books, articles in journals, articles in news papers. Besides, as a source of information the social media is also used. The changing dimensions of the LEP in the context of NER of India are the primary focus of the study.

#### I.VIII. Chapterisation

Chapter I deals with the introduction to the dissertation. It basically gives an overview to the NER, its problems and the opportunity structure available in the region. Here, special attention has been given to the aspect of border trade and on the intensification of the potential of NER through border trade. It also briefly introduces the LCS through which border trade in the region may be intensified. This chapter points out the historical roots of conflict in the NER and also points out the dilemma that involves between conflict and development discourse in the region. This chapter also states the Rational and Scope of the Study, Objectives, Research questions, Hypotheses and Research Methodology following which the entire research is carried out.

Chapter II deals with the philosophical foundations of India's foreign policy. It particularly underlines the historical inconsistencies in the foreign policy principles and their implementation. It brings out the major limitations of the foreign policy and their negative impact on the internal and external politics of the country. It attempts to underline the changes that have taken place in the international politics that compelled India to re-orient its foreign policy principles. It highlights India's attitude to regionalism and SAARC. By pointing out to the lack of comparative advantage with SAARC it attempts to prepare the ground for India's relation with ASEAN.

Chapter III specifically deals with LEP. It presents four different waves of LEP. The first wave is about India's relation with SEA in the pre-colonial era. It underlines India's cultural contacts with SEA, where religion played a dominant role. The second wave is about India-SEA relations in the colonial era. It shows the declining interaction between the two civilizations and it was with the struggle of the INA that the natural connectivity was rediscovered. The third wave is about the post colonial relationship between India and ASEAN. It points out the inconsistent relationship between India and ASEAN. The

fourth wave is about the post economic reform relationship between India and ASEAN and the changed circumstances that created ground for India's politico-economic interaction with ASEAN. This chapter also deals with the economic and strategic dimensions of LEP from Indian perspective. It also attempts to bring out the contradiction between LEP and the Sixth- Schedule of Indian constitution which covers a significant portion of the territory of NER of India. It suggests an alternative approach to development following the Yunnan model of development in China.

Chapter IV is one of the most important chapters as in it data collected from the field are recorded. The field work was done at Moreh, which is an LCS, located in India-Myanmar border in the state of Manipur. The collected data are analyzed and interpreted in this chapter by using various tables. The research was conducted on sixty respondents based on a structured questionnaire.

Chapter V gives the conclusion to the entire dissertation. It briefly presents the gist of every chapter. It underlines the findings of the field work and brings to light the gap between rhetoric and realities of LEP. It categorically states that, implementation mechanism of LEP has been too poor to promote accommodate the regional interest and is therefore, unable to link people with the development process. It suggests that, an alternative approach to development have to be adopted for the NER and regional priorities needs to be decided. It also underlines the areas of further research.

Chapter II

India's Foreign Policy towards ASEAN

# Chapter II

# India's Foreign Policy towards ASEAN

## Introduction

Modern states are run by its government and the Government being the human element of the state defines the nature of the state. However, a government in order to perform its function in a continuous manner should have a well defined action programme based upon the internal and external realities. Such action programmes are nothing but 'Foreign Policy' of the nation. "Foreign Policy is the key element in the process by which a state translates its broadly conceived goals and interests into concrete courses of action to attain those objectives and preserve its interest" (Padelford and Lincoln,1961:183). "Foreign Policy connotes a greater degree of rational procedure and a type of planning involved in a step-by-step progress to a known and defined goal" (Hartmann, 1967:67). Like most other states the foreign policy of India is also a systematic action programme to engage with the other states.

The foreign policy of India is founded on some of the basic principles as underlined below:

- 1. Opposition to colonialism and Imperialism.
- 2. Opposition to Racial Discrimination.
- 3. Promotion of International Peace.
- 4. Panchsheel and faith in Peaceful Coexistence.
- 5. Special relation with Asian States.
- 6. Faith in UNO.
- 7. Faith in Non-alignment.

It is to be noted hare that, India got independence with lot of challenges and prospects. The country emerged with a perpetual division and a new but unfriendly nation i.e. Pakistan. Contestation between the two countries emerged on the issue of Kashmir,

which Pakistan considered as an un finished agenda. In course of time India and Pakistan fought two full flagged wars in 1965 and 1971 and a high voltage conflict in Kargil in 1999. However, this was not the sole contention in India's external relation as India had to pay for its immature diplomacy in 1962. Continuous negligence to Chinese power politics led India to a humiliating defeat at the hands of China. So, till mid 1960s, India had already developed two Unfriendly nations around it. But, this was not the whole story of India's deteriorating relationship with its neighbors. In course of time, relation with Bangladesh and Sri Lanka also deteriorated. On the issue of illegal migration, pours border, Farraka Barrage, cross border terrorism, etc. India has contention with Bangladesh. India's relation with Sri Lanka was tested on the issue of Tamil revolution and sending of Indian Peace Keeping Force (IPKF) in 1987, added some bitterness in the relationship between the two countries.

On explicit grounds of foreign policy principles, India's credibility decreased to some extent with the defeat of the 1962. Prior to the war India was emerging gradually from a regional power to an international leader to reckon with. This was achieved by virtue of India's adherence to the principle of non-alignment. But the 1962 defeat compelled India to revisit its foreign policy principles and India gradually moved closer to Russian bloc. Its non-aligned position came to be questioned as a political hypocrisy and a selfish politics. Though occasionally, India tried to reset the old image by adopting the principles of 'genuine non-alignment', 'Gujaral Doctrine', etc. but, drastic change took place in 1990-91 with the gradual collapse of the Soviet Union. In order to securitize its national interest India gradually became more flexible so far as foreign policy is concerned. It actively involved with South Asian Association for Regional Cooperation (SAARC) and followed a Neo-Liberal Economic Policy. Remodeling of country's economy helped India to formally introduce LEP, as a device to have deeper politico-economic cooperation with ASEAN countries.

Thus, foreign policy of India registered constant changes in its orientation. From a socialist bias of the early day of 1950s, Indian foreign policy changed to a truly neo-liberal one. From a truly idealistic position of pre 1962 era, India gradually moved towards the realistic politics of international relation. Therefore, India's foreign policy is

organic in nature. Like any organism, it has evolved, developed and changed to fit itself to the contemporary realities. To study any specific foreign policy principle it is necessary to understand this dynamic and organic nature of the foreign policy of India.

This chapter, therefore, tries to discuss the foundations of India's foreign policy, its continuity and changes. It will also attempt to understand the historical blunders in the application of foreign policy and the comparative advantage which India enjoys in its association with ASEAN.

# II.I. Philosophical Foundations of India's Foreign Policy

Philosophical foundation of India's foreign policy can be found in the age old traditions of the land, its history and the teachings of its great personalities. The motto of peace and universal brotherhood rooted in India's foreign policy can be traced in Sanskrit literature which mentions "Vasudheiva Kutumbakam" means that the whole world is one single family. Literature in ancient Indian history gives certain clues to the philosophical foundation of India's foreign policy. "Manusmriti" for example, mentions about appointment of Envoy'. It mentions, "The Envoy can bring together two separated kings and can likewise, cause discussion among kings, and he can maneuver things wholly devastating to the enemy. "The function of envoy is to cultivate good and peaceful relation between two kings or otherwise negotiate or handle the situation of hostility between two or more kings" (Chaturvedi, 2010:346). In the same way, rather in a much detailed way Kautilya's "Arthasashtra" discusses the foreign policy principles of a state 10.

<sup>&</sup>lt;sup>8</sup>Vasudhaiva Kutumbakam (Sanskrit: vasudhaiva kutumbakam. From "vasudhā", the earth; "ēva" = indeed is; and "kutumbakam", family;) is a Sanskrit phrase that means that the whole world is one single family. Everyone has their own worldview which is quite often different from person to person. Vasudhaiva Kutumbakam means respecting this difference. Contrary to single worldview, Vasudhaiva Kutumbakam says animals, birds, plants, trees and other organisms in the ecosystem have Atma they are part of our family.

<sup>&</sup>lt;sup>9</sup>Manu is known as the Ancient Indian Law giver. "Manusmriti is a corpus of law, vying with the finest details of human conduct in relation to all the stages of life. It is a constitution visualizing the segments and vivifying the constituents of the social organism and identifying an ordered human life in an ordered society... the expression Manusmriti, literally means the memories of Manu. Manu is a cosmic seed of Humanity, the mind born son of Brahma. The lord creator ingrained this law in this cosmic seed of humanity and Manu when born on Earth as human, had in him the law for the humanity."(Dr. R.G Chaturvedi; the constitution of the Vedic Society, universal Law Publishing Co. New Delhi)

Thus, there is historical presence of documents which shows considerable thought has been given on drawing out a systematic foreign policy. Arthasastra can be viewed as a document stating the realist vision of the foreign policy and provides basis for later research on foreign policy.

Indian foreign policy lays on the foundation of anti colonialism and imperialism. Independent India needed to frame its future course of action and as it goes "Politics is the past history and history is the present politics", on both the areas India witnessed the impact of colonial domination. It adversely affected India economically politically and socially. What colonialism did to India was nothing but a "Drain of Wealth" in the words of Dadabhai Narooji. Colonial economic policies reduced India's self sufficient village economy to an economy of perpetual underdevelopment. By restricting India's economy the colonial masters had gradually entered the realm of socio political arena of Indian life. As a result of such multidimensional dominance, British Empire lasted in India for more than 200 years, legacy of which was mass poverty, institutionalized exploitation injustice and social exclusion of Indians. This systematic exploitation was termed by the British as their "civilizing mission "or the so-called "White man's

<sup>&</sup>lt;sup>10</sup>Foreign Policy is summed up in the formula of 'Sadgunya' or the six measures. The formula is associated with, though it does not presuppose the theory of 'Rajamandala' or 'circle of kings'. This Mandala is said to consist of twelve kings or states...according to one view, the twelve kings are- 'Vijigisu' the world- be conqueror, 'Ari' the enemy, whose territory is contiguous to that of the vijigisu, 'Mitra', the 'ally' with territory immediately beyond that of the 'Ari', 'Arimitra' the enemy's ally with territory beyond that of the Mitra, 'Mitramitra' the ally of the Vijigisu's ally with territory beyond that of the Arimitra, 'Arimitra-mitra' the ally of the enemy's ally beyond the Mitra-Mitra, 'Parsnigraha' the enemy in the rear of the Vijigisu, 'Akranda' the vijigisu's ally in the rear. <sup>10</sup> (The quotation is taken from Jha, V N (2009)) kautilaya's Arthasastra and Social welfare, published by Sahitya Academy, New Delhi)

<sup>&</sup>lt;sup>11</sup>In 1867, Dadabhai Naoroji put forward the 'drain of wealth' theory which stated that the Britain completely draining India. He mentioned his theory in his book 'Poverty and Un-British Rule in India.' Further in his book, he stated the loss of 200-300 millions of pounds of revenue to Britain. Dadabhai Naroji considered it as a major evil of British India. He gave six factors that caused external drain. These are-external rule and administration in India, funds and labour needed for economic development was brought in by immigrants but India did not draw immigrants, all the civil administration and army expenses of Britain were paid by India, India was bearing the burden of territory building both inside and outside India., India was further exploited by opening the country to free trade, major earners in India during British rule were foreigners, the money they earned was never invested in India to buy anything, moreover they left India with that money.(http://www.mapsofindia.com/my-india/history/dadabhai-naoriji-and-his-drain-of-wealth-theory. Accessed on 02/02/2014).

burden"12. Colonial experience led India to oppose colonialism and imperialism in any of its forms.

India's foreign policy also bases on anti racialism, i.e. racial abuses and racial discrimination Frantz fanon the pre eminent thinker of the 20<sup>th</sup> century understood racialism as "generally harmful psychological construct that both blind the black man to his subjection to the universalized white norms and alienate his consciousness" (Fanon, 2008:151). Gandhi had already fought colonialism In South Africa<sup>13</sup>. His philosophies and contemporary historical developments played extremely important role in India's struggle for freedom and after independence they naturally had impact of the foreign policy making processes of the country. India was therefore strongly opposed to racial or colonial discrimination in any part of the world.

Another basic postulate of Indian foreign policy over the decades is the countries continuous faith in the United Nations. "As a founder member of the United Nations, India has been a firm supporter of the United Nations and has made significant contribution to the furtherance and implementation of those noble aims and to the evolution and functioning of its various specialized programmes" (Yadav&Baghel, 2009:2). It is for that reason that India at the very first session of the UN had raised its

<sup>&</sup>lt;sup>12</sup>The Western powers justified mass colonisation under the pretext of philanthropy and human rights. European colonialists believed they were racially superior humans and that colonisation would help the conquered societies. Systematically, the colonised would be granted the benefits of European civilisation through technology transfer and infrastructure. This would in turn ameliorate the lives of those who were colonised and partially rectify the wrongdoings of the European slave trade. John Stuart Mill, was one of those who justified colonialism on this basis. Mill admitted that colonialism equated to subjugating foreign populations against their will through autocratic governance. Yet he argued that this type of rule would grant the conditions for Indians to enjoy European-inspired education, positivist values and materialist values which would make India as socioeconomically advanced as its coloniser. (http://www.global-politics.co.uk/blog/2011/04/17/white-man-burden/)

<sup>&</sup>lt;sup>13</sup> Gandhi went to Durban South Africa in 1893 to conduct the case of a company... During his stay in South Africa, Gandhiji was shocked by the humiliating conditions of the Indians residing there under the rule of the white majority people. In 1906 the Government of South Africa passed 'Asiatic Registration Act, also called Black Act. The act put restriction on the Indian residents at South Africa from enjoying human rights...through his techniques of Satyagraha; Gandhi launched a mass Movement in South Africa against the Black Act. He was successful in getting removal of some of the worst evils of racialism.(Roy Burman.B(2006): elements of History, Bina Library, Guwahati,p:147)

voice against colonialism and apartheid, two issues which have been among the most significant of the UN successes in the last half century. (Yadav&Baghel, 2009:3). The United Nations has always been at the centre of India's global vision and a preferred instrumentality for serving its foreign policy ends. India therefore, actively supported the United Nations and took initiatives from time to time to strengthen the multilateral system underpinned by...It gave India an international profile larger than was warranted by its economic strength and military power. India's effort s to defuse the Korean crisis was duly recognized when in 1953, following the Korean armistice, India was appointed the chairman of the Neutral Nations Repatriation Commission. India also played a dominant role behind the scenes, in bringing about the 1954 Geneva Agreements on peace in Indo-China. As recognition, India was asked to chair the International Control Commission set up under the agreement" (Mukund, Dubey, 2013:4). However, India wanted international intervention not at the cost of territorial integrity of the individual nations. "On May 10, 1990, however, the Indian ambassador to the UN, told the Special committee on peace keeping operations that India supports the peace keeping role of the World Organization. But...that such operations must be carried out with due respect for sovereignty and territorial integrity of the country or countries concerned" (Malhotra, 2000:417). In fact, India was very much conscious of making UN a really functional body. In this context in a parliamentary debate Smt. Tarkeshwari Singha favored UN saying, "Only the UN can solve the Big World problems, and it is in this realization that we are going to join and co-operate with the UNO, and in fact, are cooperating with the UNO"(Verma, 2008: 211).

However, it was the Policy of "Panchsheel" which acted both as a ground as well as a philosophical foundation of India's foreign policy and its relationship with its neighbors. "Panchsheel" is the foundation of India's Foreign Policy. The doctrine of Panchsheela' found philosophical expression at the hands of Gautam Buddha and its subsequent propagation by Emperor Ashoka through (work) edicts and scriptures all over Asia" (Mohite,2010:27). It helped India leaders to devise Panchsheel as principles of contemporary foreign policy. Nehru said in 1929, "Peace can only come when the causes of war are removed. So long there is domination of one country over another, there will always be attempt to subvert the existing order and no stable equilibrium can endure. Out

of imperialism and capitalism can never come" (Yadav&Baghel, 2009:4). The Panchsheel principles were jointly adopted by Chinese Premier Chou-Enlai and his Indian counterpart, Nehru in 1954. These five principles include- mutual respect for each other's territorial integrity and sovereignty, non-aggression, non interference in each other's internal affairs, equality and mutual benefit and peaceful coexistence (Chatterjee, 2011:170).

Regarding the doubts concerning the 'Panchsheel' as a foreign policy Mahaveer Singh Observes, "In the fifties of the last century many doubting Thomas's questioned the relevance of 'Panchsheel' for the world order based on bi-polarism. The subsequent incorporation of these principles in the Bandung Declaration of the Asian-African conference as well as the declaration of Non-Aligned countries in various summit meetings and inclusion of these principles in the joint declaration issued by a member country in their bi-lateral relations reflected the growing importance of these principles. These principles are not just highly idealistic or utopian moral doctrines but a set of principles which each and every country should follow for building a bloc free world order based on 'Decolonization, Disarmament and Development' (Singh, 2005:11). "The Panchsheel became very popular among the sovereign states of the world as a number of them- the erstwhile Soviet Union, Indonesia, Burma, Afghanistan, Yugoslavia, Poland, Saudi-Arabia, Laos, Vietnam, etc. accepted these principles of international conduct" (Malhotra, 2000:413).

One of the most fundamental doctrines which have laid the foundation of India's foreign policy and its bilateral and multilateral relations is the policy of Non-Alignment Movement. "The pursuit of development goal through NAM was necessary for giving substance to India's Hard-won freedom...India therefore, made NAM a platform for seeking larger flow of external resources under favorable terms and conditions, greater access for its exports in the markets of developed countries and restructuring of the international trading, financial and monetary systems in order to make them supportive of development" (Dubey,2013:113). Non alignment was as such a step forward of the principles of Panchsheel. "By aligning ourselves with any one power you surrender your opinion, give up the policy you would normally pursue, because,

somebody else wants to pursue another policy. If we did not align ourselves we would only fall between two stools. We will neither be following the policy based on our ideas inherited from our past nor the one indicated by our present, nor will be able easily to adapt ourselves to the new policy consequent on such alignmen."(Ibid:114)

Therefore, it appears that, Nehru considered Non alignment as a tool to safeguard India's socio political freedom by not becoming puppets in the hands of the super powers. As such Nehru observes, "It is not our purpose to enter into other people's quarrels. Our general policy has been to avoid entering into anybody's quarrels. If I may say so, I have more and more come to the conclusion that the less we interfere in international conflicts, the better, unless our own interest is involved, for this reason that it is not in consonance with our dignity just to interfere without any effect being produced. Either we should be strong enough to produce some effect or we should not interfere at all"(Appadoorai, 1949:41.).Sumit Ganguly observes Prime Minister Jawaharlal Nehru who was the Prin9cipal architect of independent India's foreign policy, had sought to pursue ideational foreign policy. To that end he had been an ardent supporter of multilateral institutions, had placed significant constraints on defense spending and had strenuously advocated the process of decolonization. These policies had both normative and instrumental underpinnings. At normative level Nehru had genuinely hoped to transform the global political order. These goals became embodied in the doctrine of non alignment" (Ganguly 2012:1). Ganguly further observes, "The policy made sense as it enabled a materially weak state to play the role that was considerably more significant than its capabilities would warrant" (Ganguly 2012:1). In fact, non alignment, so vital foreign policy principle for Nehru that in spite of a humiliating defeat India in the 1962 Sino-India continued the same policy. "While remaining quiet apart from power blocs, we are in far better position to cast our weight at the right moment in favor of peace. Nor does nor alignment prevents India from cultivating close relation with some particular countries" (Singh, 2006:3). Nehru's conviction to non alignment can be understood in the observation by Hillsman. Roger Hillsman, a member of the Harriman team has recorded, "...In fairness of Indian leaders, it should be noted that even in the first shock of defeat and demoralization; the long way out by joining an anti-china or anti-communist alliance did not appeal to him" (Pattnaik, 2008:51). The natural corollary of India's non aligned

foreign policy is its open attitude towards regional cooperation within the countries of Asia and the entire third world. Through Non Alignment, "its (India's) intentions were not to create separate Asian bloc but to promote cooperation among the countries of Asia. Under this very principle India played active role in the formation of South Asian Association for Regional Cooperation (SAARC) and continues to be its active and significant member. During Janata Dal Government regime India followed 'Beneficial Bilateralism' towards neighbors and its foreign policy was marked by 'Asian Focus' In 1990 and again in 1996-97 India adopted a good neighborhood policy which was termed as 'Gujral Doctrine' (Malhotra, 2000: 439). Simultaneously conducive developments started to take place in Asia which upheld India's policy of regional cooperation with East Asia other regional centers.

Semuel P. Huntington observes, "The economic development of East Asia has been one of the most significant developments in the world in the second half of the twentieth century. This process began in Japan in 1950s, and for a while Japan was thought to be a great exception: a non western country that had successfully modernized and became economically developed. The process of economic development, however, Spread to the Four Tigers (Hong Kong, Taiwan, South Korea, Singapore) and then to China, Malaysia, Thailand, and Indonesia and is taking hold in the Philippines, India and Vietnam. These countries have often sustained for a decade or more average annual growth rates of 8-10 percent or more. An equally dramatic expansion of trade has occurred first between Asia and the world and then within Asia" (Huntington,2002:103).So, India now had a practical field in Southeast Asia where it can practice its regional aspirations to avail economic

<sup>&</sup>lt;sup>14</sup>Former PM I.K.Gujral promoted the Gujral Doctrine, when he was the Union Minister of External Affairs in 1996-97 in the H.D.Devegowda Govt. The doctrine was a five point roadmap which sought to build trust between India and its neighbours for solution of bilateral issues, through bilateral talks to improve quid-pro quos in explaining the relationship between India and her neighbours. The five principle of Gujral Doctřine are—1. With neighbours like Bangladesh, Bhutan, Maldives, Nepal, and Sri Lanka, India do not ask for reciprocity but gives and accommodates what it can in good faith and trust. 2. No South Asian country should allow its territory to be used against the interest of another country of the region. 3. No country should interfere in the internal affairs of another. 4. All South Asian countries must respect each other's territorial integrity and sovereignty. 5. They should settle all their Disputes through peaceful bilateral negotiations.

The essence of the Gujral Doctrine has been that, being the largest country in South Asia India extends Unilateral concessions to neighbours in the subcontinent. (source: <a href="www.the">www.the</a> calibre/in-depth-current-affairs/opinion-Gujral-Doctrine/122012/P=2344, accessed on 02/02/20-14).

benefit as well as to extend its influence in Asia which had suffered serious setback in its war with PRC in the early 1960s.

# II.II. Major Limitations of India's Foreign Policy

Swaran Singh while reviewing "Indian at Risk" authored by Jaswant Singh underlined some key areas according to Jaswant Singh which affected India's international image. For the author, "disarming of India" by the British goes back to India's first war of independence in 1857 and had already resulted in a "decline in India's martial ethos, which was worsened by "a militarily illiterate and untrusting civilian control of the armed forces" after 1947. Swaran Singh observes even in case of India's first war with Pakistan in 1948 the British ensured India did not attempt a decisive victory but took matters to the UN... the UN Resolution asked for ceasefire...Pakistan did not vacate the areas occupied by its forces...Instead it has now continued with its campaigning against India for not holding a plebiscite..." Besides, in the wake of China's occupation of Tibet, Nehru chose to simply announce in parliament on November 20, 195 that "The McMahon Line is our boundary". However, Singh has identified another significant limitation of Indian foreign policy, which he quoted as "Unforgivable of lapse of Nehru was his decision on November 2, 1961to order setting up of posts in "forward posture" based on a major appraisal by Intelligence Bureau about two months earlier. The result of which was that India became a laughing stock with Nehru having to send back to back two long telegrams to Kennedy on November 19, seeking help by describing the situation as "really desperate", his non alignment stood demolished" (Singh,2014:13)

Every foreign policy needs a proper balance of ideology and interest. Disproportion of the two may result in non achievement of desired objectives. In this context S Singh observes that, "achieving of these objectives cannot be accomplished without the driving force of ideas and thus every foreign policy inevitably contains traces of ideology through the task of statesmanship lies in arriving at a balanced integration between idealism and practical consideration as represented by strategic and geopolitical consideration, the necessity of attracting economic aid as well as in scanning the prevailing alignment of political forces on the international horizon...idealism without the kernel of self interest may sound hypocritical and hallow" (S.Singh,2006:02). India, as a

sovereign nation state and that too in a realist world of 1950s committed a number of fumbles which bared it from developing closer cooperation with its neighbors. In fact India was running short of friends in crunch hours of 1962 during the Sino-India war and in 1990s when India's long term strategic ally i.e. Soviet Union faced a sudden collapse. "It was the political idealism of Nehru which led the Kashmir issue to the international platform of the UN, where India later on needed to change its status saying that 'Kashmir issue is India's internal issue'.

Again, in the early 1950s by simply conceding Tibet to china Nehru lost a diplomatic advantage over its Chinese counterpart. Tibet ceased to act as a buffer between India and China and again by conceding Tibet India lost the scope of bargaining with China, which never recognized India's claim over Arunachal Pradesh, rather china tend to See Arunachal Pradesh as its own peace of territory, "while rejecting Beijing's proposal of a compromise settlement to the border involving the Chinese acceptance of the watershed principle (that is the McMahan Line) in the east in exchange for India's relinquishing its claim to Aksai-chin in the west, and then ordering a forward policy, Nehru was in effect pursuing a maximal and hard line policy, but one not backed by equally hard military force. This combination of hard line policies and military weakness was an invitation to disaster that came in October 1962" (Garver.2012: 53). Underlining a rightwing perspective on these whole mass of incident Satadru Sen observes, ". In the autumn of 1962, the weaknesses of Indian foreign policy were all too apparent, even to Nehru himself. With the Chinese poised to enter Assam, Nehru was reduced to begging the US for air support while John Kenneth Galbraith supervised the Indian debacle from Chanakyapuri, and non-alignment was effectively dead." Again, "Non-alignment, from this perspective, was a silly idea because it alienated India from the major democratic super power, and all the political, economic and military benefits that might have flowed from an early alliance with the US. Instead, Nehru went this way and that, allowed himself to be sucker-punched by his Chinese friends, and promptly died, leaving the

<sup>&</sup>lt;sup>15</sup>The Source is taken from a Documentary Video, prepared by ABP News Channel & was televised as an episode of 'Pradhanmantri'.

country to wander into a disingenuous partnership with the Soviet Union, which, after 1991, meant a dangerous isolation on the international stage" Further, SatadruSen. While giving his own judgment, said, "The crisis of 1962 developed not because of non-alignment was inherently flawed 'as a foreign policy, but because it was mismanaged by Nehru and his advisors. The primary mistakes are easy enough to identify. The first thing that a state without allies needs is a strong defensive capability, and Nehru neglected to organize this. He allowed his back- ground as a Congressman from the colonial period, when the army was seen primarily as a hostile instrument, to prejudice his relationship with the military of independent India. The second thing that a state without allies needs, especially if it neglects to organize a strong military, is a willingness to be conciliatory in its relations with its neighbors when the only alternative is confrontation" (Sen, 2001:45).

Notwithstanding, the greatest inconsistency which jeopardized India's interest on international platform was the element of ingenuity added to India's policy of non alignment. In the post Nehru era India's Soviet connections led people to believe in the cessation of India's policy of non alignment. Besides, India also missed the opportunity to develop full-fledged relationship with the ASEAN in late 1960s owing to its diplomatic miscalculation. In the words of Manjeet s. Pardesi, "Nehru's self appointed role of Indian Leadership in Asia was viewed with suspicion in that region. Moreover, India's autarkic domestic economic policies meant that India had little to offer to promote growth and development in Southeast Asia. Worse still the Indian Diaspora in these doctrines was viewed as a potential fifth column doing India's bidding and undermining the nascent Southeast Asian states. Finally India's disastrous military defeat during the Sino-Indian border conflict at a time when cold war was becoming entrenched in South East Asia showed that India would not be able to offer traditional military security to the newly emerged states of Southeast Asia.' (Pardesi 2012:61). As such India was reduced to a "marginal player" in Southeast Asia.

India's attitude towards the big powers gave certain interpretations to the SEA countries which also influenced India's early relationships with these countries. "India initially and actively sought to cooperate with ASEAN militarily, with the Indian Prime Minister India Gandhi visiting Singapore and Malaysia in 1968 in order to try to make a

breakthrough in this respect". However, "Some ASEAN countries regarded the residual presence of Western powers in the region as bolstering their immediate security, whereas India argued their withdrawal in fact would lead to a more stable Southeast Asia. India emphasized pan-Asian security cooperation led by India and channeled ASEAN into its track; whereas the newly established ASEAN emphasized geographical Southeast Asia to resolve contradictions and conflicts among member countries, and to promote economic, social and cultural integration in this region" (Hong, 2006:149). "The motivating concern behind India's action at that time was large issues like, 'Communism and anti-Communism, coexistence and confrontation, peace and war', rather than regional matters" (Sridharan 1996:23). India's strategy was to minimize the effect of the withdrawal of Western powers and promote the regional states to be more self-reliant, thus keeping the region free of the disturbing presence of the major external powers, while ASEAN countries were more concerned about regional issues and conventional security threats" (Sridharan 1996:53).

From the prism of development occurring in Asia and end of bi-polarity, Indian Foreign policy was needed to be reviewed and its continuity and changes needed to be examined. The basic philosophical foundations which so far guided India's foreign policy encountered serious jolt in 1962, with the crushing defeat at the hands of the PRC at first and then with the collapse of the Soviet Union. The loss of 1962 had tilted India's foreign policy to the Socialist bloc which reached its zenith with the signing of Indo-Soviet Friendship Treaty of 1971. In the same way the breakdown of USSR left India solitary in an international order which is very much competitive in the realistic sense of the term. As such, India revisited its foreign policy. Its socialist features were done away with and was replaced by a new politico-economic discourse, much known as New Economic Reforms<sup>16</sup>. As such under the changed circumstances India needed new friends, new

<sup>&</sup>lt;sup>16</sup>The reform process in India was initiated with the aim of accelerating the pace of economic growth and eradication of poverty. The process of economic liberalization in India can be traced back to the late 1970s. However, the reform process began in earnest only in July 1991. It was only in 1991 that the Government signaled a systemic shift to a more open economy with greater reliance upon market forces, a larger role for the private sector including foreign investment, and a restructuring of the role of Government.

economic allies, new market as well as new economic policy. As such, the LEP, which India pursued in the early 1990s, was a natural corollary of changed international circumstances and of the country's foreign policy preferences at a specific point in history.

## II.III. India's Attitude towards Regionalism; ASEAN and Beyond.

Regional cooperation provides a viable opportunity to the underdeveloped nations of third world to sustain the process of their development. The Oxford Concise Dictionary of Politics underlines regionalism as "the practice of or belief in the regional government". Though India's attitude to regionalism does not go to create a regional government, but of course it looks for regional cooperation for development and thereby replaces politics of contradiction by the politics of mutual benefit. In the words of Earnest Hass regional integration is "the process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations and political loyalties towards new larger centre whose institution possess or demands jurisdiction over preexisting nation states" (Khanna,2008,231). In this contest Joseph Nye observed, the process of integration implies recognition of mutual obligations and common interests (Khanna,2008:231). The two elements- 'mutual obligation' and 'common interest' often

The reforms of the last decade and a half have gone a long way in freeing the domestic economy from the control regime. An important feature of India's reform programme is that it has emphasized gradualism and evolutionary transition rather than rapid restructuring or "shock therapy". This approach was adopted since the reforms were introduced in June 1991 in the wake a balance of payments crisis that was certainly severe. However, it was not a prolonged crisis with a long period of non-performance.

The economic reforms initiated in 1991 introduced far-reaching measures, which changed the working and machinery of the economy. These changes were pertinent to the following:

- · Dominance of the public sector in the industrial activity
- Discretionary controls on industrial investment and capacity expansion
- Trade and exchange controls
- Limited access to foreign investment
- Public ownership and regulation of the financial sector

The reforms have unlocked India's enormous growth potential and unleashed powerful entrepreneurial forces. Since 1991, successive governments, across political parties, have successfully carried forward the country's economic reform agenda. (Ministry of External Affairs, Government of India, Investment and Technology Promotion (ITP) Division(2014), /URL- <a href="www.Indianbusiness.nic.in/Economic">www.Indianbusiness.nic.in/Economic</a>Reforms.hmt)

contradicts with the 'individual interests' of the nations and leads to genesis of conflicts among nations. "Man is bound by three passions, viz, desire for safety, desire for glory and desire for gain. The desire for gain leads to violence..." (Arora& Grover,2005:53). S.S.Dar views Conflict as "to clash or engage in a fight, a confrontation between one or more parties aspiring towards incompatible or competitive means or ends" (Dar,2011:34). "The phenomenon of conflict, has been vitiating all the endeavor of universal peace and harmony- manifesting itself either in the form of national animosities leading to war and destruction or intra-state violence...based on parochial tendencies" (Khanna, 2008:232).

"The remedy for conflict lies in substituting it with cooperation...cooperation among states is promoted by common factors which may be geographical, ethnic, linguistic, religious, civilization, politico-historical or socio-economic. The greater the interaction, the batter are the chances of success of cooperative endeavors" (Khanna,2008:232). India's partnership with SAARC and ASEAN should be viewed from such an attempt for cooperative development in the regional levels. SAARC Social Charter for example, is a drive towards such cooperation amidst historical presence of conflicts. "The Charter in its twelve articles recognizes the urgent need to improve the social conditions of the people, which are inseparably linked to economic development of the region. The opening paragraphs of the charter reiterate the need to create a concerted platform for this regional organization to work for social progress of the South Asian Region" (Chatterjee, 2010:171). India, being a signatory to the charter showed complete allegiance to its issues and upheld them. To this end, occasionally, India came out with foreign policy principles like 'Beneficial bilateralism', or 'the Gujaral Doctrine'. India's support to the 'Panchsheel Principles', also demonstrates its attitude to regional politics. The issues of SAARC Social Charter, such as, health, nutrition, food security, safe drinking water and sanitation, population activities and child development and rights, gender equality, participation of women in development, etc. falls within the discourse of Indian regionalism.

Cooperation with SAARC and initiation of LEP are the two glaring examples of Indian Regionalism. "India's approach to regionalism in Asia can easily be analyzed with its

reference to broader framework of SAARC...The Indian Leadership even before the dawn of independence, wove the vision of world peace and an equitable international order on the edifice of Afro-Asian unity. The Indian National Congress spearheading the struggle for Indian independence Dreamed of an Asiatic Federation" (Sharma, 2009:140), though it was more due to dissatisfaction with the colonial empire and apprehension to power block politics, rather than a love for Asiatic Federation. "India with her experience of initial efforts to organize the Asian community and recent history of conflicts in the region cautiously welcomed the initiative of Bangladesh in 1980 for an association of south Asian nations, namely India, Pakistan, Sri Lanka, Bangladesh, Nepal, Bhutan and Maldives. Five years later, after a painstaking, gradual step by step progress, the seven South Asian nations launched South Asian Association for Regional Cooperation (SAARC) in 1985" (Sharma, 2009:142). Though India was not very much sure of the outcome of such a grouping with arch rival Pakistan in the formation, yet it could not go against such a creative proposal as such a step might have isolated India form its neighbors in South Asia. "India could not reject the proposal either because of the idea of regional cooperation in itself was a positive one and could play a useful role in India's own regional policy. An outright rejection of the proposal by India could also give legitimacy to the neighboring states going ahead with it on their own. This in effect would have made the forum an instrument of neighbors ganging-up against India. It would also have aggravated India's isolation in the region, which was already becoming pronounced on issues such as Indian Ocean, Kampuchea and Afghanistan" (Muni,2011:12).

Therefore, India by the help of diplomacy tried to ensure that, such a regional grouping, i.e. SAARC does not turn into a political platform for discussion of major bi-lateral issues between nations. Rather, India was keen to see SAARC as more an economic institution which intensifies regional trade in South Asia. Though SAARC was created as a regional forum for more and more economic cooperation among the member states, yet, there is a wide gap between its potential and actual achievement. It had wanted to boost trade in the region by craving out FTA, among the states of South Asia, even between arch rivals, i.e. India and Pakistan. But the success of SAFTA became dependent on political relationship between the two principal states of the region, India and Pakistan.

The SAARC could not make much headway due to political rivalry between the two major states in the region. Since its inception, the SAFTA as well as its predecessors SAPTA had practically remained dwarfs in regional trade... intra regional trade accounted for only 5.5 percent of the total trade of SAARC members in 2008" (Chatterjee, 2010:170). "It is the world's largest regional organization in terms of population, but the smallest in terms of intra-regional trade. In a region infected with poverty, social inequality, religious fanaticism, illiteracy, unemployment, terrorist activities and political rivalry among members, this organization faces a real challenge in achieving social and economic integration...despite the SAPTA and SAFTA, economic integration and development of the region are yet to be fulfilled; despite signing of the Social Charter up liftmen of the poor and the under privileged of the region remains a dream"(Ibid:171). "When it comes to operational details, specific projects and programmes of cooperation, controversies and contradictions of bilateral relations between members of the SAARC, not only delay decisions, but even prevent the very initiation of such projects. It is and it should be a matter of critical concern that the predicament and deliberations at the SAARC are in direct contrast to trends in regional cooperation in other regions of the world" (Dixit, 2004:77). "The geo-strategic situation in South Asia has also contributed to such differences. India's central strategic location, her size, her enormous natural resource base etc., have often led her neighbors suffering from 'minority syndrome,' to accuse her of harboring hegemonic designs in the region" (Chakraborty, 2008:47). Along with unstable politics and dissimilar geographic features, economy of the region has also served as a concern for SAARC.

"The regional countries had emerged from their colonial past with economies largely dependent upon the primary sector. Hence, like the rest of the third world countries, the South Asian countries continued to exist as the 'periphery' of the industrialized North, supplying it with agricultural products and raw materials, the demand for which is relatively inelastic in nature. Efforts to diversify the economy through industrialization and establishment of 'import substitution' economic regimes between 1950s and 1970s did not alter the picture substantially. Some of the constraints limiting the intra level regional trade have been identified as export similarity or competitiveness, high incidence of tariff and non tariff barriers, inadequacy of credit, counter trade, inadequate transport

facilities, lack of standard and after sales services, inadequate information, instability in trade and unfavorable cosine measures of trade complementarities between bilateral pairs of most of South Asian countries" (Mukharjee, 1994:6).

# Table.1. Highlights of Trade with SAARC

- During April-September 2009-10, Bangladesh was the largest trading partner of India in SAARC region.
- During April-September 2009-10, India has recorded a negative growth rate of exports to all the countries in SAARC region.
- During April-September 2009-10, the lowest decline in growth of exports was recorded for Pakistan at (-) 5.88%.
- Except for Bhutan, India runs a trade surplus with all other trading partners.

Source: Director General of Commercial Intelligence &Statistics (DGCI&S), Ministry of Commerce and Industry, Government of India (2010, *Highlights of Trade with SAARC*, available in the official website: <a href="https://www.dgciskol.nic.in">www.dgciskol.nic.in</a>. The date is of 2010, accessed on 14/o2/2014

Table no. 2. Share of Trade between India and SAARC Countries

(Value in US \$ Million)

	2006-07	2007-08	2008-09	(April-September)	(April- September)
Exports					
India's Total	126.41	163.13	185.30	108.91	76.59
% share of SAARC countries	5.12	5.91	4.62	4.65	4.60
Imports					
India's Total	185.74	251.65	303.70	185.00	124.19
% share of SAARC countries	0.81	0.84	0.60	0.58	0.63

Source: Director General of Commercial Intelligence & Statistics (DGCI&S), Ministry of Commerce and Industry, Government of India. (2010), *Highlights of Trade with SAARC a*vailable in the official website: www.dgciskol.nic.in. The date is of 2010, accessed on 14/02/2014

So, India's Trade with the SAARC countries shows an entirely different picture. In fact, trade within SAARC has not at all been reciprocal even after two decades of existence of SAARC. On some occasions growth of trade has been negative. Dismal political situation and lack of trust among the nations as well as existence of wide gap in terms of geopolitical condition of the nations of SAARC lies behind such imbalance. This as such, has all the making of India looking at other regional centers for increased economic cooperation and its association with ASEAN has to be viewed from this Prism.

# II.III.I. India's Regionalism and ASEAN;

So far discussions have revealed that, India's Foreign Policy in the post cold war phase is well founded on the politics of realism and promotion of national interest is the core concern of the Foreign Policy. About political realism, H.J. Morgenthau observed that, "Politics is grounded by laws that are created by human nature. The mechanism we use to understand is through the concept of interest defined in terms of power" (Baylis,et.al. 2008:96). The defeat in the hands of Peoples Republic of China (PRC) made India to realize that, politics operate in a realist line and nations are selfish when the question of national interest comes to the front. India as such remodeled its Foreign Policy approving the views of K. Waltz's that "Anarchy leads to the logic of self help in which states seek to maximized their security" (Kumar: 2009:11).

"The Look East Policy which emerged after the end of the Cold War in the early '90s has yielded many benefits. Principal among them is closer political contacts including high-level exchange of visits between India and South-east Asian countries. This has been buttressed by an impressive increase in the quantum of bilateral trade; and, greater flow of people, in particular tourists and businessmen who have underpinned this enhancement in the relationship. In the ultimate analysis, Governments, including the state Governments, can only provide the framework and the basis on which interactions can take place, so that people from different walks of life in India and the countries of Southeast Asia can meet with each other for a cooperative and beneficial future. Whether it is tourism or culture or commerce, intensification of exchanges at the people-to-people

level, is one of our principal objectives...The importance of building up, sustaining and optimizing the use of infrastructure hardly needs emphasis" (DoNER, 2007).

"India, ignoring ASEAN"s collective position on Kampuchea, recognized the Hang Samrin regime that was seen as a protégé of Vietnam. This recognition was announced soon after Indira Gandhi's return to power in mid-term elections and just weeks before India was scheduled to participate in the ASEAN meeting to firm up its association with this regional grouping. Realizing that ASEAN would not approve of this action, India's then foreign minister Narasimha Rao avoided participating in the ASEAN meeting in July 1980. ASEAN also did not bother to invite India subsequently. ASEAN turned cold towards India as a result of its political decision in favor of the Kampuchean regime" (Muni,2011:7). So, 1990s were the high time for India to make an objective analysis of changing international situation and take the initiative to enter into cooperation with ASEAN.

"The international climate was not conducive for the development of India economy. The Gulf crisis resulted in serious problem leading to severe external liquidity crisis. Due to gulf crisis India lost its export to Gulf countries, remittances from NRI in the Gulf dried up and import bill on petroleum oil and lubricants jumped due to its increased price. All these factors were responsible for drastic fall in the foreign exchange reserve of the country to as low as \$1 billion. Under such a situation, the country lost its credit worthiness and thereby international commercial banks refused to advance credit and the NRI also withdrew their deposits suddenly. Thus in that situation, country's earning from exports and the foreign exchange reserves failed to meet our payment obligation resulting a balance of payment crisis and the crisis of confidence of the Government by June 1991" (Dhar, 2006:279).

"To improve the overall performance of the Indian Economy, the Central Government announced in 1991the New Industrial Policy. It came to be known as the 'New Economic Policy' as it made a 'radical' departure from the Nehruvian Economic Philosophy contained in the 1956 policy. In essence it heralded the era of liberalization which led to privatization and globalization" (Laxmikanth, 2009:452).

This change to India's approach to foreign economic policy came out of the first ever realistic interpretation of changing global situation and political economy. It was rather a tremendous ideological shift on the part of the then Indian elites; a shift was from that of a Nehruvian socialistic state to a minimal state falling within the ambit of the neo-liberal discourse of post Soviet era. "Recognizing the global shift from geo-politics to economics India introduced structural reforms in the country. As a result it adopted the policy of 'Look East' to forge deeper economic ties with the countries of east and Southeast Asia. In this process it joined ASEAN, first as its Sectoral dialogue partner and finally as full dialogue partner" (Yadav, 2009:28).

"The Association of Southeast Asian Nations (ASEAN) consists of 10 member nations that have grown rapidly over the last decade. The combined average real GDP of the ASEAN countries over 2008-11 was 5.5% as compared to a world GDP growth of 2.8%. While most Western economies are still recovering from the financial crisis of 2008, Asia is already on a fast track to growth. Asia accounted for nearly 36.6% of global GDP in 2011, while the US and Euro area accounting for just 23.0% and 20.1%, in the same time period, respective" pointed out by FICCI<sup>17</sup>, while citing the importance of ASEAN for India.

The Southeast Asian countries had already modeled them on the neo-liberal principles of the Uni-polar world and by adopting the same root to political economy; India had made the prospect of cooperation easier. "The Look East Policy" thus fits in the Neo-Liberal discourse that India Assumed in the early 1990s. So, India steadily moved forward with this policy to sustain its long term economic interest. Thus, India is looking to develop

<sup>&</sup>lt;sup>17</sup>Established in 1927, FICCI is the largest and oldest apex business organisation in India. Its history is closely interwoven with India's struggle for independence, its industrialization, and its emergence as one of the most rapidly growing global economies. FICCI has contributed to this historical process by encouraging debate, articulating the private sector's views and influencing policy. A non-government, not-for-profit organisation, FICCI is the voice of India's business and industry. FICCI draws its membership from the corporate sector, both private and public, including SMEs and MNCs; FICCI enjoys an indirect 2,50,000 companies from various regional chambers membership over of commerce.(http://www.ficci.com/about-ficci.asp)

associations with countries beyond its immediate neighborhood, perceiving countries in East and Northeast Asia as its far eastern neighbors and the ASEAN countries as its near eastern neighbors" (Zhao Hong, 2006:147). "The institutionalization of ASEAN-India relations came with the First ASEAN-India Summit in Pham Penh on 5 November 2002 and was perceived as the success of India's LEP. It was considered an acknowledgement of India's emergence as a key player in the Asia Pacific Region" (Kaul, 2002:03). India assigned great economic and strategic importance to the ASEAN region which led Ex Prime Minister Atal Behari Vajpayee to comment, "The Southeast Asian region is one of the focal points of India's foreign policy, strategic concerns and economic interests" (Anand, 2009:9). "Vajpayee and his key lieutenants, Jaswantsingh and Brajesh Mishra, who were the first explicit realist to rule India, were deeply critical of what they took to be an earlier Indian propensity to adopt ideological position that India did not well serve Indian power interest and were convinced that India urgently needed to build up a position of greater strength vis-à-vis china, less India be marginalized not only on global scene but possibly even in south Asia" (Ganguly,2011:100). Thus, their mutual effort for greater cooperation with SEA countries added a vital strategic dimension to India's LEP. Economic advanced made by ASEAN vis-a-vis SAARC, its strategic advantage are the two important factors which helped India to prioritize its linkages with the ASEAN.

"The southeast Asian region has emerged as the hub of Asia – Pacific security paradigm in the last decade. The emergence of China as the second largest economy replacing Japan, and its assertiveness in its dealings with the international community, has shifted the centre of gravity of international politics to Asia as never before. China's claim to the entire South China Sea to the exclusion of the interests of other littoral states does not bode well for the future of the region. New Delhi with its Look-East policy is now firmly gravitated to the region's economic and political fortunes. Its relationship with other institutions of the region like the ASEAN and EAS enjoins upon it to stay committed to the region. New Delhi is fully conscious of its new role and responsibility that comes with it" (Bhasin,2011:21).

First, the East Asian financial crisis highlighted the need for effective prevention, management, and resolution of financial crises and contagion. There was growing dissatisfaction with the way the IMF handled the crisis and a need was felt for the establishment of a self-help mechanism between the East Asian economies, one that would include information exchange, policy dialogue, a regional liquidity support arrangement, financial sector development, and joint policy making in critical areas such as exchange rate policy coordination" (Anand,2009:2). Second, with the growing integration of both trade and FDI in the region there has been a growing need for a formal institutional framework for facilitation of trade and investment, harmonization of rules, standards and procedures and dispute settlement. The deepening financial and macroeconomic interdependence has also given rise to the need to resolve the problem of "collective action" by internalizing externalities and spillover effects that arise from interdependence. Given that a country's shocks and crises can easily be transmitted to other economies within the same region, the need to establish financial safety nets has been recognized in the region. (Ibid). Finally, there has been a tendency towards regionalism as a defensive response to the proliferation of regional trade agreements in Europe and the Western Hemisphere. The growing dissatisfaction with the slow progress on trade liberalization at the global level has also contributed to the same. East Asian governments are of the view that unless they develop their own regional frameworks they will lose out in global competition and multilateral negotiations. They feel the need to strengthen their bargaining power against the EU and the United States" (Ibid: 03).

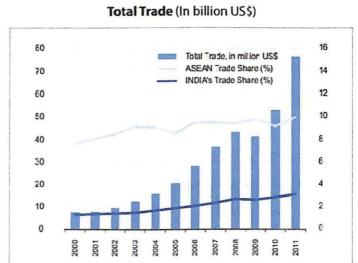
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Prioritization of the LEP has visible effects on India-ASEAN trade and cooperation in the 21<sup>st</sup> century. It has grown considerably every year and is making steady progress. The following chart will make it clear.

Figure no.1. India's trade and investment with ASEAN

#### Trade and Investment

ASEAN has become one of India's largest trading partners in recent years with trade growing from US\$ 10.2 billion in 2000 to US\$ 76.4 billion in 2011. A majority of India-ASEAN trade is with Indonesia, Malaysia, Thailand, Singapore, and Vietnam. In 2011 Indonesia's share of imports was the highest at 34% of India's total imports from ASEAN, followed by Malaysia (22%), Singapore (20%), and Thailand (13%). Though there has been a large increase in trade flows, there is still potential for enhancing trade cooperation between India and ASEAN.



source: DONER, (2013), INDIA-ASEAN: Forging Partnership for Economic Integration, FICCI

Thus India's trade with ASEAN has advanced both at multilateral and bilateral level. Besides, trade advancement has a major share of agricultural products, which is beneficial from India's point of view, as till now India is a predominantly agricultural country. This also has a comparative advantage for both the two regions as revealed by the above figure. It has also batter performance for India, if compared to India's association With the SAARC, which has showed negative balance of trade.

#### **II.IV. Conclusion**

This chapter has basically dealt with the foundations of India's foreign Policy and its continuity and changes. From the discussions it appears that, India's ancient Politico-cultural and religious tradition hold tremendous impact on its foreign policy. India's colonial past, its history of freedom struggle, etc. contributed to a significant proportion in lying down the philosophical foundations of India's Foreign Policy. The foreign Policy principles of opposition to colonialism, racialism, imperialism etc. established India as a country with a distinct ethical character, particularly, till 1962. Therefore, as a natural corollary, India extends support to UN and has followed a policy of Non-alignment throughout the ages of cold war. This has led India to adhere to the principles of Panchsheel.

However, its policy of Non-alignment during the cold war came under doubt owing to its closer association with the Soviet Union. India adopted a mix economic model of development to achieve a socialistic pattern of Society. As a result of that Non-alignment of India was questioned as ingenuine and hypocrite. The Indo-Soviet Friendship Treaty of 1972 confirmed the international concerns regarding India's attitude towards non-alignment. On the other hand, ASEAN as a regional cooperation platform endorsed US economic policies and it's only after the collapse of USSR that, India felt the need of revisiting its foreign policy direction. With the introduction of economic reforms of 1991 the gap between India and ASEAN got reduced. This led to the inception of LEP in 1991. The policy was also relevant at that point of time as India's association with SAARC was not that much productive, unlike expectations. So, through LEP India looked for new friends in SEA by extending its Northeastern horizon.

LEP is a reflection of India's changed ideological position during the post Soviet era. It also underlined India's preference to politico-economic principles under the changed circumstances. Following a truly neo-liberal discourse by initiating LEP, India formally introduced neo-liberalism in its Foreign Policy. The Foreign Policy started to work on the line of anti-protectionism and followed a policy of opening up.

From an Indian perspective, foreign policy has proved to be a matter of leaning by error. The first major lesson learned after the defeat of 1962, as it challenged the traditional foundations of India's foreign policy. The gap between theory and practice of foreign policy became visible. Though theoretically India tried to demonstrate itself to be a non-aligned country, practically it worked on a different line altogether. The defeat of 1962 made India understood the importance of hard power and to acquire that in short time, India needed to compromise with the policy of non-alignment. This was the first major cause of change in India's foreign policy. In the post 1962 era, therefore, India started to open up itself to the world of power politics.

It is to be noted that, India never made gross compromises to its foreign policy principle however, made itself available to any arrangement of peaceful cooperation among nations- regional or global. So, India warmly welcomed the proposal of president of Bangladesh Md. Ershad for the creation of SAARC, as a regional forum for cooperation among the South Asian Countries. Its faith in UN has been continuous and in the post 1991 economic reform it directly involved with the politics of SEA via ASEAN. Within Asia India involved with two regional groupings- SAARC and ASEAN. Regarding India's association with SAARC it is evident that, there will always be a comparative imbalance of interaction of economic nature. Indian economy is too large to ask for equal reciprocation of economic benefit with tiny countries of SAARC like that of Nepal, Bhutan, Bangladesh, Maldives, etc. This however, should not be misunderstood that these countries are less important for India from political and strategic importance. SAARC, in order to emerge as a trans-border regional grouping needs to settle many political disputes including the Kashmir issue between India and Pakistan.

Association with ASEAN appears to be more advantageous from an Indian perspective because, India can expect economic reciprocation. The ASEAN member countries like Malaysia, Indonesia, Philippines, Singapore, etc. performed better than India particularly in the 1990s and continue to be so except the period of recession of the 21<sup>st</sup> century. ASEAN can provide a regional grouping by which India can have easy access to the far eastern economic giants like Japan, South Korea, etc. India, therefore, enthusiastically launched LEP as foreign policy device to foster its relationship with ASEAN.

In the nutshell, India's association with ASEAN is the practical realization and manifestation organic evolution of the foundations of foreign policy. The more mature this process of evolution, the more is the chances of building of a trans-border region for mutual benefit of both India and ASEAN. So, LEP marks the key stone of India's foreign policy in the post economic reform era. Any design to study India's foreign policy must therefore, include and give due space to the study of LEP and its diverse aspects. The present study therefore, goes into more detailed understanding of LEP and its different dimensions.

Chapter III

**Look East Policy and North East India** 

## Chapter III

## Look East Policy and North East India

## Introduction

As stated in the previous chapter, the LEP marks a shift in India's foreign policy from ideological orientation of cold war era to pragmatism of the post cold war situation of international relations. Loss of traditional ally owing to the collapse of the Soviet Union compelled Indian Policy makers to revisit the basic postulates of its foreign policy of the country. Economic compulsions also obliged India to shed political idealism and accommodate certain measures which can re-establish India among the contemporary nations. The policy of opening up to the SEA countries is a pragmatic step to promote economic, political and strategic interests. This policy of India's opening up the SEA Countries came to be named as India's "Look East Policy".

At the first impression it appears that, India's relation with the ASEAN is just two decades old. But, according to some scholars, India is looking towards the SEA since the ancient era and it has already different waves of relationship. During the first phase, the association between India and the SEA were more on cultural ground and Indian influence on the SEA was so tremendous that nomenclature of some of the SEA countries are named after India, for example, Indo-China, Indonesia, Cambodia, etc. The splitting words 'Indo', 'bodia', etc implicitly suggest the Indian influence on the region until very recently. Hinduism and Buddhism spread throughout the region, whose remains are still available in the SEA region. However, the rise of Islam led to the decline of Indian influence and the oriental culture started to prevail in many of the SEA countries.

With the inception of colonial rule in India, relation with SEA remained somewhat dormant in nature as traditional interactions were overshadowed by European colonial expedition on the entire region. Both the region was deprived of the natural entitlement of defining the course of future interaction. It was only in the later days of British colonial empire in South Asia that, the SEA region became Important from an Indian perspective. The struggle of Indian National Army (INA) helped India to rediscover the natural geographic connectivity between India and SEA. By mobilizing the Troops of INA

through Myanmar into Imphal, Netaji Subhash Chandra Bose, manifested the natural connectivity between India and SEA. This connectivity, in the post independent era marked the basis of India's attitude towards ASEAN during the late 1960s.

In the post colonial period, India looked to the SEA, but not with conviction. Contradictory economic approach kept India and ASEAN separated throughout the ages of cold war. Such contradictions were nothing but the negativities of cold war politics spread throughout the world. Strong interaction between India and ASEAN needed drastic change in the structure of international relations and the opportunity came in the late 1980s with the collapse of USSR and the meltdown of Indian economy. By Initiating LEP in the post reform age, India-ASEAN relations entered to an altogether distinct era of beneficial interaction.

The LEP progressed in a phased manner and India gradually secured its position from a sectoral dialogue partner to a Summit level partner and involved in FTA with many of the SEA countries. With the introduction of Myanmar into ASEAN as permanent member, India found a natural access to ASEAN. A natural extended region has come to exist with NER of India being the key player. LEP, has therefore, achieved both economic and strategic dimension. Economically, it assures India with beneficial reciprocation and strategically it has the potential to counter the growing Chinese influence in the South-China Sea and in entire South and SEA.

Specifically, in the context of NER of India, LEP has many assurances. It is presumed that, by exploring the natural connectivity, the isolation of NER may be removed and positive integration of the region would be made possible. LEP is expected to be a key to the development of the region, provided it is supported by capacity building initiatives. Another line of argument suggest that growing connectivity and development initiatives would limit secessionism in NER, as people's confidence would be reposed on the political system.

However, LEP has to tackle the contradictions that the land of mountains offers to it. The contradiction is of theoretical discourse. While LEP gains its Philosophy from neo-liberal principles of political integration, interdependence and free trade, NER on the other hand,

follows a protectionist discourse. It enjoys the safety cover of the Sixth Schedule of Indian constitution. So, development needs an alternative approach, which can normalize the contradiction and move the wheels of development to a direction of mutual advantage of both for India and ASEAN and NER as its immediate beneficiary.

#### III.I. Waves of LEP

The LEP, being a key stone of India's foreign policy, needs detailed understanding. Like the foreign policy of India, LEP has also evolved through various stages. It has added an organic dimension during the course of movement form the ancient age to the contemporary age of real politics. The demarcation of the waves of LEP is attempted in the following way. It is to be noted that, this classification model is inspired by the classification made by S D Muni, one of the renounced scholar of LEP.

## III.I.I. First Wave of LEP

"South-East Asia is a term which came into general use during the Second World Wars to describe the territories of the eastern Asiatic mainland forming the indo-Chinese peninsula and the immense archipelago which includes Indonesia and Philippines" (Hall,1995:3). "Both politically and culturally, South-East Asia has been overshadowed by India and china, which were great powers with established civilizations long before her own historical period begins. And it was only through the fertilizing impact of their cultures that her own began to develop and achieve greatness" (Ibid:4).

Through the LEP India simply attempts to cultivate on the positives of the historical relationships between the two regions. Because, "Historically maritime India had extensive strategic, cultural, religious, linguistic, and trade links with south east Asia, the whole of which today constitutes the ASEAN region" (Malik,2012:24). "In the precolonial period, there is evidence of India's dynamic and extensive relations with its eastern neighbors since the first century. This phase lasted until the 12th century and can be described as the first wave of look east in cultural and commercial engagement. During this period, the first Hindu Empire (in what later became the Indo-China region) flourished based entirely on cultural and philosophical contacts with India" (Muni,2011:2). "From prehistoric days, India had trade and cultural relations with West

Asia, Rome, China and Southeast Asia. India sent its traders and missionaries to these regions and in some places these persons also settled" (Mishra, 2001:105). Though there are theoretical suppositions<sup>18</sup> of such relations, yet there is no scarcity of historical evidences to suggest close links between the two regions. "Initial contact between the two regions dates to prehistoric times. There was racial and linguistic affinity between certain groups of people of eastern India with Southeast Asians" (Mishra, 2001:106).

Indian influence has no political implications... was in the process of absorptions by the native societies of South East Asia. Such absorptions were mostly of cultural and economic in nature. D.G.E. Hall observes, "The term Hinduization has been generally applied by scholars to the impact of Indian culture upon South-East Asia." As such Hall argues that such influences were exerted by the great Indian Epics like that of the Ramayana. "Ramayana for instance, speaks of Yavadvipa, the islands of gold and silver, and the VayuPurana... mentions Malayadvipa also. Sir Ronald Braddell...equates Malayadvipa with Sumatra, while Yavadvipa is interpreted by scholars as a regional name for Java-Cum-Sumatra" (Hall,1995:13). The Ramayana also mentions about Suvarnabhumi, i.e. Golden Island or Peninsula (lower Myanmar). "The cultural synthesis is also reflected in the names of the people and places, lifestyles and festivities, patterns

<sup>&</sup>lt;sup>18</sup>The consensus is that the process of Indian cultural expansion in Southeast Asia was accomplished by peaceful means and it was non-political in character. There is first the kshatriya (warrior class) theory, which presupposes that Indian cultural expansion was due to the seminal influence of the Indian warriors and conquerors, who migrated in large numbers to Southeast Asia. The vaisya (merchant class) theory postulates that Indian cultural penetration began with traders, who intermarried with local women and impressed the indigenous population with their goods and culture. The third theory, commonly known as Brahmana (priestly class) theory accorded primacy to local initiative: indigenous port patricians and rulers enlisted the service of Brahmans to buttress their political authority through Hindu ceremonies and rituals. Rather than being the result of a single factor, most likely the whole process of Indian cultural expansion was the outcome of endeavors of warriors, traders and priests along with the indigenous initiative. Most probably all four groups of people were involved in the process. Source: Hall, E DG (1995), A History of South East Asia, UK: Palgrave McMillan.

of old architecture and temples like Borobudur in Indonesia, Angkor Wat in Cambodia and WatPhu in Laos. The Angkor Wat in Cambodia and the Luang Prabang temples in Laos have episodes of the Hindu epics, Ramayana and Mahabharata, engraved on their walls" (Muni,2011:3). Campa even has a Valmiki temple. The popularity of the Hindu epics of Ramayana and Mahabharata in the Buddhist heartland of South Asia an unmistakable imprint of the cultural synthesis" (Muni,2012:206). The history of India's southern empire, particularly of RajendraChola suggests motivated contacts between India and Southeast Asia. "Rajendra sent a large expedition against the Sailendra Kingdom or Srivijaya kingdom consisting of Malaya, Java, Sumatra and the adjoining islands...The Srivijaya king acknowledged his suzerainty as a result of his campaign...The real motive of Rajendra was to secure South Indian trade with China 19 which the Sailendra king wanted to disturb...the success of the Chola naval expedition protected India's trade with the Malaya Peninsula" (Maiti, 1998:797). "Concurrently, the Southeast Asian polity of Sriwijaya had, through its Sumatran and Malayan ports, come to occupy a key position in East-West maritime trade, requiring engagement with both South China to the north and the Chola kingdom to its west. The apparently friendly relations pursued were, however, to be disrupted in 1025 by Chola naval expeditions against fourteen key port cities in Southeast Asia" (Khulke, 2009:123). The Indian-influenced states of Southeast Asia like Funan, Sri Kshetra, Champa, Khmer, Sri Vijaya, and Majapahit existed until medieval times. This period was when Hindu-Buddhist features were dominant. Indian influenced continued nonetheless, in Southeast Asia even after the Cholas, through Muslim merchants, Islamic scholars, and Sufi mystics travelling from India" (Mansingh,2012:196). "Islam in Southeast Asia did not come directly from the Middle East; it came from India. The consequence is that the Islam that came into Southeast Asia had already been modified by the experience of Islam in India and had

<sup>&</sup>lt;sup>19</sup> During the early centuries of Common Era, trade with China through Southeast Asia followed two routes. The first was from the Andhra and Kalinga coast, from where the ships went to Irrawaddy valley of Myanmar after crossing the Bay of Bengal. From the valley, the traders wentto the upper Yangtse basin through Salween and Mekong rivers. The second route started from Tamralipti, reached Sri Lanka and sailed directly through the Nicobar Islands either to the Sunda straits or straits of Malacca.

some very strong elements of Sufism in it", comments Professor Mark Mancall. <sup>20</sup> "It had adapted and liberalized considerably in Persia (now Iran), before it was spread to northern India and then on to Malaysia and Indonesia by merchants operating through the entre pot port of Cambay" (Mason,2000:71). As such, Moslems in Southeast Asia, Particularly in Indonesia and Malaysia do not entertain the restrictions which religion imposes upon them regarding education or dress habits.

## III.I.II. Second Wave of LEP

Thus, till around the 12th century Indian history transformed drastically and simultaneously with the advent of Muslim rule in India, Southeast Asia was not much in focus. Consolidation of the new rule for centuries led to a situation where the colonial expansion that followed Muslim rule in India disrupted these cultural and commercial links. This was the second wave of India-Southeast Asia association where unlike the first wave; Southeast Asia assumed more a strategic dimension for British India than economic and cultural links. "During the colonial period, the Second World War engulfed East Asia rather extensively. The war added a strategic dimension to India's (then British) links with Southeast Asia. The British grasped the strategic centrality of India in Asia and sustained their colonial presence east of the Suez including in Southeast Asia, on the basis of their Indian empire" (Muni,2011:4). India was more like a base camp wherefrom the British could look after their entire empire in South and Southeast Asia. However, this phase became important when India's struggle for independence found a war room in the Southeast Asian countries, particularly under the leadership of Netaji Subhas Candra Bose and his Indian National Army. "The INA recruited Indian personnel from Myanmar and Singapore. Southeast Asia was the theatre of operation against the British colonial rule by the INA and it has remained an important landmark in India's struggle for independence" (Mishra,2001:110).

This Second wave India-Southeast Asia relations becomes important as it shows to the world the practicality of geographical continuity between India and the Southeast Asia and this gets established with advancement of Indian National Army supported by the

<sup>&</sup>lt;sup>20</sup>The text is taken from Prof. Mark Mancall's interview conducted by Anthony Shis, on the topic 'The Roots and Societal Impact of Islam in Southeast Asia.

Asian Power house at that time, i.e. Japan, which is now having a dialogue partner status with ASEAN and is also included in the ASEAN+3 arrangement in 1999 for greater economic cooperation. Starting from Berlin, then to Japan and then via Singapore and Burma (Myanmar) the INA entered to Imphal (Manipur). "On January 7, 1944, the advanced headquarters of the Provincial government were moved forward from Singapore to Rangoon...INA's first division had already arrived in Burma by November 1942. Tokyo approved plans for the offensive into India in January and at the beginning of February, sent orders for the Imphal campaign" (Bose, 2011:266).

#### III.I.III. Third Wave of LEP

India's policy to the Southeast Asian countries during the post Colonial independent period is a tale of lost opportunities and political misperceptions. "India's interest in Southeast Asia from the 1950s through the 1980s was mainly desultory and never assumed a coherent or well thought- out policy approach. It also lacked backing by diplomatic and other capabilities" (Ghoshal, 2013:21). Though the Southeast Asia was often defined as the Greater India, and with whom India had close cultural association during the first wave of India looking east, yet the advantage was considerably lost in the second wave. There were perception problems between the two regions owing to which long term beneficial relationships could not be established. Though Nehru could realize the importance of the region for Asian solidarity and designed the Non-alignment foundation of India's foreign policy, yet the non-aligned diplomacy was found inadequate to create long term positive perception. To the ASEAN countries India had already chosen the side of the Cold War between United States and the Soviet Union. Similarly, India looked at the ASEAN countries as follower of the Western capitalist model of development and an unabashed supporter of the Western capitalist economic strategy in Asia. "Some ASEAN countries regarded the residual presence of Western powers in the region as bolstering their immediate security, whereas India argued their withdrawal in fact would lead to a more stable Southeast Asia. India emphasized pan-Asian security cooperation led by India and channeled ASEAN into its track; whereas the newly established ASEAN emphasized geographical Southeast Asia to resolve contradictions

and conflicts among member countries, and to promote economic, social and cultural integration in this region" (Hong, 2006:145).

Besides, India's socialist leaning strengthened more vividly after the Sino-India war posing serious question on India's non-aligned status held by it during the Nehruvian era. This was the crucial point where India got ideological difference with the ASEAN during the latter's formative years. These days India was keener to develop cooperation with ASEAN with an intent to contain cold war politics in Asia, where as ASEAN was for more and more economic cooperation. Difference in the objective for cooperation left India ASEAN apart in the initial years. Ideological orientation painted India more like a soviet ally than a non aligned state. In fact nonaligned position left many doors closed for India rather than opening for it; a situation quite unlike to Indian expectations. "Nonalignment as such did not provide any policy framework for dealing with the rest of the world. As a result, India's Southeast Asia policy did not have any clearly defined goals or objectives, except a generalized principle of promoting friendly relations with the countries bound by history and cultural links" (Ghoshal, 2013:22).

Later in 1970s and 1980s new developments led to more estranged relationship between India and ASEAN. The Indo-Soviet Friendship Treaty of 1971 and India's support to Vietnam's invasion of Kampuchea against the ASEAN position, left India ASEAN relation to the lowest point which was to be revived only with the collapse of the Soviet Union and economic meltdown of India in the early 1990s. "India's interest in Southeast Asia from the 1950s through the 1980s was mainly desultory and never assumed a coherent or well thought- out policy approach. It also lacked backing by diplomatic and other capabilities" (Ghoshal, 2013:21). In spite of these systemic blocs India-ASEAN trade had already started to flow well in the late 1980s

#### III.I.IV. Fourth Wave of LEP

By the end of the cold war phase, India by maintaining a confusing and discontinuous foreign policy positions had complicated its relations with the Southeast Asian neighbors. As already stated, India's closeness with the Soviet Union to sustain its regional strength, that too when India strongly advocated a non-aligned Asia, India's Support to Soviet

invasion of Afghanistan and Vietnam's encroachment upon Kampuchea(Combodia) and recognition to Hang Semrin government against the ASEAN position of derecognizing it, India sending IPKF to Sri Lanka, and military interventions in Maldives had created lot of suspicion of Indian intentions of being a regional Hegemonic power in Asia. Thus, as soon as the Soviet bloc collapsed India was left alone among the nations. SAARC was still in the formative ages and was being sandwiched between the bilateral contradictions of India and Pakistan. So, India was now keen to reorient the basic postulates of its foreign policy, redesign the foreign economic policies to cultivate strategic advances so as to revert the wounds of economic meltdown which is faced in the 1990s.

"This strategic drive on India's part was not bereft of economic objectives. India maintained a steady growth of around five per cent during Rajiv Gandhi"s period and was economically opening up. The idea of 'one window clearance' was introduced to reduce bureaucratic hassle for investment proposals. This was aimed to encourage meaningful economic engagement with the world, particularly the economically dynamic extended eastern neighbors" (Muni, 2011:9). Thus the P.V. NarsimhaRao Government continued the same policy of opening up and 'Southeast Asia emerged as a natural candidate as India began searching for new relationships' (Pardesi,2011:118). India's LEP was officially defined and articulated in September 1994, by Prime Minister NarasimhaRao in his Singapore lecture. He had stressed the point that India's historical and cultural relations were very old and strong and there was nothing new in India looking towards reinforcing cooperative linkages with its eastern neighbors. He laid emphasis on building strong economic and security relationship between India and its eastern neighbors.21 As a result of the LEP India managed to strengthen its institutional, economic and strategic relationship with the ASEAN countries. The concrete outcome was that, in 1992 India became a 'Sectoral Dialogue Partner' of ASEAN, became full Dialogue partner in 1995. It became a member of the ASEAN Regional Forum (ARF) and 'Summit Level partner' in 2002. Besides, India Signed ASEAN Treaty for Amity and Cooperation in 2003. In 2005 India became a founder member of the East Asia Summit (EAS). Thus, the post cold war shifts in India's foreign policy paid rich dividend to India's regional economic

<sup>&</sup>lt;sup>21</sup>Text of Prime Minister NarasimhaRao's speech, Institute of Southeast Asian Studies, Singapore, 1994.Accessed on 27/02/2014)

interest and brought it in good terms with the ASEAN. This phase has manifested the following specific preferences.

### III.II. Dimensions of LEP

So, India's relation with the SEA has evolved through various stages and such a long term process of evolution has added different dimensions to India's LEP. The formal introduction of LEP in the post cold war era by India was principally guided by two different dimensions. One is the economic dimension and the other is the strategic dimension. These dimensions of LEP are the natural corollary of the contemporary realities and on the realization of their significance lies the successful implementation of the policy.

# III.II.I. Economic Dimensions of the Look East Policy

In order to accommodate the NER within the discourse of the LEP, it is essential to understand the Centre-Periphery relationship that exists between the Indian State and the NER. "Centre can be defined as one having a privilege location within a territory. It has the characteristic like the location of the holder of key resources, of negotiation and of decision making as affecting the entire territory. It also signified the location of administrative, economic and cultural institution... geographically than a centre is a focused of power authority and decision making process. It decides on the nature and patterned of human activities including those of linkages and resources of territories to which it is the canter. On the other hand, periphery can be defined as a geographic area that remained within the control of the canter that is subordinate of the centre. In other word it was characterized by distance factors resources constrains and consequent dependence. For periphery it was struggle for retaining distinctiveness against over ridding but constant external pressure" (Sangma,1994:52).

The NER owing to its distant geographical location forms the peripheral borderland of the Indian state. In the context, Sangma further observe historically for the study of the region (NE), were the areas that were included in the state for its expansion and consolidation. This was strengthen by the pattern of administration relied more on the geographically remote canter. Periphery was characterized by poorly developed economy and limited trade. It remained outside the strong territorial network of economic exchanges and trade that the administration had built and strengthen. Geographical limits in the region further specialized in primary products, exports and were constantly subjected to the vicissitudes upon limited products export to distantly located market; as a result the periphery had little or no control in absorbing the impact. Moreover, periphery normally exhibited transitional or marginal culture in relation to the canter" (Sangma, 1994:54).

While trying to accommodate NER in to the LEP it is essential to address this central periphery relationship between the Indian and the NE. The capacity of NER should be developed in such a way that the gap between the so called main land India and the peripheral NE are reducing to the minimum possible extent.

The LEP, introduced by the P.V.Narsimha Rao government was an important pillar of the policy of opening up. Rao's measures were taken a bit more seriously as he had made the necessary structural changes to accommodate the principles of a truly neo-liberal economy. On the part of ASEAN's perception "China was signaling its steady development and growing engagement with the region and it was apprehended that it might fill the vacuum created by the collapse of the Soviet Union in the Asia-Pacific region. ASEAN accordingly started looking towards India as a possible candidate for helping ensure a stable regional balance" (Muni,2012:214).

"LEP has been implemented in two phases- the first phase extends from the period 1991 to 1997 in which attention was paid mostly on trade and investment linkages apart from being Association for South East Asian Nations (ASEAN) centered. This period witnessed India's active attention to the dynamic ASEAN markets, and the latter's intention in taking advantage of the former's rising potential and business opportunities of a growing and more open Indian market" (Santarita,2011:90). "The second phase is marked by increased FTAs and increasing focus on geo-strategic ties. The FTAs are a clear indication of a trend towards increased trade liberalization and attempt to widen up the Asian markets" (Roluahpuia,2012:76).

"The India ASEAN Free Trade Agreement (FTA)22 was signed in Bangkok on August 13, 2009, and came into effect from January 1, 2010 with Malaysia, Thailand and Singapore. It is expected to be in place with all member countries by 2016. The FTA collectively covers a market of nearly 1.8 billion people and proposes to gradually slash tariffs for over 4,000 product lines. Currently the FTA is restricted to trade in goods while negotiations for a similar agreement for services are currently under way" (FICCI, 2013:11). "The FTA considered the world's largest covers a market of nearly 1.8 billion people and proposes to gradually slash tariffs for over 4,000 product lines over a staggered period, by 2016. However, certain specified products on both sides will be shielded to some degree. This FTA aims at opening a 1.8 billion consumer market to the member countries with a combined GDP of \$ 2.3 trillion. In addition, ASEAN-India bilateral trade has been growing steadily from 1993 and stood at US\$ 43.9 billion as of 2009-10 with ASEAN"s export to India at US\$ 25.79 billion and imports from India at US\$ 18.1 billion as of the same year. As for foreign direct investment (FDI), the inflow from India to ASEAN member States was US\$ 476.8 million in 2008, accounting for 0.8 per cent of total FDI in the region. Total Indian FDI into ASEAN from 2000 to 2008 was US\$ 1.3 billion" (FICCI, 2013:43). "India has enter into a Comprehensive Economic Partnership (CEPA) which is a free trade agreement signed with South Korea in 2010 followed by Japan in 2011. Under the India-Korea CEPA, it is expected that export from both countries will boost with the reduction of tariffs on 90 per cent of Indian goods and 85 per cent for Korean goods in terms of value under CEPA. In the same way, the India-Japan CEPA covers more than 90 per cent of trade with a vast gamut of service, investment and other trade related issues" (Roluahpuia, 2011:81). "India-ASEAN trade stood at US \$ 43.90 billion in 2009-10, compared to US\$ 13.25 billion in 2003-04. In 2009-10, the value of Indian exports was US\$18.11 billion and that of import was US\$ 25.79 billion" (Shankar, 2013, 244). A target of 70 billion US \$ by 2012 was also set.

7

<sup>&</sup>lt;sup>22</sup>Free trade area: A "free trade area" is the least restrictive of PTAs and consists of a number of countries that agree to eliminate all trade barriers among themselves while keeping intact their existing tariffs with non-member countries. The North American Free Trade Agreement ("NAFTA") signed by the United States, Canada and Mexico is an example in this regard." (Source: FICCI/2011).

Table no. 3. Number of FTA in various ASEAN Courtiers (as of 2010)

		Concluded				
Country	Proposed	Framework	FTA	Signed	In Effect	Total
	FTA	Agreement	Under		3	11 16 16 16 16
		Signed	Negotiation			
India	11	4	7	0	11	33
Singapore	4	1	9	3	18	35
Thailand	6	4	3	0	11	24
Indonesia	7	1	1	1	7	17
Malaysia	3	1	5	2	8	21
Philippines	4	0	1	0	7	12
Cambodia	2	0	1	0	6	9
Myanmar	2	1	1	0	6	10
Laos PDR	2	0	1	0	8	11
Brunei	4	1	1	0	8	14
Vietnam	3	1	2 .	0	7	13
China	10	5	3	2	6	26
Japan	6	0	5	0	11	22
Australia	6	2	5	0	8	21
New Zealand	4	1	3	2	7	17

Source: RIS/NEC/DONER/ Expansion of North East India's Trade and Investment with Bangladesh and Myanmar: An Assessment of the Opportunities and Constraints

India and China too have been active in the FTA scenario in a bid to ensure market access for their goods and services. India has a goods FTA with ASEAN, and is trying to negotiate a service agreement, points out FICCI. According to the A Deloitte-FICCI

White Paper March, 2011 Commodities and Services identified to intensify profitable economic cooperation between India and ASEAN.

Besides, India and ASEAN has prepared action plan in 2010 for future economic interaction and here the energy related issues are given priority. According to the A Deloitte-FICCI White Paper March 2011 following areas are given priority. Promote and develop trade and investment interest in gas-related projects; Promote and develop trade and investment interest in the electricity sector, and pursue an integrated and coordinated development programme to establish compatibility of electricity grids, and work towards liberalization of power trade among ASEAN Member Countries and India; Develop and strengthen institutional linkages between ASEAN Centre for Energy (ACE) and India to cooperate on R&D into energy efficiency and renewable energy, and to establish programmes of cooperation; and Promote sustainable and optimal utilization of renewable energy, coal and new hydrocarbon projects, and cooperate in energy policy and planning, energy efficiency and conservation, as well as in the establishment of institutional linkages for developing other programmes of cooperation (FICCI White Paper,2011)

Thus, India and ASEAN has trade and economic relationship has intensified considerably. But, Is it a mere coincidence that the INA's battles were fought in the northeast and further down in the areas that constitute much of what might be covered now under the LEP? The answer must be that it is not at all a coincidence but an improvement over a historical process. The key areas of cooperation between India and ASEAN, such as, Pharmaceuticals, Handicrafts, Renewable & Non-Renewable Energy, Power, Petroleum & Natural Gas, etc. are widely available in the NE states. Which suggest that, NE states of India should be given adequate importance in India's LEP. Besides being natural extension to the Southeast Asia, with 98% of international border and close cultural affinity with the Southeast Asia, the resource potential of Northeast India is immense which needs to be supported by Sound infrastructural and communication system.

#### III.II. Strategic Dimension of the LEP

On strategic grounds the LEP forms the Core of India's interest in Southeast Asia vis-avis China, in Indian Oceans and also a key to what Sanjib Baruah describes as Durable Disorder in India's NER. Its holds the key to development as well as the capacity to address the conflicting issues in northeast. India's strategic advances in the region are made by adopting institutional approach. "India is engaged in the region through institutionalized political and economic initiatives and processes such as ASEAN Treaty of Amity and cooperation (TAC), ASEAN Regional Forum (ARF), East Asian Summit (EAS) Process. India is also an active player in the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)and the Mekong Ganga Cooperation (MGC) Project" ( Shukla,2012:223). Besides, India and ASEAN has initiated dialogue process to foster closer ties. Vijay Shukla further observes, "Dialogues are yet another multilateral initiative in which India and ASEAN have exhibited Synergy. India has established the Annual Delhi dialogue; the first two Delhi Dialogues held in March 2011 was broader in its approach and included connectivity and strategic issues...India's policy is to support 'open, inclusive and multilayered' economic and security architecture in Southeast Asia..." (Shukla,2012:224).

Thus, by an institutional approach India tried to promote greater cooperation with the ASEAN. This helped India in widening the scope of its LEP. This can be observed with the help of the following articulation by foreign minister Yashwant Sinha 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. The new phase also marks a shift from trade to wider economic and security issues including joint efforts to protect sea lanes and coordinate counter-terrorism activities" (Sinha,2003:47).

"It should be noted that India did not emerge on the global stage until after it began to seriously engage ASEAN and the other East Asian countries, for which the India-ASEAN summits provided a most useful opportunity. India-ASEAN engagement at the summit level and all the subsequent developments has helped India to become a credible

interlocutor with the major powers. Japan and South Korea, for example, began to take India more seriously after the India-ASEAN engagement at the summit level" (Sikri,2009:5).

At the regional levels India's association with ASEAN is seen by the member countries as a counter balance to china's growing assertion in the South China Sea and other regional of south East Asia. The politico economic interest of ASEAN member countries such as Vietnam, Indonesia, Malaysia, Laos, Philippines are to a great extent contradictory in nature, which works as a positive element for India in its attempt of growing integration with the ASEAN. Minor confrontation between china and Vietnam is a regular feature.0n 7th May 2014, Vietnamese naval ships and Chinese vessels have collided in the South China Sea, Vietnamese officials said 'The incident happened as the Vietnamese navy was trying to prevent the Chinese from setting up an oil rig in an area claimed by both nations.' The incident came as Philippine police seized a Chinese fishing boat and detained its 11 crew in another disputed part of the South China Sea on Wednesday 7th May, 201423. The boat carrying "large numbers of endangered species" was seized "to enforce maritime laws and to uphold Philippine sovereign rights", the Philippine foreign Ministry said in a statement. China claims ownership of large parts of the South China Sea, including shoals and reefs, located off the coast of the Philippines. Vietnam, the Philippines, Brunei, Malaysia, China and Taiwan all have competing claims in the region. Such, a situation is helpful for India as it will urge the SEA countries to look to India to ensure a regional balance. Such strategic advantage can be reaped by maintaining deeper cooperation with the ASEAN strategic dimension of look east policy assumes further significance with the induction of Myanmar into the ASEAN in 1997. Induction of Myanmar into the ASEAN established a natural link between India's Northeast and the ASEAN. It allowed India to enthusiastically initiate a LEP and geographically isolated northeast became a prime determinant of India's LEP. "With the paradigm shift from state centralism to interdependence and global and regional cooperation, India is aware of the geo-economic potential of the North-Eastern region as

<sup>&</sup>lt;sup>23</sup> The report was published in 'The Assam Tribune' a daily news paper on 7<sup>th</sup> May 2014; the report clearly stated the maritime differences between China and Vietnam and stated that such differences must be cultivated by India to promote its own interest. The incident was reported by the BBC London as well.

a gateway to East and South East Asia...gradually integrating this region through cross border market access, the North-eastern states can become the bridge between the Indian economy and what is beyond doubt the fastest growing and dynamic region in the world." <sup>24</sup>

#### III.III. Locating North Eastern Region in the LEP

"The North Eastern Region together with Sikkim covers an area of about 262,000 square km and the eight States together share over 5400 km of border with neighboring countries. The region is known for its ethnic, linguistic, cultural, religious and physiographical diversities. The region can be broadly divided into two sub regions, the North East Hills (NEH) sub-region comprising of Arunachal Pradesh, Nagaland (except for the area adjoining Assam), Manipur (except for the Manipur valley area), Mizoram, Tripura (except for the plains), Meghalaya, two hilly districts of Assam and entire Sikkim and the North East Valley sub-region comprising of the rest of the region."(NEC). "The Great Indian corridor in the east is a land mass bordered by the countries like Bhutan, China, Myanmar and Bangladesh and is connected with the Indian subcontinent by a narrow strip of land not more than 26 km wide. Politically the corridor consists of Arunachal Pradesh, Assam, Manipur, Meghalaya and Tripura. These states are popularly called as seven sisters, NER. Therefore, the terms Corridor, NEI, and NER are considered to be as synonymous" (Deka, 2011:7).

The Ahom rule however ended with the Burmese invasion and subsequent coming of the British and the conclusion of the Treaty of Yandabo on 24 February 1826. "At the Treaty of Yandabo 24 February 1826, His Megisty, the king of Ava, formally renounced, amongst others, his claim upon 'the principally of Assam and its independence. With this treaty Assam was passed to the British colonial hands till India got dependencies' and the neighboring States of Cachar, Jayantiya and Manipur" (Barpujari, 1980:16). Keeping in

<sup>&</sup>lt;sup>24</sup> India's external affairs Minister on 16<sup>th</sup> June 2007, during his keynote address on "Geography As Opportunity" at Shillong, where he pointed out the necessity of using the difficult geography on NER as an opportunity rather than viewing as a constraint to development. The key note address is available in 'Public diplomacy Division of the Ministry of External Affairs, Accessible through the website <a href="www.mea.gov.in">www.mea.gov.in</a>,. For more details of the Speech, please refer to APPENDIX II

view the demographic and ethnic situations in Northeast India, the British colonizers introduced a number of laws which include- The Schedule District Acts of 1874 and the Frontier Tract Regulation Act of 1880. The Act of 1873, i.e. the Bengal Eastern Frontier Regulation act of 1873 introduced the 'Inner Line'25; a device to protect the indigenous hill tribes from getting outnumbered by a probable infiltration by the plain tribe or any other group of settlers. Entry to business, land transactions and settlements were restricted to the outsiders. It was a bid to protect distinct identity of the ethnic tribes of Northeast. It was in 1935 that the hills of the northeast region was categorized as 'excluded' and 'partially excluded' areas, with the British having complete control over the former and latter was placed under limited representative system, though having British suzerainty over it as well.

So, northeast has been an entirely different field from an administrative point of view. Its geo-political and demographic composition obliged the British to introduce an entirely different mechanism. Administration was adjusted to the regional requirements so that sense of resentment may be tamed and kept within control. In 1947, when the country got independence and unified under a single national identity, entire northeast formed a part of it. But, tendency towards centralization and lack of a sense of recognition to the distinct ethnic culture left resentments resumed and secessionist movements started in the region and the nation building process went wrong in the NER.<sup>26</sup>

Thus, being a distinct land, the states in north east India need special arrangements to ensure lasting development. More importantly it needs honest efforts and right intentions as well as deeper understanding of the region's problems and their probable solutions.

<sup>25</sup>Inner Line' is a policy of regulating the interaction between the plain people with the hill tribes. For detail refer Gait, Edward Sir (2008), A History of Assam Guwahati: EBH Publishers (India), pp 386-387.

<sup>&</sup>lt;sup>26</sup> "Excesses have been committed at times by the security forces. Small detachments have occasionally gone berserk when their colleagues have been brutally ambushed. Harsh interrogation for information has sometimes held to custodial death. There have been instances of rape and molestation. The human issues are not to be extenuated......Investigations have been made and those found guilty punished. But civil procedures are often slow and unsatisfactory. In the prevailing conditions, delays occupy and transparency is sometimes lacking." (Vergese 1996:304). These lines clearly state the underlined reasons of politicoethnic unrest in the NER of India.

Figure no.2. Decadal Growth of Population in North East Region.

	100		Decadal
State	Population		Growth Rate
			(in %)
	2001	2011	2001 - 2011
Arunachal Pradesh	1097968	1383727	26
Assam	26655528	31205576	17.1
Manipur	2166788	2570390	18.6
Meghalaya	2318822	2966889	27.9
Mizoram	888573	1097206	23.5
Nagaland	1990036	1978502	-0.6
Sikkim`	540851	610577	12.9
Tripura	3199203	3673917	14.8
North East	38857769	45286784	17,52
India	1028610328	1210569573	17.7

Source: national census 2011

The above data reveal that population in north east has increased considerably, the decadal growth rate of population except the state of Nagaland (-0.6), is very high. But has there been parallel growth of employment opportunities to accommodate the additional population? Answer to this question can be found in the following table.

Figure no.3. Working and non working population of North East Region

States	Total worker	Main	Marginal	Non
Arunachal Pradesh	587657	478721	108936	796070
Assam	11969690	8687123	3282576	19235886
Manipur	1159053	855012	304041	1411337
Meghalaya	1185619	921575	264044	10781270
Mizoram	486705	415030	71657	610501
Nagaland	974122	741179	232943	1004380
Sikkim	308138	230379	77741	302439
Tripura	1469521	1077019	392502	2204396
	Arunachal Pradesh Assam Manipur Meghalaya Mizoram Nagaland	Arunachal Pradesh       587657         Assam       11969690         Manipur       1159053         Meghalaya       1185619         Mizoram       486705         Nagaland       974122         Sikkim       308138	Arunachal Pradesh       587657       478721         Assam       11969690       8687123         Manipur       1159053       855012         Meghalaya       1185619       921575         Mizoram       486705       415030         Nagaland       974122       741179         Sikkim       308138       230379	Arunachal Pradesh       587657       478721       108936         Assam       11969690       8687123       3282576         Manipur       1159053       855012       304041         Meghalaya       1185619       921575       264044         Mizoram       486705       415030       71657         Nagaland       974122       741179       232943         Sikkim       308138       230379       77741

Source: Census Report 2011.

The above data suggests that NER has not created sufficient employment opportunities which can provide its people with full time work. More than 4.5 million people in north are marginally employed and the number of non workers is even higher.

Figure no. 4.Literacy rate (%) and number of BPL People in North East Region of India

State	2001 (Census) Literacy rate	2011(Census)Literacy rate
Arunachal Pradesh	54.7	65.4
Assam	64.3	72.2
Manipur	68.9	79.2
Meghalaya	63.3	74.4
Mizoram	88.5	91.3
Nagaland	67.1	79.6
Sikkim	69.7	81.4
Tripura	73.7	87.2
North East	68.8	78.83
India	65.4	73.2

Source: Census 2011/census 2001

Thus, many of the North eastern states have much better literacy than the national average. So, it can be easily assumed that the region in spite of many ups and downs has

a good number of educated human resources. They can be easily inducted to the developmental process provided the centre and the state government have any such concrete action program. Taken into confidence about the right intentions of the GOI coupled with advancement of sound Infrastructure, the region is likely to respond with much needed positivity.

However, the most unfortunate fact is that the region is considerably lacking in terms of infrastructure, thanks to the Indian governments who considered the region as an excluded zone quite like the British. This is what, scholars from Northeast India term as "Colonial Governmentality" of the Indian state. The following table will make it easier to understand.

Table no.5. Human development and infrastructure index of Northeast India

Category	Human Development index	Infrastructure Index
High	Mizoram	
High middle	Manipur, Nagaland, Sikkim	
Middle	Arunachal Pradesh, Meghalaya, Tripura	
Lower middle	Assam	
Low		Arunachal Pradesh, Assam, Manipur, Meghalaya,
		Mizoram, Nagaland, Sikkim and Tripura
	W	1

Source: Report of the 12<sup>th</sup> Finance Commission.(cited in Wasbir Hussain's article "Assam and North East: Breaking the Logjam" in J K Das edited Volume Agenda for Assam and the North East" the article is also available in www.cdpsindia.org ).

The terms Colonial Governmentality, here is used to indicate that, in the post independent era, though, a native government has been formed, but it has acquired the same style of governance like that of the British Colonizers. New Indian government has mapped NER in the same way as it was done by the alien rulers. As a result of that NER acquired a static status of excluded Zone.

Low level of infrastructural development has manifested in the form of poor Gross Domestic Product (GDP). This in turn has contributed to the low level of economic development in the region. It is to be noted that, eight states of NER together contributes only 2.99% of India's total GDP. GDP contribution of NER is shown in the following Pie Chart. Of the total 2.99% of GDP contribution, Assam contributes 1.38%, Arunachal Pradesh contributes 0.11%, Meghalaya Contributes 0.19%, Mizoram contributes 0.07%, Manipur contributes 0.12%, Nagaland contributes 0.15%, Tripura's contribution is 0.24% and Sikkim contributes 0.1%.

**GDP of NE states** 0.1 Assam 0.24 Arunachal Pradesh Meghalaya 0.15 Mizoram 0.12 Manipur 0.07 1.38 Nagaland 0.19 Tripura Sikkim 0.11

Chart no.1. GDP contribution of NER

Source: Census 2011(Government of India)

Such a poor GDP clearly call for measures which can facilitate capacity building in the region, so that human efficiency improves and transforms itself into productivity.

"Lack of development and infrastructure has paved the way for breeding insurgency in the region and the insurgency problem has further slowed down the development of the North eastern region. This vicious cycle of underdevelopment-insurgency-underdevelopment is the biggest challenge faced by the region" (Hussain, 2011:51).

"Given the complexities of the region has historically in contemporary times, it conjures up with the disturbing image of violence, civil strife, ethnic identity crisis, ethnonationalistic aspiration, marginality and waves of modernity and developmentalities" (Gogoi, 2000:2).

While giving his concept of 'Durable Disorder' Sanjib Baruah maintained that, prolonged counter-insurgency operations have eroded the democratic fabric of the region and institutionalized authoritarian practices. The result is a growing dissidence between the idea of ethnic homelands and the actually existing political economy of the region that makes ethnic violence and internal displacements quite predictable" (Baruah, 2007:167). Development has deceived Northeast continuously resulting in politico economic problems for the region. It is therefore essential for the region to be immediately inducted into some model of inclusive development. To this end it is essential to first understand the problems that the region confronts. "In the post colonial phase, the geo-political containment of the region from mainland India combined with militarization of the region has caused immense structural damages to the pre-colonial practices of trade, barter, reciprocal exchanges and social intercourse that were done in non-territorialized contagious space...the partition not only made the region economically backward but also effectively introduced a dependent economy on the centre. It helped to build on dependency syndrome and created a militarized ethno-spaces with overlapping identities" (Gogoi, 2007:4). "The entire north-eastern region of India is today caught in a vicious circle. Assertion of identity often leading to insurgent movements has invariably had their roots in economic deprivation and, these in turn, have acted as major impediments to development" (Mishra,2006:1)

Besides, LEP has every potential to become a vehicle for the promotion of goods and productive relation with the neighbor countries. In fact, such policies are most essential preconditions for the progress of a nation in the globalized era, Border trade and good neighboring relationship are complementary to each other. While looking east through NE, we should keep in mind all these plus points which share with the ASEAN, the state Manipur becomes vital in any design of LEP. Unfortunately, the NER, despite having so much potential has always been neglected and considered a peril land. According to some

critics it is used as a buffer zone between presumed Mainland India and the Chinese republic. So, a change in perspective is essential, while looking into the region. Despite of having abundance of natural resources' NER contributes very little to the national GDP. There is over flow of worker on agricultural land. The industrial sector has not developed considerably.

## III.III.I. Sixth Schedule and Look East Policy

'The Sixth Schedule<sup>28</sup> to the constitution is unique in many respects. It has avowed objective of ensuring the development of the Hill Tribes without least interference with their customs, traditions and usages. It also provides for grass root level planning and encouraging the traditional institutions. It also gives the scope for a form of local self government in areas where the provisions of this schedule are made applicable" (Deka,2009:1).

The rationality of the Sixth Schedule is found in the following lines, "The tribes in Assam, Meghalaya, Tripura, and Mizoram have not assimilated much the life and ways of other people in these states. These areas have been anthropological specimens. The tribal people in other parts of India have more or less adopted the culture of the majority of the people in whose midst they live. The tribes in Assam, Meghalaya, Tripura and Mizoram, on the other hand, still have their roots in their own culture, custom and civilization. These areas are therefore treated differently by the constitution and sizable amount of autonomy has been given to these people for self government" (Jain, 1987:236). "The aim of the Sixth Schedule was to protect the hill and other tribal communities from the control and power of the groups and the plains. The process of formation of district council Assam..." the with protection (Choudhury, 2005:02).

<sup>&</sup>lt;sup>28</sup>A big area of NER falls within the Protectionist jurisdiction of the Sixth Schedule which has become a contradiction to India's LEP. For details of the provisions of the Sixth Schedule please refer to Appendix no. III

On the other hand, LEP is all-inclusive in nature. Its neo-liberal orientation hardly provides any space for protectionism of any kind. The ASEAN Charter<sup>29</sup> clearly mentions LEP stands on the principle of mutual aid for development. ASEAN aims "to create a single market and production base which is stable, prosperous, highly competitive and economically integrated with effective facilitation for trade and investment in which there is free flow of goods and services and investment" (ASEAN Charter, 2008:4). So, here is a clear contradiction between LEP and its philosophical foundation viz a viz the protectionism of NER. The agenda of India's LEP can be found the following statement of Rajiv Sikri, where he explained, the then PM Manmohan Singh's position on LEP and The SE, "A long term vision of an integrated Asia from Himalaya to the Specific in which it would be to trade, travel and invest freely through the region...it is evident that the Look East Policy must therefore be a significant element of India's Foreign Policy" (Sikri,2011:09). While NE is concerned about the protection of identity, LEP on the other hand, is in favors of integration of identities. It supports connectivity for extended trade and tourism.

The contradiction, however, does not make LEP dysfunctional in and through the NER. Where the Sixth Schedule falls short LEP may come to play its role. "The Sixth Schedule has inherent tendencies to promote ethnic polarization and sub-nationalism at one level. The schedule has brought out the clash of interests between the non-tribal valley dwellers and the tribal hill dwellers...District Councils in these states are now anachronism as they overlap the normal district administration and have tended to duplicate the former and become a rival focus of power and financial burden" (Choudhury,2005:10).

# III.III.II. Alternative approach to development

So, keeping aside the contradiction, developmental aspect of LEP needs to be considered more positively. If development and regional capacity building initiatives go together it may specify the people's concern about their identity.

<sup>&</sup>lt;sup>29</sup> The ASEAN Charter clearly states its neo-liberal agenda by promoting free trade in the region. For more details see Appendix IV.

In June 2006, Defense Minister Pranab Mukherjee, speaking at the Fifth Shangri-La Dialogue in Singapore said:

"India is one of the important legs of the Asian juggernaut along with China, Japan and Indonesia. In the Asia-Pacific region, India's growing ties with the United States and other countries in North and South America brings with it a commensurate role in the region...India's role is crucial for ensuring and maintaining long-term peace, stable balance of power, economic growth and security in Asia...It straddles the land and maritime space between east and west, and provides potential energy and trade corridors to Central Asia and Indian Ocean region. Responding to the challenges of globalization is one of the key issues faced by all nations today. As a pluralistic, democratic and English speaking society, India is well place to respond" (Muni,2011:21)

Yunnan is one of China's undeveloped provinces with more poverty-stricken counties than other provinces. In 1994, about 7 million people lived below the poverty line of less than an annual average income of 300 Yunnan per capita, accounting for 9.7 percent of the country's total poor people. They were distributed in the province's 73 counties mainly financially supported by the central government. The poverty alleviation plan includes five large projects aimed at improving infrastructure facilities. They involve soil improvement and water conservancy, electric power, roads and "green belt" building. Upon the completion of the projects, the province will solve the problem of the shortage of grain, water, electric power and roads and improve ecological conditions. (www.yn.gov.cn).

"Yunnan, one of China's southern provinces is a mirror of India's north east-historically underdeveloped, geographically isolated and like the Northeast is far from capital Beijing. It is home to 26 diverse ethnic groups different in culture and language and it has also witnessed insurgency movements...what has the government done? It set up an international Regional Cooperation Office to focus on very clear development strategy for Yunnan. This is what missing in Northeast- a very clear development strategy. Take for example the Stilwell road that travels 61kms through India, 1033kms through Myanmar and about 632kms in China. This 632kms in China became multilane

International Highway. What about the 61kms in India? It takes almost 3 hours to travel this stretch" (Sangma,2008:31).

In the same context Rajiv Pratap Rudy observes, "Why Mumbai did became the financial capital of this country? It became the financial capital of this country because the British then had decided to make it a gateway of India. The British developed the finest port at Mumbai and created that infrastructure which made it the hub of western sector the focal nodal entrance point to the country. In this way Mumbai automatically became the financial capital...in a similar vein it is essential to make Guwahati and Shillong the hub of international transport in this country, to enable this region to carry its goods and services to the far east..." (Rudy, 2008:36).

While promoting industries in the region, LEP can focus on agro based products, keeping in mind that the region is predominantly agricultural. Government sources has pointed out that there is ample scope for the development of manufacturing or processing units for medicines, rubber, goods, pharmaceuticals products, edible oil, petroleum products, cement industries, cotton yarns etc. Besides, indigenous informal sector of tribal textiles, used in Nagaland, Mizoram, Manipur, the Assamese 'Mekehla-chadar/Gamosa' (ethnic Assamese attire), etc demand institutional support. In fact, Textile, handloom and Handicraft form a complete sector of trade with global potential. What we need is to link the local workers to the clothing industries so that the overwhelming poverty of these artists may be reduced. It will also help to create and strengthen the brand power of these products and launch them to the international market. "Underdevelopment persists because aids end up being used for private gain, and lawlessness destroys the investment climate and limits entrepreneurialism" (Lacina, 2011:331).

Tourism is another sector which will be beneficial for both NER and the ASEAN countries. North east India is a live cultural Museum. Common physical features, art and dance forms, social structure and taboos and other cultural practices and similarities with ASEAN, will make it more interesting and comparatively easier to have a meaningful interaction removing the remoteness of the frontier land. The added benefit is that it will necessitate the added responsibility to the government in the states of North east to

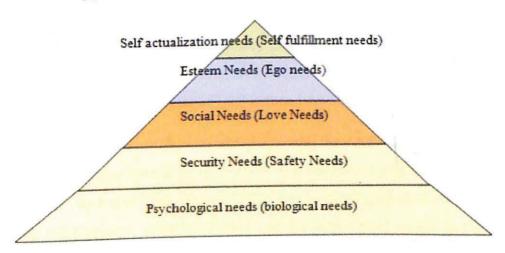
maintain and protect the ecological specialties of the land. Once development, as such, takes an eco-friendly approach it will definitely assume sustainability. "Tourism is a service Industry and therefore quality of service makes a substantial difference in the demand for the Tourism product. Human Resource development should therefore be an important part of the future strategy for tourism development" (Bezbaruah, 2006:409).

Development in Northeast, in order to secure the rights of the future generation needs to take into confidence the representatives of the existing generation. Look East policy and its development discourse is not an exception to this. Look East Policy has the potential to eliminate assigned remoteness of the north eastern region of India. However, any such development has to have a 'North East Face', realizing the true spirit of region and it is the responsibility of the centre to initiate such historic move for positive integration. On the part of north east, it has to give itself a chance and should open up to future challenges, face them and survive itself. "No state can stay in isolation in this stage of emerging interstate regional cooperation. They must open up towards an ambiguous 'borderless' nation of multilateral pact which drives to form an identity of a transnational region and to follow the subsequent economic and functional cooperation' (Baruah,2005:220).

Baruah observes, "if the Look East policy is to live up to its potential of becoming North East India's road to peace and prosperity we will have to face up to the risks that exist and actively access and manage them. That would mean taking a long term view and synchronizing our foreign policies towards China, Myanmar, and ASEAN- as well as towards Bangladesh and Bhutan- and our domestic policies vis-à-vis north east India. Building roads can deliver results only if they are part of a comprehensive transnational region building project<sup>30</sup> informed by long term strategic vision" (Baruah, 2005:221).

<sup>&</sup>lt;sup>30</sup>The Idea of Transnational Region Building Project is enumerated by Sanjib Baruah in his durable disorder – understanding the politics of NE India. He is of the view that when national boarder defines economic space decision about locating economic enterprises often work against border region. This has been the source of some of the North East India's past tensions with the govt. O f India. Border tends to distort market thanks to tariff and other rigidities. Producers avoid locating industries near a border since

LEP has not been successful in taking into confidence the people of NE including the regions conscious civil society, the intellectuals, various pressure groups and important Student Organization among others. As a result of that, public opinion concerning the LEP has remained apprehensive and doubtful. Under these circumstances it is very much essential to think on an alternative implementation mechanism for the LEP. Priorities need to be decided keeping in view the specific needs of the region. A reference in this context can be made to the need hierarchy Theory of Maslow. Once the need hierarchy is identified correct approach may be adopted.



Maslow's Hierarchy of needs

The theory is basically applied by Maslow in the field of Public administration to understand human motivation. The problem of NE is that it also lacks motivational advantage to link itself with the process of development. Though, Maslow's theory is applied to individual level, when personified the NE region, it can be found that in NE the basic concern is the need of security and security concern in NE is mainly around the nontraditional security threats. The GOI and the People and political forces in NE must decide their need priority. On regional basis, all other needs are secondary when they are compared with the safety needs, i.e. freedom from threat and danger, freedom from natural calamities, assurance of identity, etc. In other words, it implies 'the need of sustainable development and sound environment'. A model of development must be

trade barriers limits the markets for goods and the area that supplies inputs. It is more rational to locate an area that is closer to the core of the domestic market.

ensured which do not threaten the identity of the people, their culture, and custom. It must sustain local culture, while opening up to the global market. LEP has that potential to do it provided the government develops concrete action programme in this regard and add 'North East Face' to the development ventures.

#### III.IV. Conclusion:

Thus, India-ASEAN relations have evolved through a stage by stage process. From the power of religion to that of economic potential all have contributes to such a long process of evolution. In the contemporary era the relationship has become more reciprocal and beneficial. LEP, which defines contemporary Indo-ASEAN relations, has gone on to add new dimension to it. These dimensions have included economic to strategic. In course of time NER has became an epicenter of LEP induced development programmes.

Though, India has shared a rich cultural linkage with the ASEAN countries since ancient times but contemporary warmth of relationship has developed only in the late 1980s. The natural connectivity to the SEA through NER was not developed until very recent past. It is only after the economic reforms of 1991 that the Indian state started to think of using NER as a gateway to its LEP. With this end in view the Central Government started to evolve a developmental discourse involving the NER with in the greater design of LEP. However this approach to development has its own limitations. First of all there is a theoretical contradiction between the centre and periphery. The attitude of centre came to be question by the native intellectual of NE, who strongly oppose any measure which merely transform NE in to a gateway. Such a 'Gateway' approach is said to be detrimental to the interest of NER as it will merely expose the region to the volnurities of border trade. With limited opportunity structure and regional capacity base NER is hardly capable of facing the challenges of globalization; a natural outcome of the LEP. Inadequate stress on human development and ruthless introduction of LEP may ultimately extend the aloofness of NER from the Indian state.

Another contradiction which obstacles the implementation of LEP in NER is that, the political orientation of NER is protectionist in nature. Being a land of the indigenous tribal communities, the Constitution of India provides for Sixth Schedule protection to

NER so that, the ethnic tribal identities may be protected from any kind of outside intervention. On the other hand, LEP is completely anti-protectionism. It explicitly supports regional integration by means of trade, tourism and transports. The ASEAN charter 2008, for example, clearly states its neo-liberal design and vows to create a single integrated market. Such a contradiction is difficult to accommodate any development without compromising the interest of the natives of NER. It is essential to adopt an alternative approach to developments. To be more precise, such a contradiction calls for a sustainable model of development for NER alongside LEP.

In such a case, to involve NER with the process of proper implementation of LEP, it is essential to take into consideration of the native psychology. Development discourse under LEP should be so designed that it does not alienate the NER but goes to enhance the region's capacity. At any cost it should not be viewed as a mere communication channel. The 'North East Bridge' approach should be replaced by 'North East Hub' approach. Even then, such an approach needs to support by the concept of 'Development from within' i.e. 'development with North East Face'. The NER has a natural extension in SEA and LEP should look forward to use that extension for an all-inclusive benefit. By 'North East Face' it has implied that, while initiating LEP due attention has to be paid as to how NER can be made a party to development. This can be done by regional capacity building initiative, skill development programmes, initiatives for human resource development, etc. Skilled human resource should be developed in such a way that they can actively participate in development ventures and successfully faces the challenges of globalization that LEP is likely to present. A combination of Local entrepreneurship and exposure to global market may go a long way in this regard.

To execute such a visionary programme or more correctly, to implement such an alternative approach, it is essential that policy makers themselves develop optimism about the potential of NER. A positive mindset is first step in this direction. Priorities of the region need to be decided so that suitable structural adjustments are affected. Regional institutions should be strengthened and responsibilities of bodies like NEC, DONER, are to be fixed. These bodies should be made answerable for their action and responsibilities must be performed in a time bound manner.

But to suggest this alternative approach is of no use without concrete confidence building measures in the region. The biggest irritant factor between NER and New Delhi is nothing but the imposition of AFSPA. So, repeal of the act may boost confidence of the NER on the intentions of India state ant its LEP. This will ensure people's positive participation to LEP and its development ventures. At the end of the day development should be for the people only, so that peace and prosperity may bestow upon their life. Success and failure of every state sponsored policy is to be judged on this parameter. LEP is not an exception. For the success of LEP it is essential that the policy makers of the country work on this aspect as well. The People's Republic of China has done it for the Yunnan province of the country. Yunnan has the same socio-political features as the NER of India. So, it is now India's turn to repeat the same in NER with the help of LEP.

Chapter IV

**Look East Policy and Socio-Economic Development of** 

North East India: A Case Study of Moreh

#### **Chapter IV**

# Look East Policy and Socio- Economic Development North east India: A Case Study of Moreh

#### Introduction

In the present study, attempts have been made to understand the perception of the people regarding the actual implementation of India's LEP, based on the data collected from the field through interviews/schedules<sup>31</sup>, etc. the field study was initiated at Moreh; a small border town in the Chandel District, situated at a distance of 110 km from the Imphal valley of Manipur. It is the extreme borderland of India linking it to Tamu LCS in Myanmar. The LCS at Moreh is situated near the India-Myanmar border on a 9.28 acre plot. It is near the Lakchaw Bridge which connects Indian Territory with Myanmar. Moreh is the largest LCS which in 2009-10, handled about US\$ 3.9 million of the India-Myanmar merchandise trade, of which exports and imports contributed 41% and 59% of the respectively.

Moreh LCS is guarded a local Police Station which stands at a distance of around 200 meters from the Gate no.2is located next to the Indo-Myanmar Friendship Gate. Gate no 1 used only for bringing in goods like betel nuts etc from Myanmar in bulk as part of official trade which is managed by the Local police. Renovation of the wooden LCS took place recently, but is often damaged by miscreants. Of course, this LCS is well managed by locals of both Moreh and Tamu. But, it is essential to knows the local language spoken in the other part of the border. Unlike the fencing system of India-Bangladesh border, the border is quite open over long stretches of land which provides the scope for such local level managements. This provides opportunities for illegal trade on the restricted goods, which includes drug and human trafficking. Besides, Gate no.1 most of the trade is conducted at Gate no. 2 informally where people of both sides cross over freely (without passport) and buy goods. The stipulated time for such trade starts daily at 7 A.M. till 3

<sup>&</sup>lt;sup>31</sup>Please refer APPENDIX V

P.M, between these times the traders of the respective country have to return back and may try the same work in the next day at the same time.

The facilities for trade in Moreh town and at are very much unsatisfactory. Moreh LCS Electronic Data Interchange (EDI) was introduced in 2009 but it is hardly functioning. The LCS is not e-enabled. Loading and unloading of goods are done by casual laborers, who basically hail from north Indian state of Bihar, UP, etc. but are settled in Moreh for a long time. There is no food testing laboratory and neither any facilities of cold storage in the LCS. To be noted here that edible items like betel nuts, ginger, etc. need human consumption clearance Certificate from Guwahati, which take around one month. This result in heavy loss and to avoid these loss traders involved in smuggling these goods to the desired markets. Besides, the entire Moreh town lacks the basic amenities of life including clean and safe drinking water, hotels are totally mismanaged, service centre for vehicles is also not there, power cuts are regular (minimum eight hours a day) and most surprisingly there in Automatic Teller Machine (ATM) in the entire Moreh town. The only thing available in abundance in the patrolling by the Soldiers of Assam Rifles as the border is managed by them.

Moreh town has a cosmopolitan character in the sense that, a significant portion of population are Tamils, who migrated during the colonial period, followed by Punjabi traders, laborers are mostly from Bihar, some Bengali people have also settled in there for small trade. A significant portion of local population composes Manipuri, Kuki, Naga, etc. Notwithstanding, there is no violence on the issue of cosmopolitanism of Moreh.

Being the most suitable and centre for border trade, Moreh is selected for exclusive field study. The fieldwork was undertaken on 20<sup>th</sup> May and was concluded on 30<sup>th</sup> May 2014. As a focus of study the Moreh market was taken into consideration. Data was collected using variables like sex, age, education, occupation, income; place of residence and so on. The respondents were asked to underline their perception on the LEP, its impact on the life of the local people, if any, the infrastructural requirements, facilities of border trade in the region through Moreh LCS, factors affecting the trading environment in the region, response of the local administration, administrative inefficiency, structural

limitations, etc. Attempts have been made to understand whether any changes brought about by the expansion of border trade on the overall socio-economic and cultural life of the people. Attempts have been made to analyze the socio-economic, political, cultural conditions of the sample population. There was also an endeavor to understand the role of growing trade in addressing the major conflict situation in the area. Focus is also laid on understanding, if there are any such big changes brought about in the Moreh, which can address the local concerns regarding the local skill development, capacity building, etc. This chapter will try to interpret the data obtained through the response of the respondents collected directly from the field and thereby develop some generalizations on the ground level implementation of LEP.

## IV.I. Data Collection, Analysis and Interpretation

The sample population (total respondents) is composed of 80 interviewees where only 60 samples could be taken into account since rest 20 interviews with the respondents remained incomplete due to lack of necessary information sought in the research and the superfluous nature of the responses. During the selection of the sample size all variables like number of both males and females, variation in age, education, occupation, income etc were taken into account.

Most of the respondents were hailing from Moreh, a crucial border trade zone between India and Myanmar and thereby to the rest of the SEA. However, expert sample is collected from respondents hailing from Imphal and Moreh, Assam, Mizoram, Sikkim, etc. such expert samples are 10 in number where is the general samples were from Moreh. Respondents from Moreh bear a cosmopolitan character as the population in the area is composed of the local Manipuri, (Hindus, Muslims, and Christians), Punjabis, Tamils, Bihari and a very small number of the respondents is from among the Bengalis.

The Sample population structure on the basis of sex

Table no.6. Categorization of sample population on the basis of gender

Gender	Number	Percentage (%)
Male	45	75.00
Female	15	25.00
Total	60	100.00

Source: Fieldwork, 20th -30th May, 2014.

The total sample population comprised of 45(75%) males and 15(25%) females. Emphasis on gender was given to understand their perspective and experiences over the years. However, it was observed that Female respondents were equally interested in giving their independent response on the Socio-political life in Moreh. Most of the female respondents are also actively involved the economic activity and are stake holders of the India's Border trade policy along with the male member of the family. Though a big number of the potential respondents declined to respond to the questions, yet, those who agreed were very much interested and interactive in their response.

Tableno.7.Categorization of sample population on the basis of expert and non expert units

Sex	Number of exper	Percentage (%)
Male	06 (45)	13.33
Female	04(15)	37.50
Total	10(60)	16.66

Source: Fieldwork, 20th -30th May, 2014

Of the total sixty respondents there were 10 respondents, i.e. 16.66 percent of respondents who can be considered as expert sample, as they had deep understanding of the complex issues which are tried to be addressed in the research. They are highly educated and their responses were crucial understanding the under current politics in the border region of Moreh and thereby it helped to make further inferences.

Tableno.8. Categorization of the sample population on the basis of age group

Age Groups (Years)	Male	Female	Total	Male %	Female%	Total %
16-25	05	02	07	71.42	28.58	100.00
26-35	08	02	10	80.00	20.00	100.00
36-45	14	06	20	70.00	30.00	100.00
46-55	16	04	20	80.00	20.00	100.00
56-65 and above	02	01	03	66.66	33.33	100.00
Total	45	15	60	75.00	25.00	100.00

Source: Fieldwork, 20th -30th May, 2014

The respondents were from different age groups. Maximum importance was given to respondents above the age of eighteen (18) and preferentially above thirty (30). The number of respondents of the age group between 40 years -60 years was predominant, going higher than 50 percent of the total respondents. In selecting the age groups of the respondents, the age of 16 years are taken in the lower limit with a class interval span of 10 in the table and the age of above 65 years is counted as the upper limit.

Table no.9. Categorization of the sample Population on the basis of Religion

				ľ	
07	26	43.33	73.07	26.93	100.00
03	08	17.77	62.50	37.50	100.00
04	15	18.33	73.33	26.67	100.00
01	11	19.66	90.90	09.10	100.00
	60	99.09	75.00	25.00	100.00
	03	03 08 04 15 01 11	03 08 17.77 04 15 18.33 01 11 19.66	03     08     17.77     62.50       04     15     18.33     73.33       01     11     19.66     90.90	03     08     17.77     62.50     37.50       04     15     18.33     73.33     26.67       01     11     19.66     90.90     09.10

Source: Fieldwork, 20th -30th May, 2014

The respondents belonged to four major religious groups. A total of 43.33 per cent of the total respondents were from Hindu religion, of which 73.07 percent were male and 26.93 percent were female. 17.77per cent were Christians, 18.33 per cent of the respondents are from Islam and a significant portion of the respondents, and i.e. 19.66 per cent were Sikhs. It is to be noted that religion does not form any core of the present study, nor it was considered as a criterion to choose the sample size. Yet, this category is taken as a normal feature of the sample population.

Out of the total respondents, 8 respondents have completed their master degree level education and more. 12 of them have qualification up to graduation level. 16 of the respondents had qualifications 12<sup>th</sup> standards and another 18 of them have education 5<sup>th</sup> to 10<sup>th</sup> standard. 3 of the respondents were schooled below class 10 and another 3 of the respondents did not have any formal education.

Table no.10. Categorization of the sample population on the basis of educational qualification.

Male	Femal	Total	Male %	Female	Total%
	2	08	The state of the s	03.33	13.33
	3			05.00	20.00
			21.66	05.00	26.66
			23.33	06.66	29.99
1		03	1.66	03.33	04.99
2	1	03	3.33	1.66	04.99
	15	60	74.98	24.98	99.96
	Male 6 9 13 14 1 2 45	6 2 9 3 13 3 14 4 1 2 2 1	6 2 08 9 3 12 13 3 16 14 4 18 1 2 03 2 1 03	6     2     08     10.00       9     3     12     15.00       13     3     16     21.66       14     4     18     23.33       1     2     03     1.66       2     1     03     3.33	6     2     08     10.00     03.33       9     3     12     15.00     05.00       13     3     16     21.66     05.00       14     4     18     23.33     06.66       1     2     03     1.66     03.33       2     1     03     3.33     1.66

Source: Fieldwork, 20th -30th May, 2014

Out of the total male respondents, 3.33percent did not have any formal education and 1.66 percent had education only up to class V but was sufficiently mature enough to understand critical issues. In the same way, 29.99 percent of them had education between class V and X standard and another 26.66 percent of the total respondents were from X to XII standard but below graduation. 20.00 Percent of respondents were graduates and remaining 13.33of the respondents were post graduates.

Being a predominantly trading zone most of the respondents were involved in small scale trade, mostly of cross border oriented. Some of the respondents were in transport business, such as car drivers. Some of the respondents were working as laborers and some of them were marginal workers. Women were also working along with the men and a few of them had own shop of house hold products. However, intellectual respondents were mostly from education background and 6 out of 10 such respondents were Assistant and Associate Professors and 2 of them were local teachers. The other respondent included the Chair person of the Chambers of Commerce of Moreh and the Chair person of the Tamil Sangham, Moreh. Besides, 2 of the respondents were college students.

Tableno.11. Categorization of the sample population on the basis of occupation

Occupation	Male	Female	Total	Male%	Female%	Total%
Traders	11	04	15	18.33	06.66	24.99
Small scale businessmen	10	06	16	16.66	10.00	26.66
Transporters/residents	05	03	08	08.33	05.00	13.33
Labourers/Marginal workers	06	00	06	10.00	00.00	10.00
Teachers/professors	06	02	08	10.00	03.33	13.33
Students	02	00	02	03.33	00.00	03.33
Security personnel	05	00	O5	08.33	00.00	08.33
Total	45	15	60	74.98	24.99	99.97

Source: Fieldwork, 20th -30th May, 2014

In spite of being the residents of a conflict area, the respondent in Moreh are quite vocal to various issues and are open to discussion within their respective level of intelligence. Being a border town and crucial zone for trade, a total of 24.99 and 26.66 percent of the respondents are traders and small businessmen respectively.10.00 percent of the respondents were marginal workers, whereas, another 10 percent were school and college teachers. 03.33 percent and 08.33 percent of the respondents are students and security personnel respectively.

When asked, 'how does it feel to be the residents of a border region like Moreh?' Most of the respondents were happy to be settlers of Moreh. Some of them felt that they are like the border guards for India. One of the young respondents said, "To stay in a border region like Moreh is very exciting. It is full of both-opportunities and risk. The border is opened everyday and we can move around freely within the stipulated time and come back to India. It is altogether a different experience to cross the international border legally and that too without a Visa or Passport. Every day you can meet new people and see new things. However it is risky because, both all local regional and international developments influence your life. You have to maintain a safe distance both from the security forces and from the armed Under Ground

Organizations. Life is always under surveillance and your citizenship is always under doubts. Situations get worse with the growing absence of basic amenities of life." This was the most striking response as it could present the entire politico- economic situation in the far NER of India.

The respondents who are associated with trade informed that they regularly visit the Tamu market for importing goods from there. "We often go to the other side of the international border through a well decorated 'India-Myanmar Friendship Gate'. The stipulated time for us is 7 am to 3 pm every day. The Tamu market located in the Myanmar part of border closes once in every fifteen days. Rest of the days however, is free for the traders to carry on transactions. All these days Moreh becomes very busy and small and big traders based on Imphal market tend to use Moreh-Tamu sector."

Asked whether people can cross over the international border beyond the specified time? Some of the young respondents enthusiastically replied in affirmative. Rather they move across the border very casually. One of the respondents, who happened to be a college student, informed that, "Me and my friends regularly visit Moreh without any pass. There are some secret roots. Only need is that, one must know the local Burmese language. You can also visit with us but at first you have to learn their local language."

All the respondents who happen to be Traders, Small scale businessmen, Transporters/residents, Laborers/Marginal workers, Students and the security personnel had visited Tamu sector as shown in the following table.

Table no.12: Number of respondents who visited Tamu sector and purpose of visit

Occupation	Visited	Purpose	Visited	Purpose	Not
	Regularly	of visit	Occasionally	of visit	Visited
	%		%		
Traders	13	export-	02	import	00
	21.66	import	03.33		00.00
at.	4				
Small	10	Import	06	import	00
scale	16.66		10.00		00
businessmen					
Transporters/	05	Goods	01	As	02
Residents	08.33	transportation	01.66	tourist	3.33
Labourers/	05	For daily	01	In	00
Marginal workers	08.33	work	01.66	search	00
				of work	
Teachers/	02	For	01		05
professors	03.33	research	01.66		8.33
Students	02	Site visit	00		00
~	03.33		00.00		00
Security	0		04	Securit	01
Personnel	00.00		06.66	у	1.66
1 Olsomies				purpose	
Total	37	No.	14		08
Total	61.64		24.97		13.32

Source: Fieldwork, 20th -30th May, 2014

So, the above table shows that, the people who visit across the Moreh-Tamu sector are the traders. They do it for the sake of importing daily use commodities; however, some of the traders also import goods through this sector, including the plastic products, utensils, electronic goods, edible products like, betel nuts, dry ginger, milk products, chocolates, etc. Besides, some of the respondents visit for daily wage

earning and some for mere site visit. It is to be noted that intellectual respondents often go for research work. 21.66 percent of the traders are involved in both import and export from across the border, whereas, small business men are mostly depending on import of goods from Tamu. Some of the respondents also get daily work in the border region and the total no is 16.66 percent.

One of the respondents who happen to be a Punjabi trader, now settled in Moreh of the last forty years, says that, "many of the Imphal based small traders import commodities from Myanmar (Tamu). They use small vehicles for carrying such goods to markets in Imphal. Such goods include household products, garments, utensils, cookery, toys, and such other usable Chinese products, etc." He also mentions that, "Most of these Chinese products are of inferior qualities".

# Regarding the infrastructure there was reservations among the respondents

A62 year old respondent, who happens to be a trader from Moreh region, expressed his dissatisfaction regarding infrastructural development in the following words, "In spite of being a crucial border trade zone, there is nothing like any infrastructural development in Moreh. At the present situation Moreh is nothing More than a decorated and congested check gate. There is nothing like infrastructure in the Indian part of bi-lateral trade (unlike the Tamu sector in Myanmar). In fact the basis requirements are seriously absent. There is shortage of water, electricity, telecommunication networks; mobile network is terribly weak, where even the 2G net work runs like the survivor of a hard fought war soldier who is terribly injured. There is no internet connection and no internet cafe either. Life and business in Moreh becomes even more terrible owing to Load shading of electricity. There is a daily power cut on an average of hours, completely damaging the limited hotel business that was being run by the locals in the Moreh region. He adds that, the situation is no different in Imphal and be in entire North East region of India. Though roads are in good conditions, yet they are in no comparisons with the Chinese roads, I can make the comparisons because I have visited the Yunnan province of China. Our roads are not bad but they are full of artificial hurdles, created by the Check Posts constructed by the Security forces as well as by the Under Ground ultras." Another 39 year old

respondent, who teaches Political Science in a college in Manipur town, says that, "Infrastructure in Manipur and in entire NER needs to be understood from an altogether different perspective. Infrastructure in NER needs to be understood with the concept of environment. Though we are making a slow but steady progress in the field of manual construction of roads, national highways, bridges, etc. yet the environmental infrastructure is terrible. The political environment in the region is full of miss conception and fear, which never allows freedom of trade in the region. The environmental infrastructure is threatened by both the security forces, i.e. by the Indian Army as well as by the armed Under Ground (UG) extorters."

A member of Tamil Sangham in Moreh says that, "There are more blockades than any meaningful security arrangements. The limited infrastructure that is available in the region is sacrificed by the state itself in the name of internal security. Protectionism prevails over the concept of free trade as envisaged by the state by initiating the LEP."

Regarding the role of security forces, there appeared strong resentments. The entire state of Manipur comes under the jurisdiction of the AFSPA and the attitude of the security forces reflects the limitations of the act and the uncontrollable power given to the forces. However, this unlimited power of the security force has created more sense of insecurity among the people than creating a peaceful environment for trade and business. The attitude of the Armed forces has already created great dissatisfaction among the local traders and the common people. This has simply resulted in lack of development in the region. Moreh is just a small picture of a bigger scene.

Table no.13: Categorization of respondents who are satisfied/dissatisfied with the security forces.

Occupation	total	Satisfied		not		Can't say	
		with SF	(%)	satisfied	(%)		(%)
				with SF			
Traders	15	04	06.66	10	16.66	01	1.66
Small scale businessmen	16	02	03.33	13	21.66	01	01.66
Transporters/resident	08	01	01.66	07	11.66	00	00.00
Labourers/Marginal workers	06	00	00.00	02	03.33	04	06.66
Teachers/professors	08	00	00.00	08	13.33	00	00.00
Students	02	00	00.00	01	01.66	01	01.66
Security personnel	05	03	05.00	02	03.33	00	00.00
Total	60	10	8.99	43	71.63	07	11.64

Source: Fieldwork, 20th -30th May, 2014

Thus, a thumping 71.63 percent of the total respondents are dissatisfied with the working of the Security Forces, whereas,' 08.99 percent of the respondents appears to be satisfied and another 11.64 percent of the respondents are unable to articulate their opinion on the issue of the role played by the security forces. So, a high percentage of the respondents are dissatisfied with the operation of the Security Forces; asked "Why is this dissatisfaction for?" A respondent who surprisingly wants to be named, Surinder Singh Patheja, who is also the Secretary, Border Trade & Chamber of Commerce, in Moreh, says that, "There are two different forms of forces operating in the region, one is the so called legal forces and the other is the forces run by the illegal UGs. Both of them extort money from the locals and the traders. In fact, the UGs extort money once or twice in a year whereas some of the members of the security forces demand money on a regular basis. Not only that, you must have read in the news paper recently, that an Army personnel was arrested with illegal drugs. Unnecessary check posts set up by the Indian Armed forces have proved fatal as it has

destroyed entire free trade scenario in the state." He also adds that, "This is not only the case with Manipur; it is true to the rest of the North eastern states, and be it Assam, Nagaland or Arunachal Pradesh. On the one hand the Government of India talks about connecting North East Indian States with the rest of the South East Asian Countries, on the other hand, the centre has created an iron curtain of internal security. So, do you thing free trade and Protectionism run together? I have raised these issues on many platforms to our finance ministers P.Chidambaran and before him to Pranab Mukharjee. But no action was taken whatsoever"

From the field visit I could realize that, the iron curtain which Patheja talked about is necessarily the State and the UG created Check Post. These are like mushrooms, grown here and there, sufficiently capable of creating resentment among the people. Asked about the check posts respondents replied in the following ways.

Tableno.14: Respondent's views on the operation of check posts

Occupation of the	Total	Support existing system of CP (%)		Demands		
Respondents				Reduction of the no. of CPs		
Respondent						
				(%)		
Traders	15	00	00	15	25.00	
Small scale businessmen	16	00	00	16	26.66	
Transporters/residents	08	00	00	08	13.33	
Labourers/Marginal workers	06	01	01.66	06	10.10	
Teachers/professors	.08	00	00.00	08	13.33	
Students	02	01	01.66	02	02.33	
Security personnel (local	05	04	06.66	05	08.33	
police)		100	00.00	51	00.00	
Total	60	06	09.98	54	90.00	

Source: Fieldwork, 20th -30th May, 2014

So, a very high 90.00 percentage of the respondents strongly oppose the existing system of the check posts and demands immediate reduction in the number of the check posts. Only six out of sixty respondents i.e. only 09.98 percent believe that the

<sup>\*</sup>CP, here stands for Check Posts.

existing system of check posts should be continued. However, four out of the six respondents who support the existing system of check posts are the local police personnel. This clearly shows that in the Border region the Indian traders and businessmen are highly dissatisfied with over governance of the state. It naturally affects the trading environment in region and throws negative light on the natural potential of the region.

One of the Sikh traders in Moreh, aging 53, who is also a member of Border Trade and Chamber of Commerce in Moreh, says that, "From Moreh to Imphal there are eight Check Posts established by the Indian Army, some other Check Posts are maintained and managed by the Manipur Police and the UGs of Manipur. In some of the CPs like the one in Tangnoupol Village, high and intense checking takes place. Whole vehicle with loaded goods are unloaded for checking along with the passengers. This causes huge damage to the traders. Damage of goods, goods lost etc is regular occurrence". He further adds that, "To load and unload a truck in the absence of the owner is illegal and is within the jurisdiction of the Excise Department not of the Indian Army. This leads to huge damage of good during the rainy seasons. The loss due to payment to the check posts and compensation for damage of goods are recovered by adding the depreciation charges along with the price of the given products. This leads to indefinite increase in the price in this borderland of India"

In this context an interesting fact is to be noted. While going to Moreh from Imphal, it's a distance of 110 km and one has to pay rupees 300.00 as transportation cost per individual. However, coming back to Imphal using the same route one has to pay rupees 500. Now, 'what is the reason behind such fluctuations in transport cost?' The reason is that the driver has to pay rupees 100/ passenger to the UG check post, which he compensates by claiming rupees 200.00 from the passengers. Now the question arises- "Is this an ideal atmosphere for border trade in the region?" These artificial blockades add to the remoteness of the border as well as of entire NER.

An Imphal based taxi driver aging 32 said that, "The Government of talks many things about Manipur, but it looks as if we are not Indians. We are suspected every moment and sometimes just because we are Manipuri. It has given the Army unlimited power and the army men can even search our women on the road and we cannot oppose that. If we oppose such atrocities we may lose our lives. Taking advantage of such supreme power some of the army men get involved in illegal drug trafficking and some of these traffickers try to use us as their transporters. So, when the security forces cease any such illegal drugs, we or someone like us is arrested but the real culprit moves free. This however, does not mean that, only people from the forces are involved in such trafficking, the members of the UGs also make huge profit out of such illegal drug and human trafficking."

A sixty year old person, who happens to be the member of the Tamil Sangham in Moreh, says that, "Neither the Government of India nor the Government of the Manipur state looks serious about expanding trade and commerce in the region, not they have any long term action plan to counter terrorism. There are only temporary arrangements of signing cease fire agreement with the UGs. These are agreements between two armed groups- one is the Indian Army and the other is the local UG groups. People have no role to play is such agreements. As a result of that, the above mentioned armed groups, i.e. the Army and the UGs do not open fire on one another, but, both of them keep on extorting money from the common people leading them to incur heavy losses. Such is the smooth and informal understanding between the Army and the UGs during peace times."

Tableno.15: Categorization of the sample population that have/have not experienced (witnessed) atrocities from the security forces or in the hands of the UGs.

08	40	53.33	1	
	1.0	33.33	13.33	66.66
02	10	13.33	03.33	16.66
05	10	08.33	08.33	16.66
15	60	75.00	25.00	99.98
	15		15 60 75.00	15 60 75.00 25.00

Source: Fieldwork, 20th -30th May, 2014

Thus, out of a total of 60 respondents, 40 have witnessed atrocities. The percentage of such people is very high. When estimated it showed a very high 66.66 percent of people regularly witnessing or themselves experiencing atrocities in the hands of the Army or the UGs. These are the respondents, who were very careful while responding that, their names are not mentioned anywhere in the final work. However, 10 of the respondents, i.e. 16.66 percentages have never witnessed any such incidents and only six respondents i.e. 16.66 were not ready to disclose their stats on the issue.

Table no.16: Categorization of sample population on the basis of the nature of affliction caused by the ethnic conflict

Nature of	M	F	T	Male	TMR	Female	TFR	T
the	Α	Е	0	(out	(%	(out of	(% out	0
Conflict	L	M	T	of	Out	total	of	Т
Affliction	Е	Α	Α	total	of male)	respond	female)	A
		L	L	respond		ent)		L
•		Е		ent)	1.		2	
Direct	20	05	25	33.33	44.44	8.33	33.33	41.66
economic loss				23				
Direct	08	01	09	17.33	17.77	1.66	6.66	18.99
physical					ļ, V			8
assault								
Molestation	06	03	09	10.00	13.63	05.00	20.00	15.00
Humiliation	09	05	14	15.00	20.00	08.33	33.33	20.33
during search								
operations							7	
Verbal	02	01	03	3.33	04.44	1.66	02.22	05.00
exchange								
Any other	00	00	00	00.00	00.00	00.00	00.00	00.00
Total	45	15	60	79.43	100.0	24.98	95.54	100.0
1 Juni								
		200		2014				

Source: Fieldwork, 20th -30th May, 2014

<sup>\*</sup>Percentage only from the Total Male Respondents

<sup>\*</sup>Percentage only from the Total Female Respondents

When 41.66 percent of the respondents say that they incur direct economic loss owing to the state and UG activities the gravity of the situation is understandable. 18.99 percent of the respondents have faced direct physical violence, 15 percent faced molestation and another 20 percent face other forms of humiliation. Complaint about molestation may be higher, as in many of the check posts the army even goes to the extent of body search of a female by security personnel who are masculine in gender. There appears to be tremendous lack of trust between the state security forces and the common asses in the border region. It is no way an ideal atmosphere for voicing a "LEP" or for the slogan, "Looking East through North East"

Table no.17: Categorization of sample population on the basis of their perception of changes brought about in their life by the state induced development measures.

Perception of positive	Yes			No	Cannot		Total	
(if any)changes in the					Say			
life of the respondent								
	NR	%	NR	%	NR	%	NR	%
Socio-Cultural	18	30.00	26	43.33	16	26.66	60	99.99
Economic	13	21.66	26	43.33	21	35.00	60	99.93
Political	11	18.33	40	66.66	09	15.00	60	99.99
Other	12	20.00	39	65.00	09	15.00	60	100.0
	a oth a f	2014						

Source: Fieldwork, 20th -30th May, 2014

The success or failure of any model of development is measured in terms of the positive changes brought by it to the life of the common people. But, development initiative in Moreh reflects entirely different picture, where 43.33 percentages of the respondents do not believe that there are perceivable changes in their socio-economic life whereas another 26.66 percent of the respondents are incapable of forming any opinion over such changes. 18.33 percent of the respondents said that, politically they can feel the changes. But the changes are positive or negative is a matter of discussion. One respondent, who is a student of a college in Chandel District of Manipur, said that, "over the last two or

<sup>\*</sup>NR implies Number of Respondents

three years more researchers are coming to Moreh. I was interviewed previously by another researcher from NEHU, who was asking about the look East Policy, and growing trade and transport in Moreh and through it to the other parts of Manipur. Our regions appear to be more and more significant strategically, as the centre is militarizing it into an iron curtain. Though trade has not developed significantly, yet pouring of more and more soldiers and check posts make us believe that our region is politically and strategically crucial for India." In spite of being the most relevant of all the LCS Moreh remains economically backward. By the time the field study was going on local people let me know that, for the last one month there was no power (electricity) in the tiny business town. Electricity Transformer was damaged and was not fixed in month time exposing people to darkness and hot and humid conditions of Moreh. Hotels are almost abandoned and were running short of clean drinking water and electricity. All these led people to believe that over the years their economic conditions have not been improved. a very high 43.33 percentages of the respondents believe that there are no positive economic changes in their life, whereas another 35.00 percent failed to form any opinion on their own economic conditions. Only 21.66 Percent of the respondents believe that some positive economic changes are there in their life in the past few years. Many of them did not even hear of any LEP.

Tableno.18: Categorization of sample population on the basis of their knowledge of LEP

Have detailed knowledge of LEP (%)	Have Partial Knowledge of LEP		Only it (LE	heard of P)	Never heard of it (LEP)		Т	Total	
12   20.00	09	15.00	05	08.33	34	56.66	60	99.99	

Source: Fieldwork, 20th -30th May, 2014

Though, the GOI boasts its LEP with its South East Asian Neighbors and preaches that North east India will get rich dividend out of the Policy, but the ground situation tells entirely different story. In spite of being an important trading LCS, Moreh does not show any thing very significant to be viewed as India's border trade with the South East Asia. It was more like a daily exchange of products through a border hat. The

ground situation dramatically shows that, only 12, out of 60 respondents, i.e. only 20 percent of the respondents have detailed knowledge of the Look East Policy and that too on the basis of reading from books not due to explicit government efforts. A thumping majority of the respondents, numerically 34 out of 60, i.e. 56.66 percent of the respondents did not ever hear of the LEP. Only 15.00 and 08.33 percent of the respondents either had partial knowledge of the LEP or just heard of it, respectively.

Tableno.19: Categorization of sample population on the basis of their views on the impact of governmental policies on promotion of trade and economic development in the region

Respondent's perception on the governmental policies	3	es es		No	Can	not Say		Γotal
ponores	NR	%	NR	%	NR	%	NR	%
Marginalized the local interest	46	76.66	11	18.33	03	05.00	60	99.99
Shown equal concern to the regional- national interest	04	06.66	47	78.33	09	15.00	60	99.99
Shown more concern to the so called main land Indian interest	40	66.66	04	06.66	16	26.66	60	99.98
Indian interest	-th -ch		2014					

Source: Fieldwork, 20th -30th May, 2014

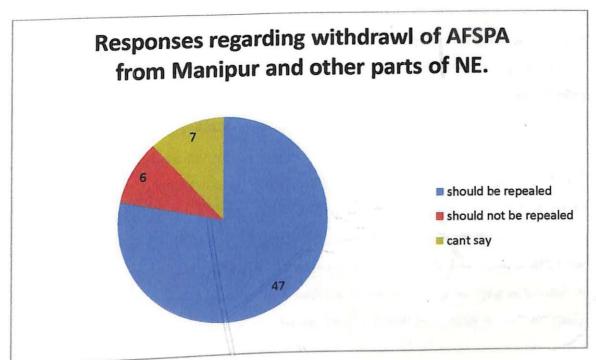
The above responses are clear reflection and natural corollary of the responses we got in the previous table. People in this border region, appears to be highly disconnected from the state initiative of development. Majority of the respondents' i.e. 76.66 percent believe that, government policies have resulted in the marginalization of the local interests. Most of the expert respondents also uphold the view that, Indian state is just

giving lip service to the Northeast's interest in a bid to use it like a channel or bridge linking Mainland India to the markets in South East Asia. North East will get nothing out of the LEP. A 37 year old respondent who is an Assistant professor in Tripura University says that, "Ultimately Northeast is going to get nothing out of the Look east Policy. The centre is just misleading the natives of northeast to get their support to the limited developments it is initiating under the LEP. The LEP has nothing for Northeast. Northeast is just only a short passage to the South East Asian Markets for the Mainland India. This will just expose north East to the malady of highway politics. Oh yes, some highway side 'dhabas' will develop for sure. But the region will be exposed to drug trafficking, human trafficking and don't get surprised if you read news article reporting sex trade by the highway side in northeast." A huge majority of 66.66 percent respondents believe that regional interest is thoroughly undermined in order to promote the mainland Indian Interest. It is to be noted here that, only 06.66 Percent of the respondents said that the centre is showing equal concern to both national and the regional interest.

There was lot of confusion regarding the approach of the centre to implement its LEP. Asked about the opinion of the respondents about centre's approach, Surinder Singh Patheja, Secretary, of the Border Trade & Chamber of Commerce observed that, "The approach of the government of India appears to be faulty. There is no concrete action programme. Only by initiating decadal car rallies, as the centre is doing, the socioeconomic fate of a region cannot be changed or modified. The LEP is full of policy contradictions. On the one hand government of India is talking about the land connectivity to the South East Asian countries via Northeast India; on the other hand it has opened up the sea root connecting India and South East Asia. Now, water transport is less costly than land transport. As a result of which more transport of goods is diverted to the sea root undermining the importance of land locked region of India's northeast. Again, to enhance trade the centre should have simultaneously launched programmes for skill development, capacity building, and local entrepreneurship, but nothing significant is done in this context. Besides, there should be a trading environment, which is again not there in this region of India and is compounded by rapidly growing corruption, red tapism and administrative apathy."

So, there is a lot to be done to actualize the LEP. First and for most measure to be adopted by the government is to improve the political environment in the region. Thus, according to the majority of the respondents, to initiate developments conflict issues need to be addressed. Such, issues in conflict include the centre imposed AFSPA. According to many of the respondents, such draconian laws further alienate the people from the state sponsored development process. So, regarding withdrawal of AFSPA from Manipur and other parts of NER, responses came in the following ways. These responses are showed below with the help of the following Pie Diagram.

Chart no.2: Respondent's views on withdrawal of AFSPA



Source: Fieldwork, 20th -30th May, 2014

It appears that 78% of the respondents strongly believe that state sponsored violence can never be a device for creating ground for development. Popular faith has to be established on the centre's intentions by repealing the AFSPA from the so called disturbed regions of north east. This will enable the people to be a part of the centre sponsored development processes. However, 10% of the respondents still believe that, AFSPA should be continued as repealing would further deteriorate the law and order

situations and inter-ethnic confrontations in these areas. Another 12% however, do not have any opinion over it.

#### **IV.II. Conclusion**

As a field of research, Moreh presents a completely unique picture. It unfolded the realities of the LEP on the ground level. North East Region is said to be the gate way for India's LEP and there cannot be any obvious gate way other than Moreh. So one must assume that, Moreh must be a highly developed LCS, loaded with all the amenities essential for border trade, but the actual story is completely different.

From Imphal to Moreh, as said earlier is just a distance of only 110 km and has a satisfactory National Highway, i.e. the NH39. But Moreh, like other parts of Manipur and some other parts of NER is within an iron curtain. The iron curtain was created by none other than the state itself in the name of counter insurgency operations. Within the 110 km of national highway there are more than eight small and big check posts and designated camps of the Assam Rifles. One has to load and unload the truck twice in the name of security checking. The more commodities one have, the more is the trouble. Sealed packs are opened at will and it is the responsibility of the driver to reload the vehicle. The distance which should take only two and half hours of time, take nearly four hours and every day the journey must begin before 3pm as after the stipulated time there is no entry or exit and one must be ready to face any kind of humiliation while making the way into Moreh from Imphal or making a way out using the same route.

The field work was initiated to understand the actual ground situation in the border region, to see whether there is an ideal trading environment, whether the state response is restricting the trade, to understand the popular sentiment and knowledge about the LEP, to understand if there is a LEP on ground and if the existing conditions of political uncertainties can really facilitate trade and commerce in the NER. After conducting the field work it is to be admitted that findings are frustrating.

As an LCS, Moreh is highly underdeveloped. It lacks basic infrastructures essential for intensification of trading environment in the border region. In the name of

infrastructure it has only gates which can facilitate trade of local nature. These gates are in no way capable of restricting smuggling of essential goods as unfenced border exists in the area. Pours border keeps Moreh LCS highly vulnerable to subversive activities. Facilities of storage, warehouse, e-governed data management system, banks, ATMs, internet café, water and electrification, vehicle service centers, cold storage are either absent or at an unsatisfactory level. Formalities of formal trade are also high and clearance certificate for perishable goods take about one month. This encourages smuggling of goods and illegal trade through open border. People in the region remains highly dissatisfied with the state response to the local issues. They are the people who face the challenges of international trade. Under the existing circumstances they are hardly capable to counter the cheap Chinese goods which have flooded the Moreh market. Local traders association has repeatedly demanded for trade concessions, to which centre has paid no heed to. This has in fact demoralized the local traders who are no more interested to LEP. Rather they view LEP as only a political rhetoric on the part of the centre.

LEP demands freedom of trade and Moreh provides poor infrastructure and state imposed restrictions in the name of counter insurgency operations. The security forces are highly powerful to whatever they want. This results in unwanted restrictions on trade and economic ventures. Political environment is highly insecure due to the excesses of security forces. The Rifle men enjoy the license to kill, because the entire state of Manipur comes under the jurisdiction of AFSPA. They can search the vehicle; unload the goods wherever they want. This results in damage of goods for which no compensation is made by any authority. The charge are added to the goods finally reaches the market and price of the goods automatically intensifies over night. Besides, traders have to give a good amount of money on timely basis to the armed UGs and to some corrupt security personnel and they are so helpless that they cannot resist such extortion.

Free flow of trade demands peaceful environment and optimum utilization of connectivity. On both these parameters Moreh falls short. There is no peace because there is no confidence between people and the state apparatus, nor does the Army have any faith on the locals. Imposition of AFSPA has added to deficiency of confidence.

Repeated bandhs in Imphal and blockades have adversely affected trade in Moreh. Trade is basically of local nature in Moreh and involves mostly the Imphal based traders. Security concerns have negatively affected connectivity, as free movement of vehicle is hardly possible due to large number of check posts. Some mechanism should be developed by which these structural inconsistencies are removed and congenial atmosphere for trade and development in Manipur (Moreh) in particular and in the entire NER in general.

Chapter V

Conclusion

### Chapter V

#### CONCLUSION

Contemporary world has entered in a time where nation must depend upon one another. Technically it is an interconnected world facilitated by a drive to fulfill the politico-economic needs of the nations. India is also subject to a very same rule and as such trying its best to promote its relationship with the major power centers of contemporary world. With this end in view India in the early 1990s introduced the policy of economic liberalization and started opening of to the rest of the world. It was by this time India practically moves towards the south and South East Asian countries and marked the beginning of LEP, which is now two decades old.

The present study has revolved around as to what India has achieved over the last two decades for India in general and NER in particular by introducing the LEP. Any debate on LEP automatically drags NER into it as it provides natural link to the SEA and thereby to rest of the far eastern countries. As already stated in the previous chapters that, NER though considered land locked in nature, having 98% international border the land lock nature automatically withers away and through the region India gets exposure to the entire extended region of SEA and intensifies the opportunity of border trade.

The discussions about foreign policy in the chapter two categorically stated that, India's ancient Politico-cultural and religious tradition hold tremendous impact on its foreign policy. Opposition to colonialism, racialism, imperialism etc. established India as a country with a distinct ethical character and earned India a unique prestige among the contemporaries, particularly before the defeat in the Sino-India war of 1962. Through the policy of non-alignment India helped the third world to counter the politics of power blocs without developing any new bloc. India thereby strengthened the UN system and contributed to maintain a peaceful world order.

However, closer association with USSR in the post Sino-India war of 1962 led the contemporary world to doubt its non-aligned position. For India, it was not any compromise to non-alignment but only protection of its national interest. The collapse of

USSR, however, changed India's ideological position considerably in the years of early 1990s. India revisited its foreign policy direction and introduced economic reforms of 1991. This led to the inception of LEP and gap between India and ASEAN got reduced. In place of SAARC, India prioritized ties with ASEAN and through LEP India started to extend its influence in the SEA region.

Thus, LEP is a reflection of India's changed ideological position during the post cold war era. It also underlined India's preference to politico-economic preferences, which are now truly neo-liberal. Anti-protectionism became a core of India's foreign policy. However, this shift from a socialist bias to a neo-liberal leaning state was not done at the cost of the basic philosophical foundations of the country. Its faith in UN has been continuous and has been open to any arrangement of regional cooperation for peace, coexistence and development. Within Asia India has involved with two significant regional groupings SAARC and ASEAN. It must be admitted that comparative advantage of association with ASEAN then SAARC led India to implement and focus more on LEP. With ASEAN India can ask for economic reciprocation, as some of the ASEAN member countries are economically sounder compared to India. ASEAN also provides India a regional grouping by which it has easy access to the far eastern economies of Japan, South Korea, etc. India, therefore, enthusiastically initiated LEP to foster its relationship with ASEAN. So, India's relation with ASEAN is a manifestation of organic evolution of the foundations of its foreign policy. It is on the maturity of this organic foundation the chances of building of a trans-border region for mutual benefit of both India and ASEAN depends upon.

While discussing the chapter three it was found that India's policy towards SEA was a natural outcome of its historical linkages and politico-economic realities of contemporary world. The relationship evolved through four specific waves. Development in ASEAN due to free trade and liberal economic arrangements led India to rethink its idealist foreign policy position and moved towards political realism. In 1991 India introduced economic reforms also known as LPG. By the restructuring of economy on a neo-liberal framework, ideological separation between India and ASEAN ceased to exist.

The contemporary LEP tends to cultivates rich dividends based on historical relationships. It has tended to promote 'Brand India' with its ASEAN neighbors. The study revealed that, LEP is a multi-dimensional policy framework with political, economic and strategic interests as its core. It is a self evident truth of contemporary times that economic capacity of a nation determines its political strength. So, every country wants to extend its economic horizon. The LEP has in the same way worked for the promotion of India's economic interest in the SEA. The first decade of the LEP, as such, was successful in cultivating India's institutional linkages with the ASEAN. From a mere sectoral partner, India has now become a summit level partner of ASEAN. By entering into free trade agreement with the ASEAN countries, India has positively moved towards building an integrated region of South and SEA. The relationship has high comparative economic advantage for both India and ASEAN and is making steady progress towards building an integrated Asia, which suits the interest of both the region. Both the region provide for a very huge market to be used for mutual benefit.

The economic gains of LEP have its Spillover effect on the Politico-strategic interest of India and ASEAN. From an Indian perspective, the country as is surrounded by unfriendly nations like China and Pakistan and needs more regional partners to be assisted in the crisis situations. Association with the ASEAN naturally earns India some partners who can balance their wait in favor of India. It not merely a hypothetical assumption, but is based on historical facts. Historically, for example, Japan and China relations, China-Vietnam relations are strained. So it is evident that these countries need India to protect their strategic interest vis-à-vis China. Maritime interest of India and ASEAN nations can only be secured by mutual aid. China claims sovereignty over almost the entire South China Sea, which lies on key shipping routes and is believed to be rich in mineral and oil. But its claims clashes with ASEAN states Brunei, Malaysia, the Philippines and Vietnam as well as the Taiwan. Because of these strategic calculations certain new institutional arrangements has developed over the years. BIMSTEC is one such strategic institution designed for technical and economic cooperation, which systematically excludes Pakistan from it. Another significant strategic plus for India is that, by involving with the SEA, it can tactically address the issues of insurgency in the NER.

NER forms the basic core of India's Look East framework owing to its geo political features and strategic location. LEP has dual advantages as it holds the key to the development of the NER and at the same time may serve the positive integration at the regions by converting it into a developmental hub.

#### **Findings**

- Notwithstanding the huge potential, over the years India has more been talking about 'LEP' rather than 'acting LEP'. Because India's LEP is not supported by positive time bound action program.
- Though much hype has been created about border trade in Moreh-Tamu LCS but the reality is totally different. Trade in the Moreh-Tamu sector is more like some small business people of Imphal are making their livelihood in the name of border trade.
- It is found in the field visit that Moreh-Tamu sector is short of every modern amenity in Indian part. Underdeveloped market conditions could hardly facilitate trade of international level.
- There is a feeling of extreme insecurity and fear in the minds of the traders, caused both by the Under Ground Ultras as well as by the state armed forces.
   Along with these, political environment in the state of Manipur, particularly unrest in Imphal Valley has further detrimental effect on the growth of trade and business in the regions.
- The interviews conducted in the field categorically underlined the limitations and contradictions of LEP. On the one hand, the government of India up holds the neo-liberal notion of free trade and integration of border for economic gains. On the other hand NER has a protectionist discourse of the Sixth Schedule.
- There is strong resentment against AFSPA. Introduction of AFSPA has vitiated the political atmosphere in the border state of Manipur and other parts of NER. Durable and long persisting political turmoil can hardly facilitate development measures. LEP in the same way has become an average policy for the people in NER, which is imposed by the centre from above without making the local people a party to the ambitious policy.

- By not having a North East Face, the LEP is highly unpopular among the conscious section of NE and has created unwanted doubts in the minds of the people. So, it is a difficult task to take people of the region into confidence to a political discourse which is alien in nature. So, an alternative approach to development is essential which is supported by regional capacity building initiatives.
- The responsibilities of bodies like NEC, DONER, etc have to be fixed and they should be made more accountable.

# **Policy Prescription**

- Development in the NER has to be promoted from the grass root level and not to be imposed from above. In short, development in NER should follow a bottom up approach in place of a top down approach.
- Political atmosphere has to be reformed and people's confidence in the needs to be restored by generous political moves such as the repeal of AFSPA. It will like a confidence building measure which is lacking today.
- Such confidence building measures needs to be supported by infrastructure and skill development programmes.
- Border Infrastructure and communication system needs to strengthen made sustainable to local interest.
- Local entrepreneurship should be promoted to develop a sustainable opportunity structure in the NER.
- At regional level India should continue to strive for better relation with ASEAN
  and should focus on ways and means to act southeast rather than mere looking
  southeast on a priority basis. The gap between theory and practice has to be
  eradicated.

# **Further Studies**

 Further studies needed to be conducted to understand how to remove the gap between LEP rhetoric and NER realities.

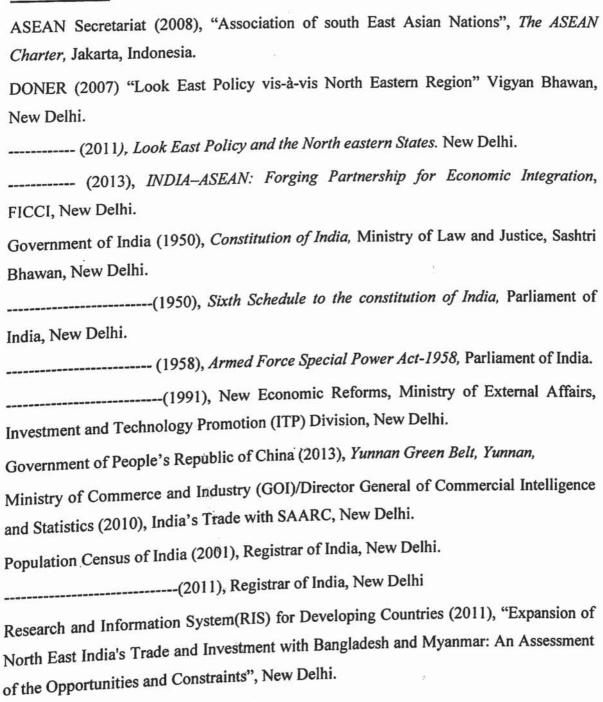
- A study should be initiated to find out the concrete action oriented programme in order to gain people's confidence on the state sponsored development ventures.
- Special studies need to be initiated for intensification of regional capacity building and entrepreneurship to bridge or compliment Sixth Schedule with LEP.
- Last but not least, studies should be initiated to find out the ways to enhance people's participation an development processes.
- For the future researchers it is essential to work on as to how to eradicate the contradictions that involve the implementation of LEP in and through NER.
- More research has to be carried out on implementation mechanism of LEP so that, the geographical constraints may be transformed into opportunities for India-ASEAN in general and NER of India in particular.

The region's geography itself forms its opportunities. Its rich natural habitats, cultural life, bio-diversity, ethnic cultural landscape, its flora and fauna, its mineral richness, hospitable and educated human resource base provides everything essential for promoting trade and development in the region. Being a gateway to SEA, NER has the potential to be a regional trade hub provided adequate infrastructural development measures are initiated. Low level of infrastructure and lack of skilled human resource has so far deprived NER from its just right to development. It is an ethnic laboratory and needs to be developed as one by initiating a model of development that has stake of the natives of the land. The essential factor in the success of LEP is found to be an alternative approach. To be stated more precisely, 'development with North East Face' and 'development programmes supported by capacity building projects', where there will be no place for anti- human laws like AFSPA.

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**Appendix** 

#### APPENDIX I

# The Armed Forces (Special Powers) Act, 1958 Act 28 of 1958, 11th September, 1958

An Act to enable certain special powers to be conferred upon members of the armed forces in disturbed areas in the State of 1[Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura].

Be it enacted by Parliament in the Ninth Year of the Republic of India as follows:

- 1. Short Title and Extent (1) This Act may be called [The Armed Forces (Special Powers) Act, 1958].
- 3[(2) It extends to the whole of the State of 4[Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura].
- 2. Definitions In this Act, unless the context otherwise requires:
- (a) "armed forces" means the Military forces and the air forces operating as land forces, and includes any other armed forces of the Union so operating;
- (b) "disturbed area" means an area which is for the time being declared by notification under section 3, to be a disturbed area;
- (c) all other words and expressions used herein, but not defined and defined in the Air Force Act, 1950 (45 of 1950), or the Army Act, 1950 (46 of 1950) shall have meanings respectively assigned to them in those Acts.
- 3[3. Power to Declare Areas to be Disturbed Areas If, in relation to any State or Union territory of which the Act extends, the Governor of that State or the Administrator of that Union territory or the Central Government, in either case, if of the opinion that the whole or any part of such State or Union territory, as the case may be, is in such a disturbed or dangerous condition that the use of armed forces in aid of the civil powers in necessary, the Governor of that State or the Administrator of that Union territory or the Central Government, as the case may be, may, by notification in the Official Gazette, declare the whole or such part of such State or Union territory to be a disturbed area].
- 4. Special Power of the Armed Forces Any commissioned officer, warrant officer, non commissioned officer or any other person of equivalent rank in the armed forces may, in a disturbed area-
- (a) if he is of opinion that it is necessary so to do for the maintenance of Public order, after giving such due warning as he may consider necessary, fire upon or otherwise use

force, even to the causing of death, against any person who is acting in contravention of any law or order for the time being in force in the disturbed area prohibiting the assembly of five or more persons or the carrying of weapons or of things capable of being used as weapons or of fire-arms, ammunition or explosive substances;

- (b) if he is of opinion that it is necessary so to do, destroy any arms dump, prepared or fortified position or shelter from which armed attacks are made or are likely to be made or are attempted to be made, or any structure used as a training camp for armed volunteers or utilised as a hide-out by armed gangs or absconders wanted for any offence;
- (c) arrest, without warrant, any person who has committed a cognisable offence or against whom a reasonable suspicion exists that he has committed or is about to commit a cognisable offence and may use such force as may be necessary to effect the arrest;
- (d) enter and search without warrant any premises to make any such arrest as aforesaid or to recover any person believed to be wrongfully restrained or confined or any property reasonably suspected to be stolen property or any arms, ammunition or explosive substances believed to be unlawfully kept in such premises and may for that Purpose use such force as may be necessary.
- 5. Arrested Persons to be made over to the Police Any person arrested and taken into custody under this Act shall be made over to the officer-in-charge of the nearest police station with the least possible delay, together with a report of the circumstances occasioning the arrest.
- 6. Protection to Persons acting under Act No persecution, suit or other legal proceeding shall be instituted, except with the previous sanction of the Central Government, against any person in respect of anything done or purported to be done in exercise of the powers conferred by this Act.
- 7. Repeal and Saving [Repealed by Amending and Repealing Act, 1960 (58 of 1960), First Schedule, sec. 2 (26-12-1960)]
- 1. Subs. By Act 69 of 1986, sec. 43, for "Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura and the Union Territory of Arunachal Pradesh" (w.e.f. 20-2-1987).

  2. Subs. By Act 7 of 1972, sec. 3, for "the Armed Forces (Assam and Manipur) Special Powers Act., 1958" (w.e.f. 5-4-1972) 3.Subs.By Act 7 of 1972, sec. 4 (w.e.f. 5-4-1972) Powers Act., 1958" (w.e.f. 5-4-1972) 3.Subs.By Act 7 of 1972, sec. 4 (w.e.f. 5-4-1972) Act. 69 of 1986, sec. 43, for "Assam, Manipur, Meghalaya, Mizoram, 4.Subs.By Act 69 of 1986, sec. 43, for "Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura and the Union territory of Arunachal Pradesh" (w.e.f. 20-2-1987).

#### APPENDIX II

Speech by the Hon'ble Minister of External Affairs

Shree Pranab Mukharjee

At Seminar on 'Look East Policy'

Shillong, 16 June, 2007

It gives me great pleasure to be here in Shillong. Meghalaya- the adobe of clouds- has always been source of inspiration to writers, poets, musicians and artists and I am confident it will also inspire us in our discussion today.

To me, the theme of this seminar- "Geography as opportunity" can easily be – "geography is opportunity". There are enormous changes taking place on the domestic and external fronts, including the advent of globalization, regional economic cooperation, and new policy approaches for development. In this circumstance, all regions of India have potential to exploit their particular geographical context, and bring significant benefits to populations residing in those regions in a much more direct and participative than before. In days past, deliberation on a plan of action to address these opportunities would have been carried out through closed conferences and meeting, mostly in New Delhi. However, in order to create a greater sense of awareness and participation, I asked the Public Diplomacy Division of the Ministry of External Affairs initiate a series of interactive conferences and meetings that would receive inputs from the regions concerned. Recognizing the pre-eminent role of our north-eastern states in the economic and political development of India, I decide to launch the initiative from this beautiful city.

Today's event, the first of its kind, is informed by the thinking that the North-East, in particular, is one region into whose progress and development we can dovetail Indians "Look East Policy". I am happy that in collaboration with ICRIER, and the Omeo Kumar Das Institute of Social Change and development, a conference will soon be held in this region on the challenges that regional and sub-regional cooperation could pose and how to address them.

Before I go further, let me make a point about the newly created Public Diplomacy Division in the Ministry of External Affairs. Some of u have already met with representatives of this Divisions for a preliminary round of discussions and might be wondering what public diplomacy is. Most of us are familiar with traditional diplomacy where governments negotiate with governments. Globalization, however, demands a paradigm shift in the manner in which we conduct our foreign policy. The information and Communication technology regulations have virtually shrunk the globe. Geography in no longer a buffer. Events taking place across borders virtually shrunk the globe. Geography in no longer a buffer in some cases, such developments near and far, impact in a much more direct manner on us. In some cases, such developments affect our bilateral and regional relations; in other cases they affect our economic and social fabric. To develop a robust foreign policy response, we have strongly felt the need to institute a mechanism through which the public- by which I mean civil society, NGOs, academia, business and industry, and the media-is constantly appreciate for the implications of a particular foreign policy initiative and, more importantly, for the strategic rationale behind it. This is the remit of

the Public Diplomacy Division. It is our hope that at the same time as it informs the public of the broader rationale foreign policy, it will also be adult to glean from such interactions the much required inputs on public perceptions of a foreign policy decision or initiatives.

More than half a century ago, Pandit Jawaharlal Nehru visualized India has been the pivot around which issues relating to comics and security in south East Asia would have to be considered. India's "Look East Policy" which began unfolding in the early nineties, is informed by this vision. As the then Prime Minister, The late P V Narsimha Rao, had said, the "Look East Policy" was not merely an external economic policy, it was also a strategic shift in India's visions of the world and India' place in the evolving global economy. Most of all It was about reaching out to our civilizational Asian neighbours in the region who, by emerging as regional economic powerhouses, also presents us with a model worthy of emulation.

Developing ties with the Associations of South East Asian Nations (ASEAN) has been a major objective of our "Look East Policy" since 1992; our relations with this grouping have grown steadily. Bringing from a Sectoral dialogue partnership we became full dialogue partners in 1995 and were invited as Summit level partners in 2002. In 1996 we became members of the ASEAN Regional Forum we have also signed a framework agreement for entering into a Free Trade Agreement and intensive discussions on this are continuing. In fact, earlier in this year I participated in the ministerial meetings of ASEAN in Cube, Philippines and saw first-hand the long way that our multiple relationships with this region have come since the Look East Policy initiated. Trade with ASEAN countries, for example, has risen from \$ 2.4 billion in 1990 to \$ 23 billion in 2005. We firmly believe that the ASEAN region's abundance of natural resources, significant levels of technological skills and robust economic performance provides the ideal platform for synergies and closer cooperation between India and ASEAN. Indeed our relationship with ASEAN should be of particular interest to this gathering since more than one state in the North East borders Myanmar the only ASEAN member that India shares a land border with.

India is also part of the Mekong Ganga Cooperation project, which also includes Myanmar, Thailand Laos, Cambodia and Vietnam. The project primarily aimed at the development of overland trade, tourism, communication and transport linkages. In fact, at the meetings in Cebu earlier this year India took over the chairmanship of this forum. In 2005, we also gain membership East Asia Summit (EAS) and, earlier this year, Prime Minister participated for in its meetings in Cebu. This gives us the opportunity of further deepening economic integration with East Asia in line with the Prime Minister's vision of the Asian Economic Community that would be an integrated market spanning the distance from the Himalayas to the Pacific Ocean, linked by efficient road, rail and shipping services.

Finally, as part of the same endeavor to strengthen our linkages with the region and reinforce our Look East Policy, a sub-regional grouping called BIST-EC, comprising Bangladesh, India, Sri Lanka and Thailand was established in 1997. With the addition of Myanmar and, in 2004 of Bhutan and Nepal the grouping came to be known as BIMSTEC or the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation. This forum has identified six sectors for focused cooperation: trade and investment, technology, transport and communications, energy,

tourism and fisheries. A framework agreement with the aim of establishing a Free Area has also been signed and India is to host the next Summit.

Less than three months ago, India also hosted the 14<sup>th</sup> SAARC Summit and assumed the SAARC chairmanship. This is an honor, but with it also come enormous responsibilities. We are committed to taking forward the Declaration issued by eight Head of the State and government that commits the region to a whole range of developmental issues and cooperation in the field of education, trade and commerce, rural development, social issues, energy and food security, environment, etc. Of particular significance in this regard in the call by the leaders for the implementation of the recommendations of the SAARC Regional multimodal study, which is key to realizing the objective of connectivity within the region and beyond it to other neighbouring regions.

Let us consider some basic facts. The North-Eastern region is cradled by five Asian countries-China, Nepal, Bhutan, Myanmar and Bangladesh. Arunachal Pradesh, Manipur, Mizoram and Nagaland share 1643 km long border with Myanmar; Assam, Meghalaya, Tripura and Mizoram share a 1880 km border with Bangladesh; Arunachal Pradesh, Assam and Sikkim share 468 km border with Bhutan; Arunachal Pradesh and Sikkim share 1325 km border with Tibet Autonomous Region of the People's Republic of China. The region's difficulties as a loss of connectivity and market and market access following partition in 1947 are well known. Today, however, benefiting from the new dynamic of regional cooperation, this enormous geographical proximity, along with shared culture and customs provide the basis for considerable synergies. Let me give some examples.

We are involved in a variety of cross border development projects with Myanmar in diverse fields such as roads, railways, telecommunications, IT, Science and Technology, power, etc. these initiatives are aimed at improving connectivity between North-Eastern India and western Myanmar and expected to give an impetus to the local economics as well as bilateral trade. Probably among the most important is the Kaladan Multi-Modal Transit Transport Facility, Which envisages connectivity between India ports on the eastern seaboard and Sittwe port in Myanmar and then through river transport and by road to Mizoram, thereby providing an alternate route for transport of goods to North-East India. in fact, given the importance that Government of India attaches to this project, we have decided to fund it completely on our own. The up gradation of the 160 km of Tamu-kalewa-kalemyo road in Myanmar across Manipur has already been completed. Discussions are also on to start work on the Tri-lateral High Way Project, which proposes to connect Moreh in Manipur to Maesot in Thailand via Bagan in Myanmar. Efforts are also underway to improve infrastructures, particularly road links, at the second, India-Myanmar border trade point at Rhi-zowkhathar in Mizoram sector by up gradation of the Rhi-Tidim and Rhi-falam road segments in Myanmar. Apart from developing road links, efforts are under way to have a rail link from Jiribam in Assam to Hanoi in Vietnam passing through Myanmar. We are also on enhancing digital connectivity with this region, in particular through an optical fiber cable link between Moreh in Manipur and Mandalay in Myanmar.

With Bangladesh, there is already an agreement to run a hat passenger train service Sealdah to Joydeb pur and it is hoped that the bus service be the service will start in the next few months. Of

course, the bus services between Kolkata and Dhaka and Agartala and Dhaka are already operational. Similarly, Indian's excellent relations with Bhutan and its involvement in the development and growth of Bhutan's economy also translate into direct benefits for the North-Eastern states. Recent increases in the export of raw material and agriculture produce from this region to Bhutan have meant better opportunities for agriculturist and industries in the North-East. In Fact, Jaigaon has grown and become prosperous with its position as the nodal point for trade with Bhutan. Mutually beneficial development of water resources between India and Bhutan is another characteristic of this relationship and most of the hydro- eclectic power that is being generated as a result from projects like Chukka, Kurichu and Tala is for the use of the Eastern and North-Eastern states of India.

I hope these examples have given you a sense of the priority that the Government places on the development of the North-Eastern region, including by integrating our foreign policy ends into the process. Of course, innovative foreign policy is not enough to solve our problems of development and growth and a policy framework in the domestic context also has to be in place to fully exploit the opportunity presented by geography. The development of the North-eastern states has been a central concern of the UPA Government. Accordingly, modifications in the North East industrial policy 1997 with the objective of matching the aspiration levels of these states and to ensure their speedy industrial development were brought about through the North East industrial and investment promotion policy 2007 after detailed policy discussions in the Committee of Secretaries, Group of Ministers and in the CCEA. At every stage, the suggestions of the state Governments recognized chambers and federations and other interest groups were debated at length. The policy, which has come into effect from 1st April this year, recognizes the need for boost in investment in the North-Eastern region and aims to provide higher incentives for industrial development and investment promotion.

In a substantive departure from the past, the distinction between 'thrust' and 'non-thrust' industries made in 1997 has been done away with. The capital investment subsidy has been enhanced from 15% of the investment in plant and machinery to 30%. The maximum limit for automatic approval of subsidy has been enhanced from Rs 1.5 crore. Claims of subsidy above Rs 1.5 crore and up to Rs 30 crore will be decided by an Empowered Committee chaired by the Secretary, beyond Rs. 30 crore will be placed before the Union Cabinet for consideration and approval.

Since the services industry is not very well-developed in the region, incentives have also been provided to some specific sectors like hotels, adventure and leisure sports, nursing homes, vocational training institutes, etc. Considering the rich biodiversity of the region, 'biotechnology' has been brought under purview of the policy. Many of the existing useful provisions of NEIP 1997 like transport subsidy scheme, income tax exemption, interest subsidy, etc., have also been retained. These are all significant steps to invite larger chunks of investment into this region and I expect many more large projects to come up in this part of the country.

When we look at all these steps on the foreign policy and the domestic fronts, it is clear that increased economic activity will lead to robust growth and the welfare of the local population. Naturally, challenges remain to be addressed and one of the major challenges is to ease trade

among geographically contiguous economies by taking further steps to reduce and remove trade and transport barriers. We need to urgently reduce transaction costs through a series of measures, including simplification of border trade procedures and further improving physical connectivity and action on these fronts, including in cooperation with our neighbours, is underway.

At the same time, I am aware that many fear that accelerated cooperation could in fact pose serious challenges. These concerns or challenges need to be listed out; we need to dwell on how they may be addressed and today's exercise is part of this effort. There is, however, considerable urgency in this. The process of regional cooperation has begun and I can only foresee acceleration in the process. It is important therefore, that we gear up for this and not get swept aside or away in the process.

Before I end, let me say that I look forward to hearing from you that need to be done to epitomize the benefits of regional and sub-regional cooperation among our people.

I thank you.

### Appendix III

#### Extracts from the Sixth Schedule of the Constitution of India

### SIXTH SCHEDULE

[Articles 244(2) and 275(1)]

Provisions as to the Administration of Tribal Areas in the States of Assam, Meghalaya, Tripura and Mizoram

- 1. Autonomous districts and autonomous regions.—(1) Subject to the provisions of this paragraph, the tribal areas in each item of Parts I, II and IIA and in Part III of the table appended to paragraph 20 of this Schedule shall be an autonomous district.
- (2) If there are different Scheduled Tribes in an autonomous district, the Governor may, by public notification, divide the area or areas inhabited by them into autonomous regions.
  - (3) The Governor may, by public notification,-
    - (a) include any area in any of the Parts of the said table,
    - (b) exclude any area from any of the Parts of the said table,
    - (c) create a new autonomous district,
    - (d) increase the area of any autonomous district,
    - (e) diminish the area of any autonomous district,
  - (f) unite two or more autonomous districts or parts thereof so as to form one autonomous district,
    - (ff) alter the name of any autonomous district,
    - (g) define the boundaries of any autonomous district:

Provided that no order shall be made by the Governor under clauses (c), (d), (e) and (f) of this sub-paragraph except after consideration of the report of a Commission appointed under sub-paragraph (1) of paragraph 14 of this Schedule:

Provided further that any order made by the Governor under this sub-paragraph may contain such incidental and consequential provisions (including any amendment of paragraph 20 and of any item in any of the Parts of the said Table) as appear to the Governor to be necessary for giving effect to the provisions of the order.

1. Paragraph 1 has been amended in its application to the State of Assam by the Sixth Schedule to the Constitution (Amendment) Act, 2003 (44 of 2003), s. 2, so as to insert the following proviso after sub-paragraph (2), namely:—

"Provided that nothing in this sub-paragraph shall apply to the Bodoland Territorial Areas District.

239 THE CONSTITUTION OF INDIA 240

1. Paragraph 2 has been amended in its application to the State of Assam by the Sixth Schedule to the Constitution (Amendment) Act, 2003 (44 of 2003), s. 2, so as to insert

the following proviso after sub-paragraph (1), namely: -

"Provided that the Bodoland Territorial Council shall consist of not more than forty-six members of whom forty shall be elected on the basis of adult suffrage, of whom thirty shall be reserved for the Scheduled Tribes, five for non-tribal communities, five open for all communities and the remaining six shall be nominated by the Governor having same rights and privileges as other members, including voting rights, from amongst the un-represented communities of the Bodoland Territorial Areas District, of which at least two shall be women:"

2. Paragraph 2 has been amended in its application to the State of Assam by the Sixth Schedule to the Constitution (Amendment) Act, 1995 (42 of 1995), s.2, so as to insert

the following proviso after sub-paragraph (3), namely :-

"Provided that the District Council constituted for the North Cachar Hills District shall be called as the North Cachar Hills Autonomous Council and the District Council constituted for the KarbiAnglong District shall be called as the KarbiAnglong Autonomous Council."

3. Paragraph 2 has been amended in its application to the State of Assam by the Sixth Schedule to the Constitution (Amendment) Act, 2003 (44 of 2003), s. 2, so as to insert

the following proviso after sub-paragraph (3), namely: -

"Provided further that the District Council constituted for the Bodoland Territorial Areas District shall be called the Bodoland Territorial Council.".

- 1-2-32. Constitution of District Councils and Regional Councils.— (1) There shall be a District Council for each autonomous district consisting of not more than thirty members, of whom not more than four persons shall be nominated by the Governor and the rest shall be elected on the basis of adult suffrage.
- (2) There shall be a separate Regional Council for each area constituted an autonomous region under sub-paragraph (2) of paragraph 1 of this Schedule.
- (3) Each District Council and each Regional Council shall be a body corporate by the name respectively of "the District Council of (name of district)" and "the Regional Council of (name of region)", shall have perpetual succession and a common seal and shall by the said name sue and be sued.
- (4) Subject to the provisions of this Schedule, the administration of an autonomous district shall, in so far as it is not vested under this Schedule in any Regional Council within such district, be vested in the District Council for such district and the administration of an autonomous region shall be vested in the Regional Council for such region. THE CONSTITUTION OF INDIA 241

- (5) In an autonomous district with Regional Councils, the District Council shall have only such powers with respect to the areas under the authority of the Regional Council as may be delegated to it by the Regional Council in addition to the powers conferred on it by this Schedule with respect to such areas.
- (6) The Governor shall make rules for the first constitution of District Councils and Regional Councils in consultation with the existing tribal Councils or other representative tribal organisations within the autonomous districts or regions concerned, and such rules shall provide for—
  - (a) the composition of the District Councils and Regional Councils and the allocation of seats therein;
  - (b) the delimitation of territorial constituencies for the purpose of elections to those Councils;
  - (c) the qualifications for voting at such elections and the preparation of electoral rolls therefor;
  - (d) the qualifications for being elected at such elections as members of such Councils;
    - (e) the term of office of members of Regional Councils;
  - (f) any other matter relating to or connected with elections or nominations to such Councils;
  - (g) the procedure and the conduct of business (including the power to act notwithstanding any vacancy) in the District and Regional Councils;
    - (h) the appointment of officers and staff of the District and Regional Councils.
- (6A) The elected members of the District Council shall hold office for a term of five years from the date appointed for the first meeting of the Council after the general elections to the Council, unless the District Council is sooner dissolved under paragraph 16 and a nominated member shall hold office at the pleasure of the Governor:

Provided that the said period of five years may, while a Proclamation of Emergency is in operation or if circumstances exist which, in the opinion of the Governor, render the holding of elections impracticable, be extended by the Governor for a period not exceeding one year at a time and in any case where a Proclamation of Emergency is in operation not extending beyond a period of six months after the Proclamation has ceased to operate: THE CONSTITUTION OF INDIA 242

- 1. Paragraph 3 has been amended in its application to the State of Assam by the Sixth Schedule to the Constitution (Amendment) Act, 2003 (44 of 2003), s. 2, so as to substitute sub-paragraph (3) as under, -
  - "(3) Save as otherwise provided in sub-paragraph (2) of paragraph 3A or sub-paragraph (2) of paragraph 3B, all laws made under this paragraph or sub-paragraph (1) of paragraph 3A or sub-paragraph (1) of paragraph 3B shall be submitted forthwith to the Governor and, until assented to by him, shall have no effect.".
- 2. After paragraph 3, the following paragraph has been inserted in its application to the State of Assam by the Sixth Schedule to the Constitution (Amendment) Act, 1995 (42 of 1995), s. 2 and after paragraph 3A, the following paragraph has been inserted in its application to the State of Assam by the Sixth Schedule to the Constitution (Amendment) Act, 2003 (44 of 2003), s. 2, namely:—
- "3A. Additional powers of the North Cachar Hills Autonomous Council and the KarbiAnglong Autonomous Council to make laws.—(1) Without prejudice to the provisions of paragraph 3, the North Cachar Hills Autonomous Council and the KarbiAnglong Autonomous Council within their respective districts, shall have power to make laws with respect to—
- (a) industries, subject to the provisions of entries 7 and 52 of List I of the Seventh Schedule;

Provided further that a member elected to fill a casual vacancy shall hold office only for the remainder of the term of office of the member whom he replaces.

- (7) The District or the Regional Council may after its first constitution make rules with the approval of the Governor with regard to the matters specified in sub-paragraph (6) of this paragraph and may also make rules with like approval regulating—
  - (a) the formation of subordinate local Councils or Boards and their procedure and the conduct of their business; and
  - (b) generally all matters relating to the transaction of business pertaining to the administration of the district or region, as the case may be:

Provided that until rules are made by the District or the Regional Council under this sub-paragraph the rules made by the Governor under sub-paragraph (6) of this paragraph shall have effect in respect of elections to, the officers and staff of, and the procedure and the conduct of business in, each such Council.

\* \* \* \*

1-2-3 3. Powers of the District Councils and Regional Councils to make laws.—(1) The Regional Council for an autonomous region in respect THE CONSTITUTION OF INDIA 243

(Foot-note Continue),-

- (b) communications, that is to say, roads, bridges, ferries and other means of communication not specified in List I of the Seventh Schedule; municipal tramways, ropeways, inland waterways and traffic thereon subject to the provisions of List I and List III of the Seventh Schedule with regard to such waterways; vehicles other than mechanically propelled vehicles;
- (c) preservation, protection and improvement of stock and prevention of animal diseases; veterinary training and practice; cattle pounds;
- (d) primary and secondary education;
- (e) agriculture, including agricultural education and research, protection against pests and prevention of plant diseases;
- (g) water, that is to say, water supplies, irrigation and canals, drainage and embankments, water storage and water power subject to the provisions of entry 56 of List I of the Seventh Schedule;
- (h) social security and social insurance; employment and unemployment;
- (i) flood control schemes for protection of villages, paddy fields, markets, towns, etc. (not of technical nature);
- (j) theatre and dramatic performances, cinemas subject to the provisions of entry 60 of List I of the Seventh Schedule; sports, entertainments and amusements;
- (k) public health and sanitation, hospitals and dispensaries;
- (m) trade and commerce in, and the production supply and distribution of, food stuffs, cattle fodder, raw cotton and raw jute;
- (n) libraries, museums and other similar institutions controlled or financed by the State; ancient and historical monuments and records other than those declared by or under any law made by Parliament to be of national importance; and
- (2) All laws made by the North Cachar Hills Autonomous Council and the KarbiAnglong Autonomous Council under paragraph 3 or under this paragraph shall, in so far as they relate to matters specified in List III of the Seventh Schedule, be submitted forthwith to the Governor who shall reserve the same for the consideration of
- (3) When a law is reserved for the consideration of the President, the President shall the President. declare either that he assents to the said law or that he withholds assent therefrom:

Provided that the President may direct the Governor to return the law to the North Cachar Hills Autonomous Council or the KarbiAnglong Autonomous Council, as the case may be, together with a message requesting that the said Council will reconsider the law or any specified provisions thereof and, in particular, will consider the desirability of law of any specified parameters as he may recommend in his message and, when the introducing any such amendments as he may recommend in his message and, when the law is so returned, the said Council shall consider the law accordingly within a period of law is so returned, the date of receipt of such message and, if the law is again passed by the six months from the date of receipt of such message and, if the law is again passed by the six months from the data of the said Council with or without amendment it shall be presented again to the President for said Council with or Without amendment it shall be presented again to the President for his consideration." THE CONSTITUTION OF INDIA 244

# APPENDIX IV (Extract from the ASEAN Charter)

#### CHARTER OF THE ASSOCIATION OF SOUTHEAST ASIAN NATIONS

#### **PREAMBLE**

WE, THE PEOPLES of the Member States of the Association of Southeast Asian Nations (ASEAN), as

Represented by the Heads of State or Government of Brunei Darussalam, the Kingdom of Cambodia, the Republic of Indonesia, the Lao People's Democratic Republic, Malaysia, the Union of Myanmar, the Republic of the Philippines, the Republic of Singapore, the Kingdom of Thailand and the Socialist Republic of Viet Nam:

**NOTING** with satisfaction the significant achievements and expansion of ASEAN since its establishment in Bangkok through the promulgation of The ASEAN Declaration;

**RECALLING** the decisions to establish an ASEAN Charter in the Vientiane Action Programme, the Kuala Lumpur Declaration on the Establishment of the ASEAN Charter and the Cebu Declaration on the Blueprint of the ASEAN Charter;

MINDFUL of the existence of mutual interests and interdependence among the peoples and Member States of ASEAN which are bound by geography, common objectives and shared destiny;

INSPIRED by and united under One Vision, One Identity and One Caring and Sharing Community;

**UNITED** by a common desire and collective will to live in a region of lasting peace, security and stability, sustained economic growth, shared prosperity and social progress, and to promote our vital interests, ideals and aspirations;

**RESPECTING** the fundamental importance of amity and cooperation, and the principles of sovereignty, equality, territorial integrity, non-interference, consensus and unity in diversity;

ADHERING to the principles of democracy, the rule of law and good governance, respect for and protection of human rights and fundamental freedoms;

**RESOLVED** to ensure sustainable development for the benefit of present and future generations and to place the well-being, livelihood and welfare of the peoples at the centre of the ASEAN community building process;

**CONVINCED** of the need to strengthen existing bonds of regional solidarity to realize an ASEAN Community that is politically cohesive, economically integrated and socially responsible in order to effectively respond to current and future challenges and opportunities;

**COMMITTED** to intensifying community building through enhanced regional cooperation and integration, in particular by establishing an ASEAN Community comprising the ASEAN Security Community, the ASEAN Economic Community and the ASEAN Socio-Cultural Community, as provided for in the Bali Declaration of ASEAN Concord II;

HEREBY DECIDE to establish, through this Charter, the legal and institutional framework for ASEAN,

AND TO THIS END, the Heads of State or Government of the Member States of ASEAN, assembled in Singapore on the historic occasion of the 40th anniversary of the founding of ASEAN, have agreed to this Charter.

#### CHAPTER I

## PURPOSES AND PRINCIPLES

### ARTICLE 1

#### **PURPOSES**

# The Purposes of ASEAN are:

- 1. To maintain and enhance peace, security and stability and further strengthen peaceoriented values in the region;
- 2. To enhance regional resilience by promoting greater political, security, economic and socio-cultural cooperation;
- 3. To preserve Southeast Asia as a Nuclear Weapon-Free Zone and free of all other weapons of mass destruction;
- 4. To ensure that the peoples and Member States of ASEAN live in peace with the world at large in a just, democratic and harmonious environment;
- 5. To create a single market and production base which is stable, prosperous, highly competitive and economically integrated with effective facilitation for trade and investment in which there is free flow of goods, services and investment; facilitated movement of business persons, professionals, talents and labor; and freer flow of capital;

- 6. To alleviate poverty and narrow the development gap within ASEAN through mutual assistance and cooperation;
- 7. To strengthen democracy, enhance good governance and the rule of law, and to promote and protect human rights and fundamental freedoms, with due regard to the rights and responsibilities of the Member States of ASEAN
- 8. To respond effectively, in accordance with the principle of comprehensive security, to all forms of threats, transnational crimes and trans-boundary challenges;
- 9. To promote sustainable development so as to ensure the protection of the region's environment, the sustainability of its natural resources, the preservation of its cultural heritage and the high quality of life of its peoples;
- 10. To develop human resources through closer cooperation in education and life-long learning, and in science and technology, for the empowerment of the peoples of ASEAN and for the strengthening of the ASEAN Community;
- 11. To enhance the well-being and livelihood of the peoples of ASEAN by providing them with equitable access to opportunities for human development, social welfare and justice;
- 12. To strengthen cooperation in building a safe, secure and drug-free environment for the peoples of ASEAN;
- 13. To promote a people-oriented ASEAN in which all sectors of society are encouraged to participate in, and benefit from, the process of ASEAN integration and community building;
- 14. To promote an ASEAN identity through the fostering of greater awareness of the diverse culture and heritage of the region; and
- 15. To maintain the centrality and proactive role of ASEAN as the primary driving force in its relations and cooperation with its external partners in a regional architecture that is open, transparent and inclusive

# APPENDEX V

# Questionnaire

Dear Respondents,

north-eastern India and be following details to the be		', I humbly request you to fill the
Name:		
Permanent Address		
Present address		
		Oth ( )
Gender: Female ( )	Male ( )	Others ( )
Age:		
Nationality:	Ť	
Religion:		
Occupation:		
1.1404	Moreh-Tamu International Border?	8
	TVIOLON 7	(a)
Yes No		
*		*
Q.2. If yes, can you tell the	reason for your visit?	

Q.3. Do you witness people from the other side of the border coming to the Indian part?
Yes No
Q.4. If Yes, Why do they come?
Q.4. Do you see any product from the other side of the international border coming to Moreh market?
Yes No No
Q.5. If yes, can you please name some of these products?
Q.6. Can you please name some of the Indian products going to the other side if the international border?
Q. 7. Are you satisfied with the transportation system in your region? If not, why?
Q.8. Are you satisfied with the working of the security forces in the border region?
Yes No
Q.9. why are you satisfied/ not satisfied with the working of the security forces? Please specify.
Q.10. Do you think that Government policies over the years have facilitated trade through the Moreh-Tamu sector?
Yes No Can't Say
Q.11. Whether there is any change of the following nature in your life due to the state sponsored development measures?
Socio-Cultural Economic Political Other

Q.12. what is in your opinion the impact of state sponsored development initiative in the life of the native people? Please specify					
i) Marginalized the local interest					
ii) Shown equal concern to the regional- national interest					
iii) Shown more concern to the so called main land Indian interest					
Q.13. Have you ever heard of the Look East Policy? Please choose from the following options.					
I) has detailed knowledge of LEP					
ii) has Partial Knowledge of LEP					
iv) only heard of LEP					
v) never heard of it LEP					
Q.14. Do you think that political environment in North East should be improved first to promote economic development in the region?  Yes  No  Can't Say					
Q.15. Do you support the repeal of AFSPA from North East Region in order to create healthy political environment so that trade and commerce can flourish?					
Yes No Can't Say					
Signature Thank You					
Place:					
Date:					
Debashis Nath					
Research Scholar,					
Dept. of PCM, SU.					