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INDIA'S ACT EAST POLICY THROUGH NORTHEAST

Opportunities and Challenges

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ACT EAST POLICY

Search For New Synergies To Augment India-Asean Interactions

ROUBLE SHARMA

The association between India and Association of South East Asian Nations (ASEAN) was framed by outcomes of the time. After independence India acted as an inspirational power for many newly formed sovereign nations in Southeast Asia. At the same time, these countries recognised the strategic importance of developing relations with each other. India had enlarged its canvas through Look East Policy which was adopted in 1991 during the measures it had taken to deepen her integration with the world economy. Through 'Look East' Policy India seeks to deepen its economic integration by entering into free trade agreements with ASEAN countries. This policy was designed to revitalise the age-old civilisational and economic links between India and ASEAN and to exploit the synergies for mutual benefit. In pursuance of India's 'Look East' Policy, the dialogue with ASEAN has moved consistently forward from a sectoral relationship in 1992, membership of the strategic forum ASEAN Regional Forum (ARF) in 1996, India-ASEAN Summits since 2002, to India-ASEAN Trade

in Goods Agreement in 2009.¹ Through this membership India established better linkages with the economically advanced countries of Southeast Asia.² 'It marked a 'strategic shift' in India's perspective and bearing fruit in the form of intensifying the political dialogue, expanding trade and steadily enlarging People-to-People contacts between all the countries of the region.'³ As part of its 'Look East' Policy India has taken another step forward in its effort to deepen its engagement with ASEAN by agreeing to finalise an agreement on free trade and strengthen economic ties. Both India and ASEAN agreed to have a list of products which would not be subjected to any tariff cuts till 2022. The traded value of these products would not exceed 5 per cent of the total trade of India and also India is expected to bring into this list some 490 items that include rubber and coconut. ASEAN had also its own list of items for trade.⁴

As the National Democratic Alliance (NDA) government formed at the Centre in 2014, India's Look East policy has moved into an Act East policy, which envisages accelerated across-the-board engagement between the two growth poles of a vibrant Asia. This has been reflected in a spate of two-way visits in the first few months of the Prime Minister Narendra Modi government. The Act East policy is like Look East Policy. The name change has no political connotation to it; it brought the ASEAN region back into the centre-stage with the focus shifting from the LEP to the Act East Policy (AEP)⁵.

While there were some views among earlier observers that India's Look East Policy was not receiving the advantage that it should have. The reasons may be behind this assumption could be two: First, the late entry of four countries namely Cambodia, Laos, Myanmar and Vietnam (CLMV) as new members of ASEAN and second, India's priority was to concentrate more towards the developed economies of ASEAN members and poor efforts to coordinate a policy of promoting better partnership with the less developed (Cambodia, Laos, Myanmar and Brunei) countries of the region. This lack of equal treatment was mainly based on some important reasons. Indian diplomacy should adopt the parallel strategy of enrolling into the ASEAN system through bilateral and sub-regional means. India's weak relations with Brunei, Darussalam in the early 1990's were mainly caused by the latter's dormant role within the ASEAN forum. In the early years of Look East Policy, New Delhi was basically drawing lessons from the economic success stories of Southeast Asian region. However, the tiger economies received a serve jolt in

the wake of financial crisis in 1997, but most of them have recovered considerably from that traumatic phase and climbed back to the high growth path. Internal ethnic unrest, unemployment uneven distribution of income, environmental pollution, human rights violations, civil war and genocide, food security, transnational crime, law intensity conflicts and underdeveloped economic structure due to economic backwardness of Cambodia, Myanmar and Laos failed to attract India to develop better economic and strategic linkages with these countries. Although a number of important official visits and counter visits took place between India and ASEAN, countries. These bilateral visits proved weak to produce any positive outcome of India's priority towards CLMB countries of Southeast Asia. As against such background since late 2000, India better ties with CLMB countries after the Vientiane Declaration signed in November 2000.⁶ Furthermore, the decision for a separate India-ASEAN summit clearly demonstrated an opportunity for India to prove its equal economic influence and dynamics in the region.⁷ The drastic changes in the global order in 21st century made it clear that India's economic and political potential in the global stage has come to be recognized.

The ongoing phase in the India's engagement with ASEAN has indeed been very vibrant phase in the ties between the two. New trends seem to emphasize the view that India has been able to functioning ties with the ASEAN region in the changing dynamics of international affairs and will attempt to articulate it's political, economic and security perceptions towards the region. India's old Look East Policy had three-spaced approach, first to renew Political contacts with ASEAN partners; second to increase economic interaction (trade, investment, science and technology, tourism etc.) and third to forge defence links with ASEAN partners as a means to enhance political and strategic interests and national interests in light of development in the post cold war era. India's objectives in Act East Policy now broadened through many areas education, human resource development, democracy and culture where it was a comparative advantage over Asian Countries. India now finds itself almost in the coveted club of ASEAN-plus, which includes Japan, South Korea and China and Australia. So the shift to the AEP should be viewed as an attempt to provide an impetus to the regional integration that India has with its eastern neighbours. The ASEAN countries have often expressed a lot of concern on the slow pace of reform in India. Added to this are the issues of the signing of several agreements that need to come into force to hasten the implementation. There

are some critical areas that drive policy into the action-oriented phase. While this does not really signal a RIP from the LEP, it does highlight a more nuanced position of acknowledging the need to 'act' or to 'get one's act together', to move ahead on the implementation of projects and proposals that have been initiated in principle but are lagging in practice. This re-activation of India's Look East Policy is fairly based on its previous achievements.

Achievements of Looking East

'Looking east' became the icon of India's foreign policy since its inception. After decades of neglect, improvement of India and United States ties altered India's relations with Southeast Asian countries. In March 2000, the United States of America President Bill Clinton visited India and this resulted in a market realignment of New Delhi geo-strategic and foreign economic ties. The emergence of Bush administration, its decision to lift the nuclear sanctions against Pokhran II, nuclear bomb blast in 1998 and unfortunate events on 11 September 2001, provided the opportunity to realise the promise of "natural alliance" between New Delhi and Washington. This new equation with the U.S. also paved the way for building a better, more extensive security, and political links with the American allies in the ASEAN-Japan, South Korea and Australia.⁸ Thus, the Indo-US relations created a major spillover effect on ASEAN and India ties. Secondly, the improvement of relations between India and China remains other important reason. China's entry into World Trade Organization (WTO) in 2001, its capacity to influence Foreign Direct Investment (FDI) and its strategic and political influence in the region are the main reason for New Delhi to engage the ASEAN countries. This resulted in a new dimension of China-India ties, when Vajpayee (then PM of India) visited China on 23-24 June 2003 and signaled a new step forward in strengthening the all round cooperation between India and China in the new century.⁹ Based on above-mentioned reasons, the India's PM has reactivated interest in India's Look East policy. This was evidenced when he visited several Southeast Asian countries during 2000, 2001, 2002, and 2003. These visits were reciprocated during the same period by various dignitaries from Southeast Asia. The appreciable number of foreign dignitaries' visits to India made it clear that India wants to re-look, reactivate and re-accelerate its Look East policy. Multifaceted linkages with the region were becoming an important part of this policy. The India ASEAN summit of October 2003 marked a significant landmark in India ASEAN relations with the "Look East policy". This has a new

dimension—the development of India's remote Northeast. Instead of consciously trying to isolate the Northeast from external influences as it had done in the past, India now recognised the importance of opening it for commercial linkages with Southeast Asia. By taking advantage of Myanmar as a land bridge to Southeast Asia, India hopes to transform the Northeast from a security burden into a land of economic prosperity. During the cold war, India and ASEAN drifted apart, and the 'Look East' policy sought to reconnect economically to the region, which saw steady gains throughout the last decade. Neither the controversial Indian Nuclear tests of 1998, nor the economic crisis in East Asia in the late 1990^s, come in the way of rapid expansion of India's relations with the region. Trade between India and ASEAN has multiplied fourfold- from \$ 3.1 billion in 1991 to about \$ 12 billion in 2002.¹⁰ The phase two of LEP 'is characterized by an expanded definition of 'East' extending from Australia to China and East Asia with ASEAN as its core." South Korea has emerged as a major economic partner of India; while economic ties with Japan need to be upgraded, there has been dramatic growth in Sino- Indian linkages also. The military contacts and joint exercise that India launched with ASEAN states on a low-key basis in the early 1990^s are now expanding into full-fledged defence cooperation. India has also quietly begun to put in place arrangements for regular access to ports in Southeast Asia. India's defence contacts have widened to include Japan, South Korea and China. Never before has India engaged in such multidirectional defence diplomacy in Asia.¹¹

India's Look East policy was now establishing air and land links to East and Southeast Asia. As part of its road diplomacy, India also replies actively building transport corridors to the region.¹² Secondly, this phase has opened the door for the first time since independence to break out of the political confines of the subcontinent that have severely limited India's grand strategic options. The LEP has allowed India to break the artificial political barriers between the subcontinent and Southeast Asia. Bangladesh, India, Myanmar, Sri Lanka, Thailand Economic Cooperation (BIMST-EC) adds a new dimension to India's Look East policy as well as the Asian paradigm of cooperation.¹³ India's Prime Minister Manmohan Singh said in the first BIMST-EC summit "We consider our participation in BIMST-EC summit as a key element in our Look East policy and long standing approach of good neighbourliness towards all our neighbours by land and sea."¹⁴ Therefore, India's inclusion in the summit partnership with ASEAN was not only hailed as a major diplomatic achievement but a welcome

and logical extension of its 'Look East' doctrine as well. In second India ASEAN summit, October 2003 in Bali both set to sign three agreements. A Treaty of Amity and cooperation was signed by India and thereby signed a joint framework agreement for comprehensive economic cooperation and supported the establishment of and Indo-ASEAN Regional Trade Investment Area (RTIA) including the setting up of an ASEAN-India for trade Area in Goods, services and investments.¹⁵ The objectives of the framework agreement included.

- Strengthening and enhancing economic trade and investment cooperation.
- Liberalizing and promoting trade in goods and services and
- Facilitating economic integration within ASEAN.¹⁶

In the summit, various new issues of cooperation were discussed in the field of agriculture, biotechnology and human resource development and both sides adopted the joint declaration for cooperation to combat international terrorism. India also offered to run daily flights to major Indian cities including New Delhi, Kolkata, Mumbai and Chennai.¹⁷ The proposal to hold a car rally had also been made on the eve of the first India-ASEAN summit, which was flagged off, from Guwahati in the year 2004. This twelfth day automobile trekking run through all the major ASEAN countries Myanmar, Thailand, Laos, Vietnam, Cambodia and Malaysia terminating at Singapore in December 2004. A similar exercise was undertaken in 2007 also.¹⁸ This car rally proved the geographic connectivity of India with Southeast Asia through a land route. A year after ASEAN India Comprehensive Economic Cooperation Agreement (CECA) was signed at Bali summit, another landmark agreement, the India-ASEAN partnership for peace progress and shared prosperity agreement was concluded by both sides at Vientiane (Laos) summit in November 2004¹⁹. This Vientiane agreement chartered the roadmap to the consolidation of India's relations with the southeast Asian countries draws a comprehensive set of long term objectives along with an Action plan containing a package of multi sectoral areas of cooperation's between both India and ASEAN. The agreement commits India and her ASEAN partners to reiterate their full support "for the Implementation of the Declaration of ASEAN concord II, leading to the formation of more integrated ASEAN community comprising the ASEAN Security Community, the ASEAN Economic Community and ASEAN Socio-Cultural Community."²⁰ In addition, the agreement containing a long term vision for boosting

trade, investment, tourism, culture, sports, People-to-People contacts, energy, science and technology, research and development, agriculture small and medium enterprises, pharmaceuticals and health etc. Since the partnership is a miniature version of the ASEAN India vision 2020²¹ prepared by the ASEAN India network of think-tanks ahead of the Laos summit, what follows is an examination of some of the functional areas enumerated in the vision document which are albeit summarized into the partnership agreement.

ASEAN vision: one-community and common goals

- Equal partnership, shared ownership and mutual respect.
- Collective action and cooperation for common good.
- Mutual help based on shared values to achieve the respective vision for the future and addressing the common challenges.
- Promoting friendship, good neighbourliness, peaceful co-existence and prosperity in the region.
- Need for reforms to remove impediments in achieving the declared vision.
- Collective action to help bridge the development gap among the ASEAN member countries.²²

This long-term partnership agreement with ASEAN provides a new dimension to these relations. To give a significant thrust to its 'Look East' policy, India offered its cooperation in combating terrorism, strengthening maritime security in piracy-infested Malacca straits and fighting diseases and energy security in the ASEAN region at the fourth India-ASEAN summit held in Kuala Lumpur Malaysia on December 13, 2005. India and ten members of ASEAN agreed to work together in disaster management and establishing an early warning system for tsunami, India-ASEAN fourth summit also welcomed India's entry in the first ever East Asia Summit (EAS).²³ It is important for India to keep fully engaged with the East, even while continuing its partnership with Europe or the U.S. In the East much of the attention has so far been on China and these countries, particularly the 10 member ASEAN, have consciously moved towards India because they don't want to lose out on the opportunities offered by an emerging economic power house. More than any other grouping in which India has tried to participate; ASEAN and EAS hold great promise for the future.²⁴ Both India and ASEAN reiterated the usefulness of their strategic relations. To demonstrate India's sincere

intentions Prime Minister of India made a forceful plea for a Pan-Asian Economic Community on the lines of the European Union and NAFTA. India's Look East policy has taken joint strides with its recognition as an emerging economic power and a major partner in the building of a new architecture to promote peace, stability and economic prosperity in East Asia the source of dynamism for the world economy. The first ever East Asian summit held at Kuala Lumpur (December 14, 2005) and it was attended by, 16 nations (ASEAN-10) East Asia 3 (Japan, China, Korea) and India, Australia and New Zealand, EAS established itself as "a forum for dialogue on broad strategic, political and economic issues of common interest and concern."²⁵ The 16 nations represented at the EAS account for half the world population and one fifth global trade.²⁶ The Summit Participants noted that their economies and societies have become increasingly interlinked and independent that challenges facing the world called for concerted regional and global efforts on their part and that they have shared interacts in achieving peace, security and prosperity in East Asia and the world at large.²⁷ India's membership of East Asian Summit is reflective of a mutual desire to construct a strong edifice of partnership. India had elevated its engagement with Southeast Asia and East Asia to qualitatively new levels and gone a fresh impetus to its 'Look East' Policy at the 2nd East Asia summit which was held at central Philippines on 14-16 January 2007.²⁸ India and ASEAN are working towards an East Asian community, perhaps as a prelude to a larger Asian regional grouping. LEP now concentrated on Southeast Asia looking at the larger Asia pacific region encompassing northeast Asia and the Oceania as well. Thus the East Asia Summit became a new high of Look East policy.

The achievement of Looking East involves security cooperation and expansion of its area of influence in the Southeast Asian region, with a view to becoming a major player in the emerging balance of power In Asia. This security cooperation involves joint operations to protect Sea-lanes and poling resources in the war against terrorism. The policy that began largely as an economic initiative has gained political, military and regional dimensions. First and foremost, we must have a cadre in the Ministry of External Affairs (MEA) oriented to the East. Second, we must cultivate the Buddhist world, which is close to the Indian civilisation. Thirdly, we must encourage the growth of a more secular and tolerant Islam in the East.²⁹ India has already taken the first step to promote the second objective. The Mekong-Ganga initiative has enormous potential. This should be the core of

the "Look East" policy. ASEAN and EAS hold great promise for India. India's Look East Policy has gradually moved it closer to East Asia, which comprises, in international parlance, the ten members ASEAN and three North East Asian countries Japan, China and Republic of Korea or ASEAN plus three.

The resemblance of India's Look East and ASEAN's Look West policies only signifies the new mindsets on both sides to recognize the need to adopt policies with the extended neighbourhood in the spirit of pragmatism and statesmanship. Although India has entered into a number of Pacts, agreements and FTAs with the ASEAN countries, but its record for implementation of such accords has been poor, as can be seen from the follow up of India-Thai FTA and CECA with Singapore. The Indian Industry has doubts about its own competitive efficiency or it does not want competition at home or it is scared of cheaper exports to India from these countries. Secondly, India still remains outside from the Asian trade tent i.e. Asia Pacific Economic Community (APEC). The best option open to India now is to cultivate close linkage with some influential members of APEC forum such as Australia, USA, Singapore and Japan. In future, APEC will outsmart all other regional blocs on the basis of presence of strong members in the forum. Thirdly, there are some domestic political compulsions, which impinge on the desired reforms and the struggle of liberalisation process, which is undergoing in the 'minds of our people'. India has come under harsh criticism for the big negative items list and the delay of over six years in finalizing the ASEAN- India FTA. Some analysts feel that India's Look East Policy lacks a strategic vision despite seeking defence cooperation with some ASEAN nations (Myanmar, Indonesia and Vietnam) and securing a role for joint patrolling in the Malacca straits. India does not take an assertive role perhaps due to its limited military capabilities.

Looking to Acting East via Northeastern region of India: Search for New Synergies

India's incompetence to explore its geographical proximity to ASEAN and its historical and cultural footprints with Southeast Asian region was largely due to its slow pace of reforms to liberalise the Indian economy. The major concern in the ASEAN region has been the slow-moving pace of approvals for the projects and their implementation. India has currently signaled a willingness to play a greater strategic role in East and Southeast Asia via Northeastern region of India. It has correctly focused on economic engagement

with the ASEAN countries through Northeast region of India. Geographically, India shares a 1647 kilometres contiguous border with ASEAN land boundaries with Myanmar and Maritime boundaries with Thailand and Indonesia. The ASEAN countries also understand that India is closer to heartland of Southeast Asia than any other major power.³⁰

As India's "gateway to Southeast Asia," Myanmar has always occupied a significant place in India's foreign policy. We have had enough of looking east. We now have 'Act East Policy' – a key component of my government's foreign policy," PM Modi announce Indian diaspora during a community reception at the Kyung Hee University in the South Korean capital. Given the swiftly changing security dynamics in the region, Indian PM Narendra Modi rechristened the approach as the "Act East" policy, stating the importance of also seeking stronger ties with partners such as Japan, Vietnam, South Korea and Australia. Japan as an important player in its 'Act East' policy and a prospective participant in its 'Make in India' initiative the intellectual discourse on India-Japan relations often factor in the narrative of 'spiritual affinity' and 'strong cultural and civilisational ties' between the two nations. Vietnam, India and Vietnam elevated their relationship to the level of a strategic partnership in November 2007. The Modi Government has deliberately and rapidly accelerated its high-level engagement with Vietnam. The economic relationship between India and Vietnam is fairly minor, ranking only 29th among India's top bilateral trading partners. That said, in the past five years, trade between India and Vietnam has more than tripled. Indian companies are also beginning to invest in oil and gas exploration, mineral exploration and processing, sugar manufacturing, agrochemicals, IT, and agricultural processing in Vietnam, with a total registered capital of \$US 252 million across 73 projects in 2013. Given that India and Vietnam both use similar Russian defence platforms, there is much potential for joint training and technology transfer between the two. In 2011, the Indian Navy offered Vietnamese forces facilities for training and capacity building, reportedly in return for berthing rights at Nha Trang. China is suspicious of India's growing partnership with Vietnam, not least because of its potential to draw India into the South China Sea. In October 2011, India's state-owned oil company ONGC Videsh Limited signed an agreement with Vietnam to expand and promote oil exploration in the South China Sea. More recently, during Vietnamese Prime Minister Dung's visit to India in October 2014, ONGC Videsh and

Petro Vietnam signed a mutual cooperation agreement on the exploration of several South China Sea oil blocks.³¹ Australia, although the Australia-India relationship has in the past suffered from inattention; there is currently recognition in both Delhi and Canberra of the economic opportunities of closer ties, and a growing convergence of strategic interests between the two. Act East Policy has brought about an unprecedented level of engagement between Australia and India, and will continue to have a positive impact on bilateral ties. There is much potential for greater cooperation between the two Indian Ocean democracies on security, particularly in the maritime domain. In recognition of this, the two countries recently concluded a Framework for Security Cooperation in order to consolidate and provide direction for their expanding defence and security ties. Not surprisingly, the Modi government has left no stone unturned to prove that point. In Southeast Asia, India prefers a peaceful environment that would facilitate strong political and security relations for mutual benefit in 21st century. The highlight of the visit was the focus given to the three C's: Commerce, Culture and Connectivity are the three pillars of India's vital engagement with ASEAN.

Road Connectivity

On the other side road connectivity with the ASEAN region is similarly important not only for business ease with Southeast Asia but to further expansion of remaining two included culture and commerce. It remains the enduring agenda of the India-ASEAN engagement. India has been in the forefront of pushing a host of trans-national projects that seek to weave the region together in an intricate web of road, rail and maritime links. The 'Act East' policy is expected to provide an impetus to the infrastructure projects under implementation from India's northeast and India's eastern seaboard. India's Northeastern region is a gateway to ASEAN. A 154 km road linking the Moreh town in the border state of Manipur with Kalewa in Myanmar was constructed by India. Similarly, the trilateral India-Myanmar-Thailand highway agreement was reached in 2002. The key infrastructure projects include – the India-Myanmar-Thailand Trilateral Highway running from Moreh in Manipur to Mae Sot in Thailand via Mandalay in Myanmar, and the Kaladan Multi-Modal Transit Transport Project connecting Lawngtlai in Mizoram to Sittwe Port in Myanmar, including the development of the Sittwe Port. In addition, there is the Rih-Tiddim and the Rih-Falam road project to enhance connectivity and border trade with Myanmar. Moreh will be an important point of

entry of two Asian Highways – AH-1 and AH-2. Once the various nodes such as Dawei are developed, the Mekong-India Economic Corridor (MIEC) will link India with the Mekong countries (Cambodia, Laos, Myanmar and Vietnam or CLMV) via Dawei and Bangkok. The Stilwell Road, starting from Ledo in Assam, is a Second World War road which has some missing links which are awaiting restoration. Once completed it would provide a seamless transportation link between Ledo and Kunming (Yunnan Province, China) via cities in Myanmar. This is a modern network of trade and cultural transmission like ancient silk routes that is central to cultural interaction through regions of the Asian continent connecting other regions of the world. Till 2016 this road would have executed a large chunk of the eastern segment of the Asian highway, which eventually aims to link Delhi with Hanoi.³²

The completion of the Tamu-Kalewa-Kalemyo sector of the India-Myanmar-Thailand Trilateral Highway is poised to create a new dynamic in India's multi-faceted ties with the region. With the new Indian government focusing with renewed vigour on spurring the economic uplift of India's north-eastern states, the gateway to ASEAN, enhanced connectivity promises to unleash a new prosperity in this region. In the days ahead, enhancing shipping and air connectivity will be major focus areas. The Bangladesh, China, India and Myanmar (BCIM) Economic Corridor would link the four countries, with Kolkata to Kunming Highway (K2K) constituting an important element of the corridor. So far South Asia does not have a rail link with Southeast Asia but once the missing or connecting links are completed, the Trans-Asian Railway would provide a Delhi-Hanoi rail link. New airports and possible links to Southeast Asia present further possibilities. All this will change the way we look at not only our neighbourhood but also the Northeastern parts of our country. The focus and objectives of Looking East has broadened to include the entire Asia-Pacific, and building economic, institutional and defence links with the region. In the future, the AH-1 will start from Tokyo (connected by ferry) and run through Seoul, Beijing, Ho Chi Minh City, Phnom to Mae Sot, Yangon, Mandalay, Tamu, Moreh, Imphal, Kohima, Dimapur, Nagaon, Jorabat (Guwahati), Shillong, Dawki, Sylhet, Dhaka, Kolkata, Kanpur, New Delhi, Attari, Lahore, Rawalpindi, Peshawar, Kabul, Istanbul till the border of Bulgaria. The northeastern part of the highway will be known as AH-2 if one is travelling from Jakarta, Singapore (connected by ferry), Bangkok, Mandalay, Tamu, Moreh, Imphal, Kohima, Dimapur, Nagaon, Jorabat (Guwahati), Shillong, Dawki, Sylhet, Dhaka,

Siliguri, Kakarbhitta, Mahendranagar, New Delhi, Attari, Lahore, Quetta and Salafchegan (Tehran). India's interest in the Asia-Pacific is being driven by both an understanding of the economic benefits of closer engagement with East and Southeast Asia, a convergence of strategic objectives, and a desire for a larger global role for India. "Look East" policy has shaped the way the country deals with its neighbors in the Asia-Pacific region, leading to substantially deeper economic, institutional, and security relations. Driven in part by India's strategy of counter-balancing China's influence, the policy was initially aimed at diplomatic and economic engagement with Southeast Asia. But over the years, the policy has evolved to include broader security and defense ties across the whole Asia-Pacific, with India signaling its willingness to play a greater strategic role in the region.

Cultural Connections

In this context, a great contribution of Swami Vivekananda was to build a bridge between Indian culture and Western culture. He made the Western people realise that they had to learn much from Indian spirituality for their own well-being. In this way he was instrumental in ending India's cultural isolation from the rest of the world and also prepared the mind of Indians to accept and apply in practical life two best elements of Western culture, namely science and technology and humanism. India's cultural ties with Southeast Asia are being considered as a significant one that will help push critical ties forward. The opening of the Nalanda University is an example of this dynamic. Furthermore, an emphasis on tourism too was made. Blending the ancient and the modern, the Nalanda University, an ancient seat of learning is a living reality formally inaugurated in September 2014 in Bihar and has started functioning from 2014. Tourism is a vital component of relations and the industry needs to be revamped in order to make India a tourist destination for Southeast Asian visitors and vice versa. The Open Skies Agreement is therefore among the key areas to focus on, to provide any momentum to the tourism industry. At present, even direct flights from India to all ten Southeast Asian countries and vice versa are in demand. Complementary to boosting tourism, there is also a potential to integrate cities that can be linked as sibling cities. In this context, one of the options could be to link Bodhgaya, Lumbini and Yangon, Shwedagon Pagoda together as the Buddhist circuit. Another potential option would be the linking of cities like Jogjakarta, Siam Reap and Thanjavur together as potential tourist hubs. This would make a critical impact in terms

of revitalising the tourism sector and would also act as a boost in bringing about greater people-to-people contact between the regions.

Commerce

The third focus, on commerce, is already an area India has made considerable strides in; and that is expected to progress even further. Projecting a new economic environment in which India has embarked upon targeted attracting investments into the country under the banner of the Make in India slogan. Currently the India-ASEAN Free Trade Agreement in (FTA) in goods has been operationalised, and the FTA in services and investments, though signed with all but one (the Philippines) country, is expected to be ratified by the respective countries' parliaments. This is one area where India has an advantage since, globally, it ranks 9th in the services sector.

As the move to integrate with the region is further enhanced through regionally driven initiatives like the Regional Comprehensive Economic Partnership (RCEP), there is likelihood of widening linkages across the region. The RCEP links the ASEAN and its dialogue partners into a regional economic grouping that will be critical since it will bring the three Asian economic giants China, Japan and India together. The Chinese move to enhance regional integration via the Asian Infrastructural Investment Bank (AIIB) and the enhancement of the Maritime Silk Route to link the Indian and the Pacific Oceans into an economic chain are clearly moving the commercial side of the regional agreements forward.

From the above analysis, it can be concluded that Act East Policy plays an important role in India's Foreign policy both globally and strategically. No doubt the policy wave upon North-east India to act as a bridge to connect to south East Asian economies but current is a critical phase because North east states still remain isolated and underdeveloped in various concerns. Political violence, massive unemployment, low infrastructure, insurgency and ethnic unrest are still creating challenges. Therefore, India's Act East policy should focus on maximization of national interests too. There remain various possibilities which need to be explored. Security cooperation, border areas stability, and more people to people interactions are some important themes in this engagement. However, it will be appropriate to say that Act east is a providing a door of opportunities to enhance our engagement with east and Southeast Asia world.

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