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Preface

Act East Policy is the new incarnation of Look East Policy which was propounded by former PM Narasimha Rao. The end of the cold war had left a vacuum for India because USSR was collapsed, which was all weather friend during this period. This newly emerged situation has forced India to reformulate its foreign policy to cope up the emerging situation. The end of the cold war also left immense challenge for India's economic policy because the old model of capitalism versus communism had ended with the demise of the cold war. The choice for economic development had been narrowed down. PM Rao had chosen globalisation. He was aware that China had already adopted globalisation in 1978. Rao was pragmatic enough to understand the immense Indian cultural imprint across Southeast and East Asia. During cold war however, it could not be duly used due to Nehruvian model of idealism in the realm of foreign policy.

Look East Policy was initially intended to expand Indian interests in ASEAN region. With the passage of time , many new areas were added to the orbit of this policy. East Asia also became focal agenda of this new policy. One of the important things of this policy have been bi-partisan support. Due to this political consensus, which is rare in India due to immature nature of the Indian politics, this policy has been the backbone of respective government be it congress led UPA or BJP led NDA. It has given new twist to our interests in the region and the result of this hard-earned policy consensus among rival political forces, today India has become member of almost all prevailing platforms of the region and India and ASEAN has become durable friend. Former PM, Atal Behari Vajpayee has however stated in 2002 at Singapore that India didn't require any formal recognition in ASEAN and East Asian region. India, he stressed by virtue of its location and cultural convergences has remained an integral part of the region.

Since a long time , ASEAN countries have demanded that India must ensure its firm presence in the region and must stand by with the nation state of the region on disputed issues. Due to gamut of reasons best known to UPA leadership, despite frequent request our government never responded positively, somehow disappointed ASEAN countries. The arrival of Modi government in May 2014 has fulfilled this long

pending desire of the region. PM Modi declared in his maiden appearance on ASEAN-India summit platform at Myanmar in November 2014 that all disputant parties must adhere to relevant international laws in the backdrop of South China Sea dispute. Since this declaration till date India has sustained its uniformity to adhere with this line despite expected Chinese displeasure. Here it is important to mention that South China Sea is connecting Indian Ocean to Pacific Ocean and 45% of the global trade occurs through this route. This sea is also as big as whole Indian territory. Two third of Chinese and East Asian overall trade commutes through this important global water way.

The sea is also ruled by the international laws called UNCLOS (1982). In the backdrop of July 2016 decision by the international tribunal about South China Sea in favour of the Philippines, China openly declared that it is not going to adopt this decision. It sparked anger among disputant's countries of ASEAN against China. Beside the Philippine's, Vietnam, Brunei, Malaysia, Cambodia and Indonesia are disputants' countries against China on South China Sea dispute. This anger reminds ASEAN countries that despite over 400 \$ billion dollar trade relation with China , they have still turbulent relations with it. In 1967 ASEAN came into being and one of the important reasons of the formation of this regional cooperation organisation had been to contain China. That point of time, China was intended to expand the tentacles of communism in these countries. South China Sea dispute has again reminded the ASEAN countries that historical baggage. Since last two decades, it has been frequently argued by leading pundits of the international system that 21st century will be Asian century. China wanted to dominate Asia and willing to share power with U.S at the global level. India, ASEAN, Japan, South Korea wanted both Asia and the globe multilateral. At least, India and like-minded countries has convergences of interests with the United States in Asia. They all wanted Asia to remain multipolar. That creates divergences of interests with China. This emerging situation has complicated security architecture of Asia.

PM Modi has adopted proactive foreign policy. During his last 4 years of term which he has completed in May 2018, he has visited over 40 countries. He is visible at every global platform and has become a global leader. He has upgraded 'Look East Policy' into 'Act East Policy.' It has been expanded its span right from Myanmar to Australia. Few years back, US secretary of State, Hillary Clinton had suggested India not only to look East but act also. It has been a long demand of the ASEAN countries that India must play not only active role in the region but

also balancer role. Under PM Modi, India has tried its level best to fulfil this desire of the ASEAN countries.

India's relations with Japan has emerged in many folds since last two decades. During Pokhran (1998) it had imposed gamut of sanctions against India. Today both are known for their deepening friendship. Japan is also feeling the offensive Chinese heat in East China Sea. Japan has also invested huge FDI in China. Since last few years, Sino-Japan relations have declined a lot. In the meanwhile, India has upgraded its relations with Vietnam. It is strategically located adjoin with South China Sea and in late 1970s gave a bloody nose to China. Japan will send a large helicopter carrier to the South China Sea and Indian Ocean for a second straight year (2018) as it looks to bolster its presence in the strategic maritime region with annual tours, two Japanese officials said.

“This is part of Japan's efforts to promote a free and open Indo-Pacific,” said one of the officials.”¹

Vietnam is one of the focal fulcrum of India's Act East Policy. Despite sustainable Chinese protest, Vietnam has not only given important oil blocks to India into disputed South China Sea since 1988 but opened strategically located naval bases for India. Both countries top leadership have visited frequently to each other in last four years. Vietnam-India trade has been grown four times since last five years. Vietnam and Japan have therefore emerged as the fulcrum of India's Act East Policy.

India's relations with Australia has further emboldened when PM Modi had visited Australia in November 2014. It was maiden prime ministerial visit of any Indian PM since former PM Rajiv Gandhi visit of 1986. Australia is situated on another side of the Indian Ocean and with the end of the cold war, bilateral relations has improved a lot. Australia also believe that Asia must be multipolar therefore it is an integral part and parcel of 'Arc of Democracy' along with United States of America, Japan, India and ASEAN countries. Australia understood that India has the potential to play balancer in Asia against China. Despite high voltage trade relations with China, Australia is keenly developed its all-weather relations with India.

Indonesia is not only biggest country in terms of population within ASEAN but strategically located at the connecting point of the Indian Ocean and South China Sea. It is also contesting sovereignty claim of China over its 'Nathuna' island within South China Sea. 'Malacca Dilemma' has given shivering jolt to Chinese because major portion of Chinese trade commutes through this narrow way. This place

is close to India's Andaman naval command and India and Indonesia is separated only by 90 nautical miles and they are maritime neighbour. In recent years, both countries have enhanced their joint naval patrol near 'Malacca Strait'. Chinese are not willing to digest it. In May 2018, PM Modi had visited Indonesia and it was his maiden visit of this Island country. Around 40 KM away of Malacca Strait, Indonesia has deep natural port. It has given this port to India for its all-round development for trade infrastructure.

Chinese mouthpiece 'Global Times' gave a veiled threat to India and Indonesia in the backdrop of this deal. It warned India that near the Malacca Strait, China will not tolerate any naval activities of India. India is a natural resident country of the Indian Ocean situated at its northern edge. Chinese keep reminding India that Indian Ocean is not Indian lake therefore Chinese have all right to be active here but at the same time trying to deny the same rights in South China Sea to ASEAN countries and India. This hegemonic Chinese attitude has created under current against China within ASEAN and East Asia. China has included Malaysia in its OBOR project. But the arrival of Mahatir Mohamad government in the backdrop of May 2018 elections, Malaysia has ordered to review all those connectivity projects. It feels that these projects are not going to any expansion of its trade and its high interests' rate is detrimental for long-time growth of the country.

Myanmar is also extremely crucial for India. It is the only country which provides us land connectivity with ASEAN countries. It is biggest country within ASEAN in terms of landmass and possess huge untapped natural resources. Due to sustained military dominance and sanctioned by western countries, it has received support from the Chinese. In lieu of that Chinese have taken many strategic points from Myanmar. Change of regime and arrival of semi democratic regime have reversed many of those projects because they felt that they will come under Chinese debt trap and meet with the fate akin of Hambantota.

Since the end of cold war, India-United States relations have been accelerated. It has again bipartisan support in India. Since President Clinton 2000 visit, every successive American Presidents have visited India. President Obama came twice and became chief guest of our republic day celebrations in 2015. Although American power is in declining mode but again it is extremely powerful. It has decided to contain China since Bush presidency and every president have sustained the process since then. India-United States strategic relations have deepened further. It could be estimated with the fact that since 2007 US has bagged deals worth \$ 15 billion.² Maritime security has also

deepened in recent years. Two countries had also decided to hold their first ever mega tri-service amphibious exercises to supplement the flurry of war games they already hold every year from the top notch naval Malabar (with Japan as third participants) to the counter terror VajraPrahar and YudhAbhyas between their armies. This will be only second time India will deploy assets and manpower for an exercise with a foreigncountry, after the India war games with Russia in Vladivostok last year.³ However due to prevailing trade war cloud between US and China, some issues were temporarily upset ongoing cooperation between India and the United States also. But on the larger strategic landscape they are bound to cooperate and strengthen the emerging idea of Indo-Pacific.

Eminent American political scientist, Samuel P. Huntington has suggested that America can sustain its unipolar status in the globe. He opined that America must do some adjustment with emerging power in Asia. Japan from the east and India from the west will be taking care of China according to him. It is interesting to note that both Japan and India have had historical baggage against China. Americans have coined the concept of Indo-Pacific and underlined the importance of India into the compliance of international laws within this important region. The deepening relationship of India, Japan and United States since last one decade has frightened China so much. It has not only given India and Japan asymmetrical mode to contain China while aligning with the United States but also given an open opportunity to the ASEAN countries to join it and they are more than keen to do so. In June 2018, President Trump and President Kim met in Singapore. The high voltage summit between American and North Korean presidents have further eroded Chinese arc of influence in East Asia. Indo-US bonhomie even in the amidst of trade war like situation has frightened China. It is vindicated with the statement of 'Global Times' Chinese mouth piece on the matter

“The subtext of this strategy of the United States is that it hopes India can play an essential role in balancing the rise of China. Does India really want to play the role that the US expects? Don't forget that this strategy has a strong military stance against China. At the very least, it is re-dividing Asia-Pacific with Cold War thinking.

It is understandable that India wants to keep its sphere of influence as an emerging power, but this shouldn't come at the cost of its domestic development. Indulging in the game of military balance will only consume India's strength.

India needs to be aware that without paying heed to Indian concerns, the US' strategy is hampering, not aiding, India's domestic development. Rather than falling victim to the US' purpose of containing China's rise, it is better for India to look to China for ways of self-development. What India can learn from China is that its ability to stand on its own feet will determine its place in Asia and the world.

India is currently at a critical juncture in its development. Can India's economy achieve greater development in the next five to 10 years? The number one challenge is how India can lay the foundation for manufacturing and infrastructure to fully enter the global production chain.

From this perspective, it is China, not the United States, that can provide more support and knowledge to India."⁴

This new born positive Chinese attitude is mainly due to ongoing trade war with the United States. India should not be openly aligned with the U.S but must understand that China is long time rival therefore must ensure tacit understanding with the United States in the strategic complexities of Asia.

There are gamut of avenues of cooperation with ASEAN and East Asia. Disaster management could be one of the important instruments of India's Act East Policy. Right from Myanmar to Australia, the entire area is known for its vulnerability for disasters. In 2004 , India extended immediate relief operation in the backdrop of disasters which shook ASEAN region. It was maiden Indian disaster relief operation away from India. It had been extremely effective and still rated as one of the most swift and large operation in the region. India too remains hotbed of disasters. According to latest World Bank report 'Climate change to hit living standards of 600 million Indians by 2050.'⁵ It is important to remember that even after December 2015 Paris climate deal, global efforts to mitigate its consequences has not been duly accelerated. Since India has faced and determined to mitigate the consequences in foreseeable future therefore it could help these countries as well.

Act East Policy is signature foreign policy initiative of Modi government. ASEAN and East Asian countries expected that India must be proactive in the region. Since his maiden appearance in the region in November 2014 till his latest visits in May 2018, PM Modi has explicitly declared that all disputants must be adhered with the norms of respective international law. There is no harm to support international law within the ambit of Act East Policy, Modi government has done it in the best

way. It has been very successful since last four years. It is bound to ensure our national interests from Myanmar to Australia. Only necessity of the hour is to accelerate its implementation.

Sudhir Singh

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India-Singapore Relations: Singapore as Pivot to India's Act East Policy

Alok Kumar Gupta

Singapore has opened a new horizon for India. It was the opening of India's relations with Singapore in the 1990s that led to a strategic shift in India's foreign and economic policies which later developed in to India's 'Look East' policy, again transformed further into 'Act East' policy under the present political dispensation. India and Singapore signed a Comprehensive Economic Cooperation Agreement in 2005 when Singapore Prime Minister Lee Hsien Loong visited India. This agreement led to a qualitative improvement in trade and investment relations between the two countries.

Singapore is a tiny republic but has progressed in all spheres of its life, its political system, resilient economy, diplomatic fine and, above all, its transformation from a third world state to a developed country i.e. first world. It has almost belied all the disadvantages that are often attached to small states. Its vulnerability in terms of geographical location, smaller size, less population, competitiveness with major countries of the world and regional powers, to name but a few, has never deterred it to march forward at a galloping speed. Undoubtedly, Singapore is a nation that has become a metaphor for reality of dreams. The lack of resources is no constraint for inspiration, imagination and innovation. India has many lessons to learn and emulate from Singapore. Therefore, this article endeavours to explore the evolution of relationship between these two countries and the boost that has been provided by the present political leadership of India. Author also endeavours to decipher the potentials that Singapore may have for India in terms of it becoming not only a gateway but acts like a pivot for India's Act East Policy.

Evolution of India-Singapore Relations:

During the days of Nehru India's foreign policy towards Southeast Asia i.e. between 1947 and 1959 was based on the firm foundations of Sino-

Indian friendship. India's policy and relations towards Southeast Asia got frozen owing to 1962 border war between India and China. Singapore still cherishes the positive aspects of development strategies of India and China. Singapore formally came into existence as a sovereign state in 1965 when it got separated from Malaysia. Initial years of Singapore were full of turbulence, but it developed rapidly into an Asian Tiger economy based on external trade and its workforce. Today, Singapore ranks 5th on the UN Human Development Index and has third highest GDP per capita. Given its economic might and status of development India is looking for a long-term economic engagement and strategic partnership with this nation of nearly 5.6 million people. India in its forward march on liberalization and privatization has been looking for engagement with the member-countries of ASEAN (Association of South East Asian Nations).

The Look East Policy is often traced back to a speech delivered by former Prime Minister Narasimha Rao in Singapore in 1994. Singapore was one of the few countries to recognize India's potential and responded positively to the economic reforms undertaken in 1991. Since then, Singapore has also pitched for a greater Indian role in ASEAN. Singapore has invested nearly \$46 billion in India between April 2000 and March 2016.¹ Apart from strong ties between successive governments, the Indian diaspora has played a significant role in strengthening ties between the countries².

In the contemporary world, the two maritime nations have shared priority of maintaining the international legal order of seas and oceans and ensure freedom of navigation to keep the sea lanes of communication open. Singapore is India's largest trade and investment partner in ASEAN. It has emerged as a valued partner for India's ambitious plans for infrastructure development. Singapore is also the second-largest source of foreign direct investment in India, and it is India's 10th-largest trading partner.³ Singapore sees the presence of extra-regional powers not as a threat to security, but as an opportunity to enhance regional and global inter-dependence. Thus, within a very short span of time relationship between India and Singapore has taken a substantive leap.

New Dawn in India-Singapore Relations:

Under the present political dispensation in India the relationship has been taken to a new high where analysts are claiming that there is India fever in Singapore. Strategic ties between the two countries have

strengthened. Singapore has also been backing a greater role for India in the Indo-Pacific region. India's states have also become key stakeholders in the relationship as chief ministers of West Bengal, Rajasthan, Andhra Pradesh, and Telangana have visited Singapore and have developed ties with it and other states are trying to learn from Singapore successes in the infrastructural sector. Andhra Pradesh is vying for partnering with Singapore in the creation of its new capital, Amravati.⁴ Rajasthan is trying to learn in areas like urban water management, tourism, and skill development.⁵ Therefore, to keep strengthening the ties between the two countries and multi-sectoral engagement officials from administration as well as defence have been making visits and discussion to explore the possible areas of cooperation and connectivity. Several, top level summits and meetings have also become a common phenomenon between the two countries.

Narendra Modi's Visit to Singapore:

Narendra Modi has visited Singapore twice: first to attend funeral of Lee Kuan Yew in March 2015 and; second in November 2015. The year 2015 was the 50th anniversary of the establishment of diplomatic relations between Singapore and India. Mr. Modi, while delivering the 37th Singapore Lecture, stated, "Today, Singapore is one of our most important partners in the world. It is a relationship that is as strategic as it is wide-ranging. The Strategic Partnership will broaden and deepen ties across various sectors including defence relations, economic and cultural cooperation, skill development and capacity building."⁶ During his visit a joint declaration establishing a 'Strategic Partnership' was touted, which was indeed an achievement to be recon with.

During the visit MoUs were signed for curtailing drug trafficking and improving cyber security, enabling Singapore and India to collaborate on technology and research. Both the countries also entered into agreements for collaboration in urban planning and wastewater management and to extend long-term loan of Indian artifacts to the Asian Civilizations Museum of Singapore and for cooperation in the fields of arts, museums, archives and monuments. Another MoU was signed for cooperation in a number of mutually agreed areas of civil aviation services and airport management beginning with Jaipur and Ahmedabad airports. They also signed a document for operationalization of the Technical Agreement on sharing white-shipping information signed by the Indian Navy and the Singapore Navy on July 21, 2015. The agreement was stated to have enhanced bilateral cooperation in the area of maritime security.⁷

Mr. Modi delivered 37th Singapore Lecture— “India’s Singapore Story” and said, “Our commons remain avenues of prosperity.” He further reiterated that India will work with countries in the region and beyond, including the US and Russia, the East Asia Summit partners of India, to ensure that the commons i.e. the oceans, space and cyber remain avenues of shared prosperity and must not become new theatres of contests.⁸ Modi promised a greater role for Singapore in India’s growth story and said the city-state will be a major trading partner for India and that destinies of India and Singapore are deeply linked. He also acknowledged, “We stood together at the dawn of freedom Singapore success has become India’s springboard to the world and gateway to the East.”⁹

Narendra Modi also tried to reach out to investors in Singapore, emphasizing his government’s economic reforms and underlining to an audience of business representatives from over 300 companies that India’s reforms have successfully restored the credibility of India in the eyes of global players. He projected India as the most open economy in terms of FDI.¹⁰ Thus, it makes it obvious that visit of Indian prime minister was well in accordance with his declared foreign policy choice of ‘Act East Policy’. It provided tremendous boost to the relationship between the two nations.

Visit of Prime Minister Lee Hsien Loong to India:

Singapore Prime Minister Lee Hsien Loong honoured the invitation extended by Mr. Modi to visit India. He came to India in October 2016. On his visit he condemned terrorism in strongest terms and expressed his solidarity with India on counter terrorism endeavours. During his visit the Strategic Partnership was reviewed and three more MoUs were signed. First, to cooperate in the field of industrial property¹¹; second, for cooperation on the establishment of a North East Skills Centre in Guwahati¹²; and third, to establish institution of skill development both the countries inked cooperation between Singapore Institute of Technical Education (ITE) and the National Skill Development Cooperation (NSDC) of India.¹³ Strategic Partnership between India and Singapore got a further boost with the visit of Singapore Prime Minister and its subsequent review and extension. Besides broadening engagement in existing areas of cooperation, it aimed at catalyse new ones ranging from political, defence and security cooperation to economic, cultural and people-to-people contacts.

Comprehensive Economic Cooperation Agreement (CECA):

India and Singapore signed the CECA in June 2005. Since then the trade ties between the two countries have witnessed an upswing. CECA is considered as the cornerstone of the intensified economic relations between the two countries.¹⁴ The trade and investment between India and Singapore witnessed a huge surge during the decade spanning over 2003-04 to 2013-14 which went from \$4.2 billion to about \$19.4 billion.¹⁵ It has been mentioned earlier also that the trade and commerce between both the countries have taken a great leap forward over the last decade. It has also been recognised by officials from Singapore that it has gone up by over 25 times.

Cooperation in Defence:

India and Singapore has close military relations. Both the countries while celebrating the 50th anniversary of their defence relationship in 2003 and signed Defence Cooperation Agreement (DCA) which was upgraded in November 2015 when the two sides agreed to an annual Singapore-India Defence Ministers' Dialogue (DMD).¹⁶ First DMD was successfully held in June 2016. The army component of the bilateral defence relationship includes arrangements that allow the Singaporean Army to train in India. Therefore, the two countries have a growing defence relationship apart from regular port visits, training, DMD, they have deeper cooperation in maritime security and between their defence industries as well.

Prime Minister Narendra Modi when visited Singapore in November 2015 concluded over 10 agreements including defence cooperation which provided for establishment of a regular Defence Ministers' Dialogue, joint exercises between the armed forces and cooperation between defence industries to identify areas of co-production and co-development.¹⁷ Both the countries earlier signed a bilateral agreement for utilization of facilities in India by the Singapore Air Force and Army in October 2007 and August 2008 respectively. The agreement for training and exercises of Singapore Air Force in India was extended up to October 2017. Singapore is the only country to which India is offering such facilities.¹⁸

The armies of India and Singapore conducted the 11th iteration of their bilateral armour exercise, 'Bold Kurukshetra', from March 04, to 21, 2017 which is another manifestation of their growing defence ties.¹⁹ The 10th iteration of 'Exercise Agni Warrior' was held from November 13 to December 03, 2016 in Devlali, India.

The Singapore-Indian Maritime Bilateral Exercise (SIMBEX) first began in 1994. Since then it has gradually grown in scope and complexity, beginning with an emphasis on anti-submarine warfare which also includes maritime security and anti-air and anti-surface warfare. A week-long annual Maritime Bilateral Exercise again was organized in May 2017, which featured Indian Navy long range maritime patrol and anti-submarine warfare aircraft P-18 along with four Indian Navy ships that were on an overseas deployment to Southeast Asia and the southern Indian Ocean—*Sahyadri*, *Shivalik*, *Jyoti*, and *Kamorta*.²⁰

Therefore, it makes it quite obvious that there is substantial engagement between the two countries defence and at all levels. Given this engagement the connectivity between the two countries is bound to enhance and become stronger in future which will bring strength to both the countries. There have also been visits by military chiefs and officers to each other to plan and organize more such engagement to meet the emerging new challenges within the region.

The ASEAN Context:

ASEAN as a regional economic group has been endeavouring since its inception to strengthening itself. During the course of its evolution it has been trying to balance its relations with major powers within the region, in the extended neighbourhood and in the outer world. With the joining of US and Russia as its dialogue partners its task has become further difficult in terms of balancing all its different partners. US is a major factor in the strategic balance of the world and Asia, particularly the stability of the region and security of the neighbourhood. Substantial volume of trade and economic engagement is dependent upon US therefore it needs to keep US engaged and it is good for ASEAN to keep US as a partner. Russia is also a member of East Asia Summit. Both US and Russia have interest in developing their presence in the Pacific and ASEAN have well understood the same.

India and China were described by LeeKuan Yew, Singapore mentor as two wings of the ASEAN plane. But there is asymmetry between the wings. The Chinese wing is larger and more intimately connected (in ASEAN+3; ASEAN+1) than the Indian wing. Obvious reason for greater connectivity is that over 73% of Singapore's total population is of Chinese. Secondly, China has always played a smart diplomacy and has been working towards greater connectivity throughout. China is also fast at planning, and executing its plans. India on the other hand because of the nature of its internal politics and under-nourished and

under-developed diplomatic community is very slow at delivering. Indian economy needs to be put on faster track along with its bureaucracy and decision-making at different levels. India wishes to be a full member of ASEAN. India's relations with Singapore will be a strong determinant in this endeavour and aspiration of India. ASEAN thus has been both a goal, as well as a factor in the matrix of India-Singapore growing relations.

Regional Comprehensive Economic Partnership (RCEP) is another mega Free Trade Area (FTA) which ASEAN has been working with dialogue partners. It is a high-quality, comprehensive and mutually beneficial economic agreements, taking into account the diverse circumstances and levels of development of different members. It will complement the ASEAN-India FTA and entrench India's strategic presence in the region. Singapore will be quite instrumental for India in this endeavour. Therefore, relationship with Singapore is sign of India's growing footsteps into the region and the tempo must continue in future to reap the benefits of the shaping geo-economics.

Imperatives for India:

India and Singapore need to expand their engagement and connectivity on entire gamut of their bilateral relations. They need to speed up air and maritime connectivity along with coastal development. Both the countries need to identify concrete projects in skill development, capacity building, rejuvenation of Indian cities, and cultural ties. Both the countries have immense scope in key areas of defence and security, economic ties and people-to-people contacts. Therefore, Singapore has essential role in India's growth story and aspirations. India accordingly needs to keep working on broadening the partnership with Singapore and tighten-up its administrative strings to speed-up the delivery of promises.

ASEAN-India Eminent Persons Group had proposed many good ideas in skills development, vocational education and counter-terrorism and that ASEAN should pursue them vigorously. India too needs to engage in dialogue in a consistent manner as all such identified areas are of immense importance: first, to enhance the quality of human resource of the country, and second to maintain peace which is a pre-condition for attracting investment and moving towards shared prosperity. Accordingly, India and Singapore must continue to maintain a high momentum of engagement across the broad spectrum of their bilateral relations to expand and deepen the strategic partnership between the two countries.

International Institute of Strategic Studies (IISS) organizes a conference for the Government of Singapore known as 'Sangri-La Dialogue'. It is Asia's premier security forum. The dialogue is being organised since 2002 in June of every year. India has attended 12 of the 16 dialogues held so far. Sangri-La Dialogue, funded and hosted by the Singapore government, is a unique track-one conference that defence ministers, officials and military chiefs of 28 Asia-Pacific countries, including China and the United States, attend each year. While speaking at the event is considered important, the Dialogue is known more for the opportunity it gives speakers to meet on the sidelines for bilateral talks.²¹ India needs to utilize all such forums to enhance its engagement with other members of ASEAN.

Conclusion:

Singapore's rapid transformation and economic growth is a unique model in itself. Its transformation from a third world country to a first world country indeed provides many lessons to learn and live by. Hence, it is a beacon of hope in the uncertain world that we the Indians live today. India has many things to learn from Singapore especially its investment in human resources, education and infrastructure. India must continue to play an active and constructive role in South East Asia if it really wishes to take its "Act East" policy forward in a meaningful way and in furtherance of its own national interests. India must also support ASEAN Grouping's centrality in the various regional groupings as it will also serve India's national interests. Both the countries have been exploring potential for cooperation in areas like banking, digital finance, tourism and innovation, which must be taken to its logical destination.

The geopolitics of the ASEAN region is fast changing. Philippines is seeking to strike a balance between China and the United States. China is trying to reach out to Vietnam and resolve its relations with this adversary. US and India are also making all efforts to reach out to Vietnam and improve their relations to balance against China. Singapore has been trying to remain neutral. However, it has made it categorical that the decision of the Hague-based tribunal on South China Sea should be accepted. Prime Minister of Singapore made it obvious that if rules do not matter, then small countries like Singapore have no chance of survival. Given the changing geopolitics of the region Singapore becomes of great strategic importance to India. For India Singapore's voice is more crucial on such issue of regional concerns. Therefore, strategic partnership between the two countries by all probabilities has

tremendous potentials to further grow and strengthen. This will further boost India's Act East Policy and India will be able to explore newer areas of cooperation alongside FDI and Skill Development, not only with Singapore but also with other members of ASEAN. Presently, Singapore seems to be playing the role of pivot to India's Act East Policy and will continue to be so in near future, until India develops the same level of relationship with another member of ASEAN.

In January 2018 all ten head of States of ASEAN visited together New Delhi and participated in annual summit of India and ASEAN. Beside that they were common guest for India's republic day parade. It was maiden occasion when 10 head of states became common guest on this auspicious occasion. It was a tacit message to ASEAN that India is more than willing to their trusted partner in Asian security architecture. Here lies the convergences of interest between India and ASEAN. ASEAN has become fulcrum of India's Act East Policy, which is the signature foreign policy initiatives taken by the Modi government. PM Modi has visited China twice in April and May 2018. April 2018 visit was exclusively for bilateral summit level between him and Chinese President Xi. He again visited in May 2018 for SCO summit. Both leader have had discussions over range of issues including protection of sea lanes of communication. India has sustained its stance since the arrival of Modi in May 2014 that all disputants must adhere to UNCLOS in the backdrop of South China Sea issue. PM Modi also visited Singapore in May 2018 and underlined its importance for Act East Policy.

Other states alongside Singapore in the region are also looking to India not only as an attractive engine for regional growth but also as a balancer in view of China's growing influence and America's preoccupations elsewhere. Proactive foreign policy of Modi government has emboldened ASEAN and Singapore belief that India is a stable partner who could be trusted. It remains to be seen if India can indeed live up to its full potential as well as to the region's expectations.

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Introduction

The 'Look East' policy has been a major part of India's international engagement since its economic opening in 1992. Since, India has been focusing on its 'extended neighbourhood'. In May 2014, with the new government under Prime Minister Narendra Modi had many chances to carve out a greater strategic role for India in the Asia-Pacific. PM Modi indicated his intention to transform the Look East policy to 'Act East' as he tried to reach out to most of them through bilateral visits and meetings. During the first months of his regime, Narendra Modi and Foreign Minister Sushma Swaraj have visited countries like Bhutan, Nepal, Bangladesh, Japan, South Korea, Myanmar, Maldives, Mauritius, Singapore, Fiji, Vietnam, Bahrain, Afghanistan, and UAE signalling a more proactive and action-oriented policy towards the whole region.

Under the 'extended neighbourhood' diplomacy, the compass of India's Look East policy has expanded from the Southeast Asia to East Asia and to Asia-Pacific, covering a range of multilateral mechanisms and institutions, including primarily the Association of Southeast Asian Nations (ASEAN). It needs to be noted, however, that these institutional engagements have not adequately augmented India's defence and security postures in East Asia. Principally, this is because India has been a cautious actor and a passive respondent to security dynamics and acting more as a security partner in East Asia, limiting its venture to play and emerge as a possible security provider in the region.

East Asia being a priority region in India's foreign policy outlook, India has tried to pursue an active policy in Southeast Asia and the Asia-Pacific. The smaller and bigger countries of the region expect India to become a possible security provider for them through greater strategic and military engagements. Japan and South Korea, two of India's "extended neighbours", for example, perceive India's presence as

conducive to their strategic interests. Besides, the Americans have advocated that New Delhi must play a pro-active role in East Asia. Adding to that, former Prime Minister Manmohan Singh expressed the view in May 2013 that India had positioned itself to perform the role of a net security provider in the immediate Indian Ocean Region (IOR) and beyond.¹ Given the interests of these different powers, the Indian political as well as official circles also recognise that India now sees itself as a net security provider. As East Asia's security environment is rapidly changing with growing Chinese authority, it is pertinent to ask, however, whether New Delhi's politico-strategic engagement with the region is adequate or whether India should revisit its current dispensation as a security provider in the region.

This paper points out the influences and nuances that facilitate Indian strategic interests in East Asia and how the region responds to India's strategic forte and presence. It also aims to appraise if India can play a leadership role in East Asia and emerge as a 'balancer' to China's prominence and authority in the region. There is no doubt that India under Modi government is likely to pursue a more ambitious role in East and Southeast Asia, but whether this ambitious role would convert into a pro-active leadership is a matter of examination. In this context, the paper hypothesizes that so far, India in its engagements with East Asia has been a reliable 'security partner' yet, a reluctant 'security provider'.

New Delhi's East Asian reach is a construct of its "extended neighbourhood" conception. The official parlance of this concept was outlined in 2006 by the then Minister of External Affairs, Pranab Mukherjee. He said that India's political, economic and defence engagement with West Asia, Central Asia, Southeast Asia as well as in the IOR explained this phenomenon.² This concept of "extended neighbourhood" signifies a classic mixture of soft power as well as hard power projection with continuous multilateral political, economic and ideational engagements that India steadily employs in different parts of Asia. In East Asia, India's Look East policy consists of a range of institutional, political, economic as well as security engagements. The principal contours of this engagement are: institutional bonding with ASEAN and other major powers; importance of smaller and bigger countries; geographic resources; and maritime dynamics vis à vis China's dominant presence in the region. The scope of India's multilateral linkage with East Asia is founded on its institutional bonding through the East Asia Summit (EAS), ASEAN Regional Forum (ARF) and the ASEAN Defence Ministers Meeting plus (ADMM+).

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Equally, India needs to display grit and courage on most of the conflicting issues in the region ASEAN remains the main threshold in India's East Asia policy. Not only does ASEAN enhance India's "extended neighbourhood" policy in East Asia, it equally provides India an institutional base to engage with the region structurally.³ Engaging with ASEAN and instituting sectoral linkages with East Asia through ASEAN has been one of India's key policy priorities. New Delhi has so far followed a "gradualist" approach in engaging with ASEAN steadily. India was inducted as a sectoral partner of ASEAN in 1992, dialogue partner in 1996 and summit level partner in 2002. In 2003, the two sides signed the Instrument of Accession to the Treaty of Amity and Cooperation in Southeast Asia, and a Joint Declaration for Cooperation to Combat International Terrorism and a Framework Agreement on Comprehensive Economic Cooperation at the Bali Summit. In 2004, India-ASEAN ties were further upgraded with the ASEAN-India Partnership for Peace, Progress and Shared Prosperity.⁴ This was followed by a Plan of Action that was implemented from 2004-2010; its second phase is in progress from 2010-2015.⁵ India's Look East policy was advanced further with the December 2012 India-ASEAN Commemorative Summit marking 20 years of India's association with SEAN and the 10th anniversary of India-ASEAN summit-level partnership, to upgrade the bilateral ties to a "strategic partnership".⁶ The crux of this Commemorative Summit was an evolving security understanding between the two sides, mainly on the aspect of maritime cooperation. During the India-ASEAN Commemorative Summit, the then Prime Minister Manmohan Singh said: "We see our partnership with ASEAN not merely as are affirmation of ties with neighbouring countries or as an instrument of economic development, but also as an integral part of our vision of a stable, secure and prosperous Asia and its surrounding Indian Ocean and Pacific Regions".⁷ But India still continues to remain a reluctant and cautious power when it comes to defence- and security-centred issues in East Asia, not taking a position on most security-related issues, including maritime disputes. Not necessarily India has to take a position on most security or conflict driven issues; yet given the security outlook and policy perspective that it shares with East Asia, New Delhi must rise to the occasion and express a leadership position. India's approach to East Asia through ASEAN so far has been more economic-centric, and is based more on collaborative institutional mechanisms. Given the growing security dynamics and maritime politics in East Asia, India and ASEAN have nevertheless upgraded their partnership to a "strategic" one, where ASEAN member countries like Vietnam, the Philippines and Singapore expect India to play a leadership role. For instance, praising the active policy of the

new Indian Government under Prime Minister Narendra Modi and viewing India as a key “strategic partner” in the evolving Southeast Asian security architecture, the Deputy Prime Minister and Foreign Minister of Vietnam, Pham Binh Minh has appealed to India for a greater role in “freedom of navigation, maritime safety and security in the South China Sea region”. He also stated: “India’s strategic partnership owes its strength to the fact that your Look East policy meets our ASEAN’s outward looking policy.”⁸

Defence and Security Partnership: The Key

In East Asia, India does enjoy a good thrust of “strategic partnership” with Japan, South Korea and ASEAN, the last being the most important. This “strategic partnership”, formally launched in 2012, is still in the process of consolidation. For long the Southeast Asian community has seen India’s presence on a “positive scale”,⁹ particularly as an alternate power in the region to an extent with regard to China. Both India and ASEAN have engaged earlier with a set of dialogue mechanisms, high-level visits of defence personnel, training and education, coordinated patrols, joint military exercises, etc. Most of these engagements have, however, been “bilateral centric”¹⁰ Also, even though Southeast Asia has been at the core of India’s security concerns in its Northeast, India’s defence and security engagement with ASEAN has been of a low standard.

Most of India’s defence engagements with the Southeast Asian countries have been with those that are engaged with maritime disputes with Beijing or those who see India as a potential rising power that may provide a possible security partnership in the longer term. Even though India envisages that defence relations with ASEAN are an essential part of its Look East policy, it has preferred teenage with the region mostly in terms of diplomatic and security dialogue mechanisms such as ARF and ADMM+ and the Shangri La Dialogue, as well as establishing bilateral defence and security dialogues with important members like Vietnam, Singapore, Thailand, the Philippines, Indonesia, Myanmar and Malaysia.¹¹ India has stronger defence relations with Vietnam, which has a troubled relationship with China on the issue of the South China Sea, and Singapore which has always seen India as a natural security provider to Southeast Asia. Singapore is not only a key to India’s Look East policy but also India’s largest trading partner among ASEAN members.¹² India’s defence and security ties with Vietnam have also moved constantly to a higher order, with a robust common understanding on regional security issues. China’s rising dominance in

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regional security issues, mainly in maritime disputes concerning the South China Sea, has the two countries closer in the recent past. Ever since they signed a defence understanding, their defence and security relationship has moved on to regular joint military exercises and training, intelligence sharing and exchange of information, joint coastguard training to combat piracy, jungle warfare, sea search and operation rescue, etc. According to India's new Minister of External Affairs, Sushma Swaraj, the "on-going defence cooperation with Vietnam is an important aspect of India-Vietnam strategic partnership".¹³ India, however, is yet to emerge as a confidence power in Vietnamese outlook as a defence partner.

With Indonesia, India's defence cooperation has been a measured one so far. The primacy of the India-Indonesia bilateral engagement is based more on the "democratic" factor—that India as the largest democracy and Indonesia as the third-largest democracy in the world need to establish stronger ties for their bilateral and regional interests. The Joint Statement issued during former Prime Minister Manmohan Singh's visit to Indonesia highlighted "five initiatives" to strengthen the India-Indonesia Strategic Partnership. They are: strategic engagement, defence and security cooperation, comprehensive economic partnership, cultural and people-to-people contact and cooperation with regard to responding to common challenges.¹⁴ India and Indonesia have also a strong maritime vision to cooperate in the IOR. But some of these stated proposals are yet to be implemented fully. Indonesia has not opened much towards India on maritime issues. Indonesia's geographic location between the Indian and Pacific Oceans must stimulate India to raise its ties with it.¹⁵

Thailand and Malaysia are two other countries with which India must aim to establish strong security and defence ties. At the moment, India's economic engagement with the two seems to be the main connecting factor. In January 2012, a Memorandum of Understanding (MoU) was signed between India and Thailand, which incorporates that both countries must establish regular joint exercises, joint maritime patrols, make efforts to curb piracy and smuggling and conduct bilateral officers' training programme.¹⁶ These stated objectives are still at the beginning level. As per the official understanding, India and Thailand are engaged in regular Coordinated Maritime Patrols (CORPATs), including cooperation in anti-piracy, security in sea-lines of communication (SLOCs) and providing security and safety of navigation in the Indian Ocean.¹⁷

With Myanmar, India needs to build confidence along with a strong

understanding on maritime issues. Myanmar is not only a close neighbour of India but also an important partner for sub-regional grouping in Bangladesh–China–India–Myanmar Forum for Regional Cooperation (BCIM), Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation. (BIMSTEC) and Mekong-Ganga Cooperation (MGC). Among many reasons why India has not been able to pursue strong ties with Myanmar is the constant political instability there. Still, India needs to be mindful of Myanmar's importance as a country in both the immediate Southeast Asian context as well as in East Asian politics, facilitating China's entry to the IOR. Issues like maritime security, humanitarian assistance and disaster relief (HADR), oil infrastructure and environment protection, illegal migration on the India-Myanmar border region, etc. are important factors where the two countries need to build stronger security ties.¹⁸ Currently, India's approach towards Myanmar seems to be more keeping in view the changing regional politics in the region, which needs to be improved to an independent approach in the East Asian context. India has shown some strategic interest in the recent past to assist Myanmar in building offshore patrol vessels (OPVs) as well as upgrade the training programme for Myanmar's armed forces.¹⁹

Maritime Relations

A prime aspect of India's defence diplomacy with ASEAN member states is its maritime approach with the region. Most ASEAN members like Myanmar, Singapore, Thailand, Malaysia and Indonesia are important to India's maritime diplomacy in the northeast Indian Ocean, where India has usually maintained its maritime authority. The core of India-ASEAN naval engagement all these years has evolved through joint naval exercises, bilateral dialogues and exercises and a few exercises like MILAN, that are crucial to regional naval understanding for upholding peace and security in the IOR.²⁰ India has deployed at regular intervals its vessels and fleets in the South China Sea region as well as in the Malacca Strait and Sunda Strait. Further, the Indian Navy travels at regular intervals to ports of ASEAN members like Thailand, Vietnam, Philippines, Cambodia, Singapore and Indonesia. Also, the vitality of the Bay of Bengal has induced India to take up maritime diplomacy with these ASEAN members seriously. Currently, India has stepped up cooperation with Vietnam in the maritime sector, keeping in view the rise of the Chinese navy and its capability in the IOR. Importantly, India has built few bases south of Visakhapatnam for its Eastern Fleet, and a new naval air base, known as INS Baaz, South of Andaman and Nicobar Islands. India's territories of Andaman and Nicobar islands allow

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New Delhi to maintain a psychological advantage to reach quickly the Bay of Bengal region as well as the Malacca Strait. To increase the scope of maritime surveillance in the region, the Indian Navy has opened a new “forward air base” on Greater Nicobar in July 2012.²¹ These have been soft power approaches by India to make its presence felt in the ASEAN region. For India, opportunities and options exist to emerge as a stronger security and military power in East Asia. The then Prime Minister Manmohan Singh at the Plenary Session of India-ASEAN Commemorative Summit, in 2012, said: “As maritime nations, India and ASEAN nations should intensify their engagements for maritime security and safety, for freedom of navigation and for peaceful settlement of maritime disputes in accordance with international law.”²² A foremost attempt in this endeavour could be to advance further the multilateral and institutional presence that India shares with the East Asian region. India’s current forte in East Asia is linked with its longstanding engagement not only with ASEAN and its members, but also with other great powers in the region such as Japan and South Korea. India’s Multilateral Presence: Need for Maritime Foresight Politics in East Asia is linked closely with Southeast Asia as well as with the changing dynamics of Asia-Pacific. Economic multilateralism and maritime politics are two important aspects that must impel India to rise to occasion and play a pro-active role. This is important when India has upgraded its multilateral engagements in East and Southeast Asia as well as in Asia-Pacific. New Delhi’s thrust so far has been on building closer relations with ASEAN, ADMM+, ARF, Indian Ocean Rim Association (IORA) and Indian Ocean Naval Symposium (IONS) to propel a good understanding on maritime security issues, including other security and governance issues that are keys to the East Asian regional architecture. India’s official advocacy is to thrust the focus on ASEAN and commit to peace and stable regional security architecture through forums like ARF and ADMM+, including expanded maritime interactions. Historically, the Southeast Asian countries were initially lukewarm to India’s entry into ARF. In the post-Cold War phase, India slowly raised its engagement with ASEAN and joined ARF in 1996. Gradually, ASEAN members realised India’s importance and standing and started seeing India’s emergence as a vital factor in Southeast Asian security. Some of them, like Singapore, started viewing India as a possible counterbalance to the rising Chinese presence in the region.²³ China has described India’s joint oil exploration with Vietnam as illegal and has opposed India’s commercial moves in the South China Sea. India needs to take a serious note of this Chinese stance. There is scope for India to shape a well-crafted maritime drive over the South China Sea region. In this, a coordinated approach with likeminded countries

like Vietnam and the Philippines, which share strategic interests similar to those of India and see India as a power, would be useful. It may be noted that the Vision Statement of the ASEAN-India Commemorative Summit points out that both ASEAN and India look towards each other in “strengthening cooperation to ensure maritime security and freedom of navigation” and “safety of SLOCs for unfettered movement of trade in accordance with international law, including the UNCLOS (United Nations Convention on the Law of the Sea”).²⁴

The China Factor and India’s Potential Leadership Role: An Assessment

There is a politics of interdependence and inter-reliability along with new multilateral understanding taking place in East Asia; In this region, there is subtle competition between the US and China to maintain their respective regional supremacy.²⁵ Both Japan and South Korea are important factors in this power politics. If India has to enhance its East Asian reach further, boosting defence and strategic cooperation with these two countries must be a priority for it. Sharing rapport with them on matters of strategic and security affairs along with concrete and vigorous defence and strategic ties with East Asia on the whole will enhance India’s strategic reach in the region.²⁶ In addition, India has to maximise its presence through participation and presence in East Asia. The Seoul Defence Dialogue (SDD) is one of the established forums where India must aim to participate. It addresses issues concerning peace and security in the broader Asia-Pacific, and in particular, in the Korean Peninsula. China has not shown much interest in the SDD and has been passively partaking in the Northeast Asian multilateral forums.²⁷ And India must aim to fill that gap. Relations with Japan are another important endeavour in this regard. The Senkaku/Diaoyu dispute between China and Japan does not seem to be getting anywhere to resolution.²⁸ The other factor that India must review and reassess is the evolving security dynamics in East Asia. East Asia is undergoing radical power transitions. The US role in the region is declining and China-Russia understanding is growing. In addition, rising tensions between China and Japan, prevailing maritime disputes, and unresolved North Korean nuclear issues are important factors that need serious appraisal. Among all these, the India-China dynamics in East Asia is a low-key affair. What really makes the conditions in East Asia important for India is the simmering power balance between itself, China and Japan. No matter how much neutrality India maintains in East Asia, China will continue to identify India as a power closer to Japanese strategic interests. India must also introspect as to what extent China

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has appreciated India's "neutrality" in the East Asian maritime disputes.²⁹The North Korean nuclear affair is another issue which India must consider and proactively respond to as a regional power. True, India's position and perspective may not have much of value to the denuclearisation issue of North Korea. Yet, India must pursue a dialogue with the two big powers, Japan and South Korea, at a bilateral level.³⁰

In conclusion, it can be said that India has preferred to become a security partner rather than a security provider in region. A security provider needs not only constant and robust policy engagements but also a serious pursuit of big power diplomacy. A security provider not necessarily needs stronger security presence all the time, but requires to have leadership vision and presence. To attain this status of security provider, India needs to take along all ASEAN members seriously along with the Association itself and ARF. The main challenge for India is whether it can meet the expectations of ASEAN members and emerges a credible power to share and address the security challenges emanating in East Asia as well as in the Asia-Pacific. India must also build up a strong relationship with Japan and South Korea, the two main powers other than China in the East Asian region. And for India, the most preferred approach should be to engage in multilateral cooperative endeavours. India must emphasise more on network building and thrust its emphasis on both bilateral and multilateral interactions. More importantly, India needs to show courage on most of the conflicting issues in the region.

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India's Act East Policy: Walking the Talk

Debashis Chakraborty and Anushree Chakraborty

Introduction

During the post-independence period, greater focus on deepening manufacturing base and the foreign exchange constraint forced the country to adopt the policy of import-substitution. As a result, inclination towards trade promotion remained limited until eighties. A major proportion of India's trade during this period was directed towards the western and Soviet bloc economies, while the importance of the Asian partners in overall trade basket were only moderate. In particular, while India's path crossed with the Southeast and East Asian economies through international forums like the Non-Aligned Movement (NAM), a long-term strategic partnership in trade sphere was broadly missing. Although India became a party to Bangkok Agreement in 1975, which involved China, South Korea, Lao PDR and Mongolia from the East, the actual level of trade integration through tariff reform remained limited.

After the Gulf war, the adverse growth scenario led to introduction of economic liberalization policies in India from 1991 onwards. As a result of embracing the export-promotion led growth model, the need to identify the potential target markets were strongly felt. In this background, the country adopted the 'Look East Policy' (LEP) during nineties with a two-track approach in mind. While on one hand, Japan, Singapore and South Korea were considered as appropriate sources of advanced technology and investment, high growth rates in several economies of East and Southeast Asia were instrumental in considering them as high potential export markets. India subsequently strengthened its ties with the 'East' by becoming Sectoral Dialogue Partner of Association of Southeast Asian Nations (ASEAN) in 1992, covering trade, tourism, investment and science and technology. In the new millennium, the ties with the region has been strengthened through a number of regional trade agreements (RTAs), namely, India-Singapore Comprehensive Economic Cooperation Agreement (CECA) (2005),

India-South Korea Comprehensive Economic Partnership Agreement (CEPA) (2009), India-ASEAN Free Trade Agreement (FTA) (2010), India-Japan CEPA (2011), India-Malaysia CECA (2011). Also negotiation on other preferential agreements involving East Asian and Pacific economies are presently going on. These initiatives signify the growing recognition of the region's importance in India's development path.

India's engagement with the region has deepened further through the introduction of the 'Act East Policy' (AEP) that has come into effect when Prime Minister Mr. Narendra Modi on his maiden visit to ASEAN-India Summit in 2014 emphasized on practicing more action-oriented policy towards ASEAN and the wider East Asia. In technical terms, AEP may not be considered as a strict foreign policy shift. It can be termed as continuation and further deepening of the LEP launched in the past decade. However, the significance of this initiative with renewed focus on the region comes from two aspects. First, while in nineties, India merely looked at the 'East' as a lucrative market, the urge to link up with the international production networks (IPNs) prevalent in East and Southeast Asia, particularly for sourcing quality raw materials and parts and components, is far stronger in the recent period. In addition, investment expectations from the region, particularly from Australia, Japan, South Korea and Singapore have also played a key role in formulation of AEP. Second, while India's engagement with Southeast Asia continue to focus on deepening trade-investment interrelationship, under the present NDA government, the country has emerged as the net security provider of the region. In 2015, the Prime Minister visited five East Asian countries at various occasions and the discussions covered both economic and security dimensions. There have been other high level diplomatic visits to the 'East', subsequently followed by the appropriate diplomatic channels. In line with the ongoing engagement, India's Republic Day celebration in 2018 was marked with the presence of all ten ASEAN head of states (Roche, 2018). Therefore, AEP has brought a great sense of speed and priority in engaging with the East Asian countries in general and Southeast Asia in particular.

The current paper examines the opportunities that this new narrative offers for India-East Asia relations in the days to come, especially in the current geo-political set-up. At the end, it attempts to seek answers to India's drive towards greater linkages with this Asian sub-region, both in economic and strategic platforms.

Emerging Trade Engagements and Expectations

The existing literature indicates that enhanced trade relationship through agreements facilitate deeper integration between partners. Over time India's trade dependence with East and Southeast Asia has deepened significantly, particularly China which is emerging as a major trade partner. ASEAN-India FTA (2010) has come into force as the biggest trade engagement of the country so far. India's RTA engagements with ASEAN countries started with launching of the Early Harvest Programme (EHP) under the Indo-Thai FTA (2004) and subsequent signing of the Indo-Singapore CECA (2005). In addition, the Indo-Malaysia CECA (2011) has been implemented after 2010 and Indo-Indonesia CECA is being negotiated. In recognition of the underlying economic advantage, Indian infrastructure augmentation initiatives over the last couple of years has attempted to improve connectivity with ASEAN countries (Bhattacharyya and Chakraborty, 2011: 114-115).

Received wisdom suggested that once the ASEAN-India FTA in merchandise trade is launched, negotiations for the Indo-ASEAN CECA (covering both trade in services and investment flows) would begin. However, differences witnessed during the negotiations over several issues, namely - sequencing of tariff reforms, coverage of negative list and sensitive items (particularly in agriculture), rules of origin (ROO) provisions, lowering tariff on primary commodities like refined palm oil (Chakraborty and Sengupta, 2010: 221-22), caused both sides to move slowly on that front.

The obstacles in moving towards a successful CECA with ASEAN countries so far remain a challenge, as inclusion of trade in services is expected to help India to capitalize its inherent advantages. The country has a moderately high export complementarity index in services trade with the ASEAN countries, and the formation of the CECA is likely to benefit Indian service exporters considerably (Chakraborty and Bhattacharyya, 2014: 32). In addition, foreign direct investment (FDI) flows from ASEAN countries in the post-bloc period, notably from Singapore, was anticipated to play a key role in transferring latest technologies. Similar undercurrents played a role in entering Comprehensive Economic Partnership Agreements (CEPAs) with Japan and South Korea as well. For instance, Japan is set to support a number of key infrastructure initiatives like Delhi-Mumbai Industrial Corridor, Chennai-Bangalore Industrial Corridor, while similar participation in India's North-Eastern states would be preferred (Rajendram, 2014: 7). The aforesaid economic corridors are expected to significantly influence

maturity of the recently launched 'Make in India' initiative, and crucially augment India's exports both to the 'East' as well as the 'West'.

During the Indo-ASEAN FTA negotiation, Indian policymakers had to focus upon the potential implications of imports from ASEAN on several sensitive sectors, namely, fisheries, plantations, oilseeds, automobiles etc. India expected to compensate the potential adverse effects of imports on domestic sector through rising exports to ASEAN on one hand, and deepen participation in Asian international production networks (IPNs) with the parts and components imports from ASEAN, on the other (Chakraborty, 2014: 262). This in turn would help large Indian manufacturing firms to augment their competitiveness in the global market. Conversely, strategically located Indian Small and Micro Enterprises (SMEs) would incrementally be able to join the ASEAN production networks as suppliers, by proving their efficiency in terms of price and quality parameters.

Within ASEAN the IPNs are already deep-rooted, with individual countries increasingly specializing in narrow set of product lines as per their comparative advantage. For instance, in automobile products Thailand specializes in engine and electronic parts, Philippines specializes in fuel system and suspension parts, Malaysia specializes in bumper and drive shaft, while Indonesia specializes in engine valves and steering handle (WTO, 2011: 16), making the final assembled automobile products truly regional (i.e., 'ASEAN') in nature. After the initial processing of the raw material in the country of origin to reduce bulkiness, the intermediate products are brought to the country with best capabilities for speedy and cost-efficient assembling (for instance, Thailand), and also from where the product can be exported outside ASEAN Free Trade Area (AFTA) with greater ease. The expansion of the ASEAN IPNs have crucially benefitted from the AFTA tariff liberalizations as intra-region trade flows in semi-finished and final products increased through zero percent tariff on partner exports (UNESCAP, 2011), and the deepened connectivity linkages by land, sea and air routes (ADB, 2009: 8-10). As a result, multinational enterprises (MNEs) from Japan and South Korea have benefitted from fragmentation of their production process in sequential production blocks, which is spread across ASEAN partners (Lim and Kimura, 2015: 143-48). In addition to the general rise in trade flows, such fragmentation has significantly contributed to the cross-border technology spillover.

The production integration of two partner countries across sectors can

be identified with the help of Intra-Industry Trade (IIT) index. Comparing the indices for 2011 and 2013, Chakraborty (2016: 51-52) notes that intra-ASEAN trade is becoming increasingly integrated as the IIT index is rising for most of the country-pairs over 2011 to 2013. The IITs are particularly high for Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam. The result indicates that the firms located within these economies are increasingly trading among themselves in semi-finished products and parts and components, essentially to exploit the labour cost and raw material availability related advantages, ease of exporting etc. However, there is considerable scope for expanding participation of Indian firms in ASEAN IPNs Chakraborty (2016: 51-52). The success of AEP on economic front would be reflected through India's success in enhancing its participation level at the ASEAN IPNs.

ASEAN's IPNs also involve six of their bilateral regional trade partners, namely - Australia, New Zealand, China, India, Japan and South Korea, through closer integration in trade and investment sphere. Regional Comprehensive Economic Partnership (RCEP) was launched in 2012, involving ASEAN and these six countries. The underlying objective has been to ensure seamless flow of goods, services and investment in a wider region of South, East and Southeast Asia and the Pacific. Most of the RCEP countries are already partnering each other through bilateral arrangements, e.g., India-Korea CEPA, India-Japan CEPA, Australia-Japan FTA, Australia-Korea FTA etc. Also several bilateral negotiations are going on (e.g. India-Australia FTA, Japan-Korea FTA, China-Japan FTA), while Australia-China FTA has been signed and will come into effect subsequently. It is expected that the participation by India in RCEP would enhance trade in general and IIT type trade in particular, thereby deepening India's presence in regional value chains (Das and Dubey, 2014: 26). The potential for IPN participation is particularly high for India in sectors like textiles, leather, footwear and food products etc. (Palit, 2014a: 35). It is further expected that the deepened IPN integration through RCEP and consequent welfare enhancement would enable member countries to effectively implement a strong trade facilitation agreement (Palit, 2014a: 35).

Fulfillment of India's AEP agenda would crucially depend on effective addressing of several RCEP related challenges in coming days. First and foremost, the coverage of the agreement and future reform agenda under RCEP, which crucially depend on the political economy, is an important consideration from Indian perspective. China, given its orientation towards export of both high and low-tech manufacturing

products, is interested to focus on liberalization of trade in goods. However Japan, as a major provider of FDI to the East and Southeast Asia, understandably wants the reform agendas to include trade-investment and intellectual property rights (IPR) related provisions as well. If these two non-trade areas are included in the reform agenda, Japan would be able to put China in a defensive position (Hamanaka, 2014: 10). While India is open to the question of including trade-investment related provisions in trade agreements (Chakraborty and Kedia, 2014), the country would prefer to ensure that in the IPR agreement no 'TRIPS-Plus' provision is included. Second, in comparison among all the six bilateral trade agreements of ASEAN, the liberalizations under the India-ASEAN FTA in merchandise products is relatively less deeper due to the presence of a large negative list and 'sensitive' products. As the other five countries have already expanded the level of market access in their FTAs with ASEAN, the pressure on India to implement relatively greater liberalisation measures in course of RCEP reforms will be intense (Palit, 2014b: 3). India in particular also needs to ensure survival of its SME firms, spread across manufacturing segment, as onslaught of more competitive Chinese firms may pose a serious challenge to their operation.

In Table 1, India's merchandise trade scenario with the 'East' over 2001-17 has been summarized. For understanding the evolving trade pattern, the entire period is divided in three sub-periods, namely, 2001-05, 2006-10 and 2011-17. A couple of interesting observations emerge from the table. First, Indian trade balance is in surplus only with respect to seven partners – Cambodia, Hong Kong, North Korea, Mongolia, Philippines, Singapore and Vietnam. The list includes a number of smaller economies, which requires the attention of the policymakers. Second, apart from Singapore, India is having negative trade balance with all other 'comprehensive' trade partners (i.e., Japan, Malaysia and South Korea). In other words, the inclusion of trade in services and investment in the agreement have not improved the merchandise trade scenario so far, through the much-expected technology spillover effect. Third, vis-à-vis ASEAN partners, India is having trade surplus only with Cambodia, Philippines, Singapore and Vietnam. Trade deficit with all the other six countries is widening over the period, which is another major area of concern. This implies that while post-2010, India's exports to ASEAN has increased, the imports have grown at a higher rate. The finding underlines the need to conduct a detailed competitiveness analysis for Indian exports vis-à-vis the ASEAN partners. Also the tariff and non-tariff barriers imposed by ASEAN on Indian exports needs to be investigated. Finally, it can be observed that India's trade balance with

respect to the proposed RCEP members, i.e., the five bilateral FTA partners of ASEAN, is in deficit and widening over the period. The quantum of the deficit is growing particularly sharply for China. The past experience of moderate export success through tariff reforms in the 'East' and the ASEAN market in particular, is perhaps playing a role behind the cautious approach adopted by India at the ongoing RCEP negotiations.

As noted earlier, one of the major expectations for India from the integration with ASEAN is to develop a deeper association with the IPNs located in these economies. In Tables 2-6, the regional production contribution in five select industries is compared over 2002-2011 by drawing data from the Organisation for Economic Co-operation and Development (OECD) Trade in Value-Added (TIVA) database on origin of value added in gross exports. While exporting a final product, a country may source the necessary raw materials and the parts and components either from within the nation or from abroad and undertake the necessary value addition on them before export. Rise in the domestic value added (i.e., rise in percentage contribution of a country in own exports) implies strengthening of the domestic supplier network (backward integration) and hence competitiveness, while a decline in the same implies that the exporters are increasingly relying on the imported raw materials, parts and components and service link supports from abroad. The latter then indicates greater integration with regional IPNs. The Indian export scenario is compared here with seven 'Eastern' economies (China, Indonesia, Japan, Malaysia, Singapore, South Korea and Thailand), and the source of value addition for their exports in five product categories provides interesting insights.

Table 2 shows the scenario for the basic metal and fabricated metal products. It is observed that domestic contribution has increased in China, Indonesia, Malaysia and Singapore while the same has declined in the other four countries. Contribution of OECD countries in total exports have increased for India and Thailand, while integration within ASEAN have deepened for India, Indonesia, Japan, Malaysia, Singapore and South Korea.

Table 3 indicates the scenario for computer, electronic and optical equipment. It is seen that domestic contribution has increased in China, Indonesia, Malaysia and Singapore while the same has declined in the other four countries. Contribution of Asia-Pacific Economic Cooperation (APEC) countries in total exports have increased for India, while integration within ASEAN have deepened for Indonesia, Malaysia and Singapore.

Table 4 reveals the scenario for electrical machinery and apparatus. It is noted that domestic contribution has increased in China, Indonesia, Singapore and Thailand while the same has declined in the other four countries. Contribution of OECD countries in total exports have increased for India and Thailand, while integration within ASEAN have deepened for Indonesia, Singapore and Thailand.

Table 5 depicts the scenario for textiles, leather and footwear products. It is observed that domestic contribution has increased in China and Indonesia while the same has declined in the other six countries. Contribution of OECD countries in total exports have increased for India while integration within ASEAN have deepened for China and Indonesia.

Table 6 summarizes the scenario for the transport equipment sector. It can be seen that domestic contribution has increased in China, Indonesia and Singapore while the same has declined in the other five countries. Contribution of OECD countries in total exports have increased for India, while integration within ASEAN have deepened for India, Indonesia, Japan, Malaysia, Singapore and South Korea.

A couple of general observations can also be drawn from the value addition dynamics at the sectoral level in the selected countries. First, the percentage value contribution of Japan is declining in almost all the country's exports in the selected sectors. Second, the percentage value contribution of China is rising in nearly all cases. These two observations clearly explains why Japan is interested to incorporate investment and IPR provisions within RCEP, while China is not so excited with this idea. Third, the contribution of EU and US in the export of the select East and Southeast Asian countries is generally going down over the period under consideration. A similar scenario is noted for the OECD countries as well. Fourth, for India the contribution of the OECD countries as well as the same from the EU and US have however increased in several product categories (e.g., textile, leather and footwear), which goes against the trend for 'East' countries. This signifies that while the production integration in most the 'East' economies are witnessing integration within the region, for India the value addition from economies in the 'West' are still important for its exports. The linkage is particularly important because of the fact that while the East and Southeast Asian countries have significantly benefitted from the Japanese 'Flying Geese' type investment in the past, which deepened the production network among the recipient countries (Hayter and Edgington, 2004). India on the other hand has received significant amount of FDI from European countries and US in the manufacturing sectors, which has facilitated a closer link with them instead.

Table 1: India's Trade Scenario with the 'East' (2001-2014) in US \$ Million

Partner Name	Export			Import			Trade Balance		
	2001-05	2006-10	2011-17	2001-05	2006-10	2011-17	2001-05	2006-10	2011-17
	Australia	586.26	1275.62	2694.19	2615.17	9566.07	10767.67	-2028.91	-8290.45
Brunei Darussalam	4.21	23.39	155.82	0.45	296.37	682.02	3.77	-272.97	-526.20
Cambodia	17.18	49.88	118.97	0.55	3.68	24.59	16.63	46.20	94.38
China	3260.72	11045.02	12698.81	4856.17	28732.67	56780.43	-1595.45	-17687.65	-44081.62
Hong Kong, China	3189.71	6751.56	12534.39	1336.59	4671.40	7805.86	1853.12	2080.16	4728.52
Indonesia	976.33	2793.48	4453.31	1911.30	6435.42	13786.48	-934.97	-3641.94	-9333.17
Japan	1870.18	3542.52	5250.16	2580.31	6662.93	10210.33	-710.13	-3120.40	-4960.17
Korea, Democratic People's Republic of (North Korea)	139.37	518.91	133.37	3.91	181.32	58.27	135.46	337.59	75.10
Korea, Republic of (South Korea)	846.68	3192.91	4018.46	2515.69	7366.46	12814.85	-1669.01	-4173.56	-8796.39
Lao People's Democratic Republic	3.16	9.00	36.99	0.09	4.26	121.60	3.07	4.74	-84.62
Macao, China	2.57	10.74	2.28	3.37	0.26	3.97	-0.80	10.49	-1.70
Malaysia	901.60	2659.21	4391.12	1805.52	5765.81	9234.02	-903.93	-3106.60	-4842.90
Mongolia	0.98	9.61	16.40	0.34	6.82	8.11	0.65	2.79	8.29
Myanmar	87.63	200.99	754.45	392.67	944.40	1149.53	-305.04	-743.41	-395.09
New Zealand	87.81	253.54	291.23	107.82	422.22	609.95	-20.01	-168.68	-318.72
Papua New Guinea	8.61	16.05	38.38	31.77	182.24	167.64	-23.16	-166.19	-129.26
Philippines	373.69	684.44	1287.27	141.29	269.47	475.31	232.39	414.97	811.96
Singapore	2570.46	7453.00	10817.40	2041.41	6759.14	7059.89	529.06	693.86	3757.51
Taipei, Chinese	525.39	1548.77	2243.91	851.12	2537.32	3889.77	-325.73	-988.55	-1645.85
Thailand	797.47	1776.00	3218.59	655.14	2624.93	5391.02	142.33	-848.94	-2172.43
Timor-Leste	1.06	108.12	3.31	0.01	0.36	3.39	1.05	107.76	-0.08
Viet Nam	413.91	1647.46	5290.29	55.92	424.20	2597.51	358.00	1223.26	2692.78

Source: Constructed by the authors from Trade Map database (undated)

India's Act East Policy: Walking the Talk

Table 2: Origin of Value Added in Gross Export from Basic metals and fabricated metal products (in per cent)

Source Country	Exporting Countries							
	2000							
	China	India	Indonesia	Japan	Malaysia	Singapore	South Korea	Thailand
China	61.41	0.40	1.56	0.61	1.78	2.22	1.98	1.53
India	0.25	75.33	0.63	0.06	0.65	0.68	0.24	0.39
Indonesia	0.55	0.14	66.79	0.58	1.58	3.18	0.98	0.78
Japan	7.83	0.74	6.04	88.81	16.50	11.90	7.14	11.99
Malaysia	0.53	0.22	1.13	0.25	41.69	3.17	0.55	1.07
Philippines	0.17	0.01	0.06	0.05	0.23	0.30	0.17	0.20
Singapore	0.37	0.19	1.51	0.08	2.49	46.78	0.22	0.79
South Korea	2.59	0.31	1.56	0.41	2.39	1.78	65.15	1.10
Thailand	0.38	0.12	0.59	0.11	1.25	1.03	0.15	56.54
Vietnam	0.23	0.02	0.27	0.06	0.43	0.18	0.14	0.27
APEC	85.47	5.18	86.39	94.55	82.50	84.95	85.91	82.77
ASEAN	2.27	0.70	70.41	1.22	47.76	54.71	2.34	60.02
EU 28	5.12	4.95	4.11	1.25	8.05	8.94	3.73	5.13
United States	3.00	1.22	2.28	1.10	4.76	8.17	2.91	2.24
OECD Members	21.95	9.37	17.49	93.32	38.60	35.47	84.06	24.68
	2011							
	China	India	Indonesia	Japan	Malaysia	Singapore	South Korea	Thailand
China	67.48	2.79	1.64	1.89	6.01	4.28	5.77	5.30
India	0.78	59.78	0.53	0.23	1.51	1.63	0.94	0.85
Indonesia	0.92	0.89	76.25	1.45	3.97	3.79	1.99	2.79
Japan	2.87	1.21	1.83	78.49	8.52	4.16	6.33	11.87
Malaysia	0.42	0.45	1.47	0.49	44.26	1.80	0.64	1.31
Philippines	0.16	0.08	0.09	0.14	0.35	0.27	0.22	0.51
Singapore	0.26	0.34	0.53	0.13	1.75	48.55	0.27	0.75
South Korea	1.20	0.73	0.80	1.02	2.29	1.24	49.72	2.54
Thailand	0.23	0.29	0.40	0.23	1.32	0.61	0.26	37.23
Vietnam	0.16	0.08	0.17	0.12	0.51	0.20	0.26	0.39
APEC	83.14	13.66	87.31	90.06	80.24	73.99	77.33	78.40
ASEAN	2.21	2.22	79.76	2.75	52.28	55.32	3.88	43.18
EU 28	4.15	5.27	1.39	1.61	6.21	7.66	4.05	4.99
United States	1.72	1.76	0.66	1.13	3.22	4.20	2.54	2.83
OECD Members	15.40	13.05	6.26	85.63	25.77	21.31	69.32	31.12

Source: Constructed by the authors from OECD TIVA database (undated)

Table 3: Origin of Value Added in Gross Export from Computer, Electronic and optical equipment (in per cent)

Source Country	Exporting Countries							
	2000							
	China	India	Indonesia	Japan	Malaysia	Singapore	South Korea	Thailand
China	22.56	0.40	0.81	0.52	1.33	1.35	1.10	1.63
India	0.27	78.79	0.47	0.05	0.48	0.33	0.16	0.40
Indonesia	0.85	0.13	72.24	0.23	1.17	2.02	0.49	0.81
Japan	20.99	0.95	4.86	89.84	19.04	11.89	11.14	18.27
Malaysia	1.70	0.24	0.92	0.40	29.80	3.96	1.06	2.73
Philippines	0.62	0.02	0.08	0.19	1.21	0.78	0.47	1.02
Singapore	1.57	0.27	1.79	0.28	5.02	47.14	0.98	2.92
South Korea	6.05	0.36	1.42	0.79	3.46	2.14	62.52	2.98
Thailand	0.93	0.13	0.55	0.18	1.23	1.06	0.30	39.09
Vietnam	0.14	0.02	0.11	0.03	0.21	0.09	0.06	0.25
APEC	78.42	5.62	89.62	96.80	83.92	86.93	91.16	86.16
ASEAN	5.84	0.82	75.72	1.33	38.67	55.07	3.42	46.95
EU 28	16.23	5.14	5.53	1.77	11.30	8.93	4.84	8.21
United States	10.59	1.36	3.50	2.66	14.53	11.29	8.97	10.80
OECD Members	57.98	9.88	17.92	95.95	51.42	37.70	89.66	43.31
	2011							
	China	India	Indonesia	Japan	Malaysia	Singapore	South Korea	Thailand
China	45.01	5.10	5.16	3.95	9.21	3.99	7.71	10.97
India	0.78	68.81	1.05	0.20	1.05	1.69	0.56	1.06
Indonesia	0.80	0.51	72.89	0.53	1.54	1.13	0.83	1.46
Japan	10.62	1.81	3.45	82.82	10.43	3.85	7.33	13.88
Malaysia	1.96	0.58	0.94	0.43	33.17	1.37	0.74	2.39
Philippines	0.89	0.24	0.24	0.19	0.67	0.54	0.42	0.85
Singapore	1.43	0.83	1.52	0.32	5.37	59.87	1.28	2.12
South Korea	6.35	1.12	1.61	0.99	3.15	1.65	57.77	2.81
Thailand	1.01	0.37	0.74	0.29	1.48	0.50	0.40	34.75
Vietnam	0.23	0.11	0.18	0.10	0.34	0.12	0.19	0.47
APEC	83.38	16.59	91.37	94.41	82.37	84.04	87.18	83.30
ASEAN	6.36	2.68	76.61	1.92	42.61	63.57	3.93	42.13
EU 28	9.03	6.27	3.63	2.28	10.08	8.09	5.64	7.58
United States	5.51	2.89	1.89	2.31	10.22	6.49	5.21	5.89
OECD Members	35.52	14.52	12.30	90.03	37.18	23.52	78.97	34.76

Source: Constructed by the authors from OECD TIVA database (undated)

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Table 4: Origin of Value Added in Gross Export from Electrical machinery and apparatus
(in per cent)

Source Country	Exporting Countries							
	2000							
	China	India	Indonesia	Japan	Malaysia	Singapore	South Korea	Thailand
China	31.80	0.38	1.06	0.47	1.53	1.81	1.20	2.16
India	0.34	80.51	0.69	0.04	0.52	0.44	0.48	0.43
Indonesia	0.96	0.12	68.79	0.23	1.60	3.46	0.38	0.94
Japan	15.23	0.86	5.36	92.51	16.01	10.27	7.20	15.20
Malaysia	0.97	0.21	1.15	0.23	39.38	3.24	0.53	1.94
Philippines	0.31	0.02	0.08	0.10	0.67	0.46	0.20	0.54
Singapore	0.78	0.25	2.02	0.14	3.71	45.64	0.48	2.07
South Korea	4.99	0.33	1.46	0.45	2.67	1.38	73.08	1.87
Thailand	0.82	0.12	0.82	0.16	1.43	1.81	0.28	45.87
Vietnam	0.18	0.02	0.13	0.03	0.24	0.14	0.06	0.87
APEC	77.25	5.19	88.12	97.22	83.79	82.44	91.32	82.30
ASEAN	4.07	0.74	73.03	0.91	47.09	54.80	1.97	52.39
EU 28	13.15	4.82	5.34	1.35	10.24	12.62	4.92	10.59
United States	7.23	1.31	3.73	1.62	9.23	8.84	5.05	4.77
OECD Members	45.94	9.20	18.68	96.72	42.44	37.05	92.23	35.79
	2011							
	China	India	Indonesia	Japan	Malaysia	Singapore	South Korea	Thailand
China	51.38	3.52	3.53	3.24	8.07	6.38	6.58	7.94
India	1.04	66.04	1.07	0.20	1.45	1.48	0.93	0.88
Indonesia	0.82	0.58	74.23	0.67	3.12	3.96	1.01	1.89
Japan	7.98	1.39	2.71	84.49	9.20	4.72	5.76	10.42
Malaysia	0.94	0.43	1.14	0.34	37.78	2.28	0.51	1.91
Philippines	0.42	0.13	0.17	0.23	0.47	0.59	0.23	0.66
Singapore	0.66	0.46	1.22	0.19	3.03	47.45	0.44	0.93
South Korea	3.68	0.89	1.42	0.86	2.65	1.66	61.71	2.20
Thailand	0.67	0.34	1.00	0.35	1.93	0.87	0.32	46.58
Vietnam	0.20	0.09	0.16	0.17	0.44	0.27	0.22	0.43
APEC	79.44	14.11	90.39	94.50	80.15	78.89	85.33	83.06
ASEAN	3.75	2.08	78.09	2.01	46.86	55.48	2.84	52.50
EU 28	10.49	6.09	3.01	2.09	8.68	10.80	5.01	7.19
United States	3.96	2.29	1.78	1.65	5.86	6.10	3.33	3.24
OECD Members	31.83	13.87	10.90	90.66	31.20	27.17	79.63	27.66

Source: Constructed by the authors from OECD TIVA database (undated)

Table 5: Origin of Value Added in Gross Export from Textiles, textile products, leather and footwear (in per cent)

Source Country	Exporting Countries							
	2000							
	China	India	Indonesia	Japan	Malaysia	Singapore	South Korea	Thailand
China	61.82	0.32	0.96	3.24	2.52	4.69	2.91	1.44
India	0.55	90.40	0.49	0.14	1.35	1.67	0.68	0.57
Indonesia	0.65	0.10	78.15	0.31	2.54	5.31	0.87	0.51
Japan	7.26	0.30	2.65	88.72	6.61	3.93	3.35	3.27
Malaysia	0.51	0.13	0.69	0.15	55.86	7.66	0.37	0.58
Philippines	0.08	0.01	0.07	0.06	0.23	0.22	0.07	0.09
Singapore	0.39	0.16	1.09	0.09	3.06	44.83	0.26	0.74
South Korea	6.47	0.24	2.75	0.82	2.04	2.51	76.06	1.16
Thailand	0.50	0.11	0.53	0.20	1.83	1.74	0.27	78.26
Vietnam	0.13	0.01	0.12	0.12	0.33	0.42	0.12	0.18
APEC	90.21	2.97	92.79	96.28	87.18	84.74	90.15	92.09
ASEAN	2.27	0.53	80.67	0.95	63.91	60.86	2.04	80.48
EU 28	4.85	1.96	2.86	2.20	6.50	8.66	3.89	3.64
United States	3.78	0.72	2.30	1.56	4.95	6.07	3.41	2.60
OECD Members	24.61	4.00	12.23	93.94	23.02	24.01	88.41	12.23
	2011							
	China	India	Indonesia	Japan	Malaysia	Singapore	South Korea	Thailand
China	73.52	2.57	2.80	9.88	10.61	11.91	6.29	3.76
India	0.86	80.17	0.57	0.37	2.23	2.40	0.82	1.14
Indonesia	0.66	0.39	81.75	0.68	2.66	3.41	1.25	0.91
Japan	2.62	0.65	1.04	76.03	4.25	2.43	3.64	2.38
Malaysia	0.45	0.30	0.78	0.30	50.76	2.88	0.47	0.77
Philippines	0.13	0.13	0.11	0.10	0.32	0.26	0.21	0.19
Singapore	0.35	0.51	0.75	0.18	2.28	44.23	0.40	0.88
South Korea	2.08	0.49	1.94	0.72	1.34	1.27	64.66	0.84
Thailand	0.58	0.32	0.52	0.34	1.82	1.00	0.37	74.13
Vietnam	0.28	0.05	0.17	0.35	0.79	0.46	0.51	0.30
APEC	87.93	9.51	93.23	92.55	83.94	75.44	85.59	89.28
ASEAN	2.49	1.73	84.29	2.05	58.72	52.34	3.32	77.24
EU 28	4.72	3.99	1.64	3.28	6.73	13.73	4.64	3.71
United States	2.82	2.14	0.94	1.86	3.67	3.53	3.38	1.90
OECD Members	14.63	8.91	6.76	83.43	18.99	24.06	79.49	10.91

Source: Constructed by the authors from OECD TIVA database (undated)

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Table 6: Origin of Value Added in Gross Export from Transport Equipment Sector (in per cent)

Source Country	Exporting Countries							
	2000							
	China	India	Indonesia	Japan	Malaysia	Singapore	South Korea	Thailand
China	57.38	0.40	0.87	0.43	1.14	1.04	1.24	1.16
India	0.18	80.81	0.32	0.04	0.45	0.26	0.24	0.37
Indonesia	0.38	0.11	72.54	0.21	1.06	1.53	0.54	0.70
Japan	10.18	1.04	6.34	91.72	12.20	8.77	7.45	21.50
Malaysia	0.52	0.19	0.95	0.18	53.69	1.94	0.50	1.22
Philippines	0.15	0.02	0.10	0.08	0.25	0.19	0.17	1.01
Singapore	0.48	0.26	2.04	0.12	2.46	56.23	0.39	1.32
South Korea	2.48	0.32	0.92	0.41	3.20	3.93	70.97	1.39
Thailand	0.39	0.12	0.38	0.15	0.95	0.50	0.18	48.75
Vietnam	0.11	0.01	0.20	0.02	0.17	0.09	0.07	0.26
APEC	84.95	5.72	89.60	96.53	87.42	88.56	90.33	85.70
ASEAN	2.05	0.71	76.26	0.80	58.63	60.54	1.92	53.41
EU 28	9.76	4.52	3.00	2.08	7.58	8.04	4.52	8.14
United States	5.56	1.75	2.80	1.98	7.32	10.98	5.00	3.94
OECD Members	31.03	9.33	14.90	96.98	33.82	33.84	90.87	37.76
	2011							
	China	India	Indonesia	Japan	Malaysia	Singapore	South Korea	Thailand
China	70.03	3.67	3.04	2.37	6.61	3.47	5.70	5.46
India	0.52	68.00	0.72	0.18	1.22	1.15	0.68	0.98
Indonesia	0.45	0.52	75.91	0.57	2.74	0.92	0.89	2.33
Japan	5.16	1.49	4.50	85.77	8.28	2.57	6.27	13.48
Malaysia	0.43	0.39	0.69	0.28	46.79	1.05	0.44	1.30
Philippines	0.17	0.12	0.27	0.19	0.38	0.24	0.18	1.04
Singapore	0.38	0.51	0.92	0.17	2.01	60.73	0.39	1.22
South Korea	2.01	0.99	1.11	0.65	2.10	4.17	62.04	2.23
Thailand	0.33	0.32	1.65	0.31	2.24	0.26	0.29	45.12
Vietnam	0.10	0.07	0.14	0.11	0.47	0.09	0.21	0.34
APEC	86.27	13.89	92.52	94.17	81.84	84.38	84.89	82.97
ASEAN	1.89	1.98	79.65	1.69	54.69	63.32	2.49	51.47
EU 28	7.94	6.38	3.05	2.57	9.07	9.40	6.39	6.78
United States	2.77	2.41	1.83	1.66	4.61	7.73	3.81	3.03
OECD Members	20.86	14.19	12.15	92.10	27.84	26.71	82.02	30.68

Source: Constructed by the authors from OECD TIVA database (undated)

Maritime Security Cooperation

In addition to the economic determinants, greater focus by India through the AEP initiative would balance China's growing influence in the Asia-Pacific region. With growing volume of exports and economic clout, China has over the last decade maintained an assertive standpoint to control the maritime trade routes. The assertion has particularly been reflected in terms of its border disputes with neighbouring countries, where through a 'salami-slicing' strategy it is increasingly making maritime territorial claims in both East China and South China Sea since late 2013 (O'Rourke, 2015: 24-26). In particular, the US, Japan and other countries have often objected to the Chinese practice of reclamation and construction of reefs and artificial islands at locations of military and strategic significance in South China Sea, that complicates the security architecture in the Asia-Pacific region (Dolven *et al.*, 2015: 2). The neighbouring ASEAN countries have expressed both sense of insecurity generated by such actions and concerns over destruction of marine environment (Quintos, 2015: 9).

While India is generally supportive of the existing maritime order, the Chinese action and policies often destabilize the same (Rehman, 2017). Apart from the muscle flexing in East and South China Seas, China has also enhanced its presence in Indian Ocean over the last decade, through deepened cooperation with Pakistan, Sri Lanka, the Maldives etc. (Rajendram, 2014: 4) under the 'Maritime Silk Road' agenda. It has heavily invested in maritime infrastructure of partner countries, which gained prominence as 'string of pearls' strategy, to contain India. The recipients of Chinese investment include Myanmar, deep-sea port of Chittagong in Bangladesh, Hambantota in Sri Lanka, Gwadar in Pakistan etc. (Marantidou, 2014: 6).

India in the past has attempted not to follow a confrontationist approach against China and been careful not to send any signal to this effect. For instance, it earlier preferred not to pronounce its views on the South China Sea situation (Rajendram, 2014: 5). However, the Chinese approach, if goes undeterred, would considerably hurt Indian interests in long run. In recognition of this fact, India is revisiting its perspective on Southeast Asia. For instance in recent past, India and Vietnam decided to undertake oil exploration in South China Sea, which was strongly protested by China on the ground of infringement on their territorial claims (Jacob and Patil, 2011). However, ONGC Videsh Limited (OVL) chose to conduct oil exploration in offshore block 128 despite Chinese protests (Airy and Jacob, 2012). In addition, during US President Barak Obama's visit to India in January 2015, the joint

statement mentioned the issue of freedom of navigation, especially in South China Sea, much to the displeasure of China (Bajpayee, 2015: 122). The country has also increasingly participated in joint naval exercises with several countries (e.g., Singapore, Japan) as well as in search and rescue operations with Malaysia, Singapore, and Indonesia since 1997 (Bajpayee, 2015: 125). It has also included Japan in the 'Malabar' naval exercises, jointly conducted with the United States earlier, despite China's strong objections (PTI, 2015).

The Indian attempts to deepening maritime security collaborations with willing partners in the 'East' is often termed as a strategy for creating 'diamond necklace' against Chinese 'string of pearls' in the South China Sea (Scott, 2013: 60). For instance, given the tense relationship with China, Vietnam has entered into a strategic partnership with India in November 2007 and in 2011 the Indian Navy offered Vietnamese forces facilities for training and capacity building, reportedly in return for berthing rights at Nha Trang' (Rajendram, 2014: 8). In addition, the cooperation discussions also involve possible import of Brahmos supersonic cruise missiles by Vietnam from India (Scott, 2013: 61). Indian Navyships also regularly visit Philippines and the first meeting of the Joint Defence Cooperation Committee between the two countries has been conducted in January 2012 (MEA, 2013: 3). In 2012 a trilateral mechanism involving South Korea and Japan has been set up (Scott, 2013: 62). Recently in January 2018, during the visit of ten ASEAN members' leaders in New Delhi for India's Republic Day celebration, maritime cooperation under both traditional and non-traditional sphere in a rule-based maritime domain received a strong emphasis (Roy Chaudhury, 2018).

It becomes clear from the discussion so far that India is going to play a key role to ensure regional stability in Asia and the Pacific in days to come. The process to deepen maritime security collaborations with like-minded partners initiated in the new millennium would receive a particular boost through the AEP initiative recently launched. The visits by Indian Prime Minister Mr. Modi in Seychelles, Mauritius and Sri Lanka in 2015 and the promise to deliver military and civilian assistance to them is therefore in line with the broader vision of balancing China's deepening influence in Indian Ocean region (Pant, 2015).

Concluding remarks

Growing linkages with the East and Southeast Asian and the Pacific countries is mutually beneficial for both India and the partners. On the

economic front, the benefits are derived from three channels. First, India's integration with the Asian production network is on the rise, which is a crucial step for enhancing the competitiveness of the domestic manufacturing sector. The success of the recent initiatives like 'Make-in-India', 'Skill India' are therefore crucial in this context. Second, there is considerable scope for augmenting export of key services to the 'East', given the existing trade complementarities. Finally, the FDI inflows from Japan, South Korea and Australia are likely to bring in modern technology, thereby creating a technology spillover effect, and consequently enhancing industry performance. On maritime security front, India is gradually progressing from ship visits and naval exercises with friendly nations to an elevated stage of collaborating in defense procurement, through funding, technology, and technology transfers. New Delhi under the Modi government is eventually eyeing for defense exports under the aegis of 'Make in India' campaign at home. It is undoubtedly boosting Indian Navy's operational deployment and expanding its reach beyond its shore thereby impinging India's interest firmly in Southeast and East Asia. The AEP is therefore actively engaging New Delhi in the growth story of the East Asian landmass, in addition to giving a growth impetus to the domestic manufacturing sector.

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Contours and Dynamics of Defence Coordination: 'Act East' in Focus

Mohar Chakraborty

The most striking contribution of the National Democratic Alliance (NDA)-II Government under the leadership of Prime Minister, Narendra Modi with respect to India's Asia-Pacific policy in general and Southeast Asia policy in particular has been the re-christening, re-defining and re-activating of the Look East Policy, by taxonomically transforming it into 'Act East' Policy. This new coinage (Act East) was referred to in course of Narendra Modi's address at the 9th East Asia Summit meeting held in Naypidaw, Myanmar, on 13 November 2014, when he said: "Since entering office six months ago, my Government has moved with a great sense of priority and speed to turn our 'Look East Policy' into 'Act East Policy'" (AEP).¹ This statement evidently underscored his administration's desire to activate and rejuvenate the erstwhile Look East Policy in the garb of 'Act East'. Although the spirit and rationale of this policy initiative has reflected continuity with its 'Look East' and 'Move East' predecessors, the Government's aspiration to make it more proactive, expeditious and engaging has been evident from the changed nomenclature itself. New Delhi's determination to bring about tangible changes as well as vigorous pursuance of a "proactive" foreign policy, found its most significant extrapolation in the "neighbourhood first", 'Act East' and almost complementary emphasis on boosting relations with major Indo-Pacific littoral powers like Japan, Indonesia, Malaysia, Vietnam, Australia, etc. Within the 'Act East' pedestal, the intensified engagement with regional maritime powers is a natural corollary of responding to the evolving strategic paradigm in the regional waters and the imperative of serving India's security and development by ensuring peace and freedom of navigation across these sea lanes. Given this backdrop, the article analyses the contours of defence and naval cooperation within the rubric of India's 'Act East' Policy.

Defence Convergence: Significant Mantle of 'Act East'

The AEP envisages sincere and constructive engagement with the countries of Southeast Asia and the wider Asia-Pacific, following the

slogan of “Minimum Government, Maximum Governance”, premised on the 3C ‘mantra’ of ‘Commerce, Culture and Connectivity’. In order to elevate India’s image as an attractive investment destination, such as to strengthen its economic stature on the world stage, the most noteworthy endeavour has been the flagship ‘Make in India’ and the expanded umbrella of reforms. With the introduction of the ‘Make in India’ programme in September 2014, the regulatory environment in terms of foreign investment has been consistently eased in India to make it investor-friendly. The measures taken by the Government are directed to opening new sectors to Foreign Direct Investment (FDI), increasing the sectoral limit of existing sectors and simplifying other conditions of the FDI policy, with the objective of providing ease of doing business, reduction of minimum capitalisation, easy exit from projects and accelerating the pace of foreign investment in the country.²

The sectors that benefited from the relaxation include defence, real estate, private banking, insurance, civil aviation, single brand retail, news broadcasting etc. At the ground level, projects are being monitored for timely implementation. The bottom line is overall improvement of the business climate and infrastructure of the country. Besides, within the ‘Make in India’ ambit itself, each state Government has been accorded its own incentive policy, based on the amount of investments, project location, prospect of employment generation, etc. The incentives differ from state to state and are generally laid down in their respective industrial policy. Policies undertaken by states to facilitate ease of doing business include online single window approval mechanism with enforceable timeline for each service, formulation of common application forms, etc. The broad categories of state incentives include stamp duty exemption for land acquisition, refund or exemption of Value Added Tax (VAT in pre-GST regime), exemption from payment of electricity duty, etc.³

It is also believed that the Goods and Services Tax (GST) operational since July 2017 will create a level playing field for investors in states, particularly in the manufacturing sector, in addition to expediting the movement of goods and services across them. Given these measures, India became the top global FDI destination in 2015, overtaking both United States and China. Data reveal that FDI inflows into India increased by 29% to a record US\$ 55.6 billion during 2015-2016, coming as a dividend of ‘Make in India’, showcasing it as an important investment destination and an emerging global hub for manufacturing, design and innovation. It further hit an all-time high of \$60.1 billion in 2016-2017, attributable to the opening up of hitherto conservative sectors like rail infrastructure and defence.⁴

In this backdrop, greater emphasis has been laid on collaboration in defence technology, co-development and co-production at a time when the Indian defence sector is at the cusp of an inflexion point wherein the future growth will be propelled by indigenous manufacturing, both for domestic and global clients. This will offer investment opportunities in defence products manufacturing, supply chain sourcing opportunity and defence offsets. The situation is further facilitated by permitting FDI at 100%, with the removal of the clause of requirement of single largest Indian ownership of 51% of equity and lock-in period of three years on equity transfer. Additionally, within the scaffold of the 'Make in India' campaign, the Government of India, in its pursuit of attaining greater self-sufficiency in the realm of defence equipment, has prioritized military modernization, increasing stakes that foreign defence contractors were allowed to hold in joint defence ventures from 26% to 49%. The avenues of defence cooperation and investment have been further widened within the ambit of the draft Defence Production Policy 2018 (DProP 2018), germane with the ambitious vision of catapulting India into the world's top five manufacturers of defence platforms with active participation of public and private sectors. The policy envisages export of Rs 35,000 crore in military equipment and services and a turnover of Rs 1,70,000 crore in military goods and services by 2025. In order to boost FDI into defence production, DProP 2018 proposes allowing 74% FDI under the automatic route for "niche technology areas."⁵ The thrust on opening up the defence sector for private partnership facilitates foreign Original Equipment Manufacturers to enter into strategic collaboration with Indian firms and the countries of Southeast Asia and the wider Asia-Pacific would leverage opportunities in the domestic and global markets by partaking in the same. Given this backdrop, defence cooperation has the possibilities of emerging as the cornerstone of the vibrant partnership within 'Act East'.

In sum, 'Make in India' offers great potential to the private sector to build base and become a part of the global supply chain of the world's multi-billion defence market. India's focus on indigenous manufacturing in the defence space is paying off as the Ministry of Defence has unveiled several indigenously-manufactured products like the HAL Tejas Light Combat Aircraft, the composites Sonar dome, a Portable Telemedicine System for Armed Forces, Penetration-cum-Blast and Thermobaric (TB) ammunition specifically designed for Arjun tanks, a heavyweight torpedo (Varunastra) manufactured with 95% locally sourced parts and medium range surface to air missiles. According to the Defence Achievement Report: 2016, the Defence Acquisition Council (DAC)

cleared deals exceeding Rs. 82,000 crore, and the quantum of export of defence equipment is expected to reach US\$2 billion by 2018.⁶

One of the greatest beneficiaries of the 'Make in India' - defence manufacturing component among the 'Act East' partners is **Japan**. New Delhi's decision to allow defence FDI up to 100% with a rider that the project should involve "modern technology" has enthused the Japanese defence industry with respect to its investment prospects, facilitated by Tokyo's relaxation of rules on export of defence equipment and technology (undertaken in April 2014), which hitherto concentrated exclusively on the domestic market in order to demonstrate its commitment to peace. Japan's ShinMaywa Industries – manufacturer of US-2 SAR amphibious aircraft - betting big on the 'Make in India' plank, had offered to set up a plant in New Delhi (under the 30% offset clause) to cater to international demands.⁷ Incidentally, the DPP outlines are in sync with Japan's Ministry of Defence's Acquisition, Technology and Logistics Agency (ATLA) Guidelines (October 2015), aimed at managing efficiently defence equipment acquisition, promoting defence equipment cooperation with its allies, thus boosting Japan's involvement in international development programmes.⁸ The 'Make in India' platform also complements **Australia's** newly unveiled Defence Export Strategy (January 2018) aimed at catapulting it into the top ten defence exporting countries in the world by 2028. The Strategy proposes re-designing its defence industry to lift the production of Australian-made military equipment and services.⁹ India is holding talks with its other 'Act East' partners, prominent among them being **Vietnam** on the maiden sale of indigenously developed short range Surface-to-Air 'Akash' missile, 'Dhruv' light helicopters and supersonic BrahMos missile. The signing of an agreement on construction of offshore patrol boats also signals a step to give concrete shape to defence engagement between the two nations.¹⁰ **Thailand** has exhibited keen interest in procuring defence equipment and establishing joint ventures with India, related to technology transfers, purchases of certain maritime equipment, or expanding commercial agreements between shipbuilders or cooperation in military aerospace programmes.¹¹ **Malaysia** is eager to purchase Sukhoi fighter spares from India in return for selling Mig-29 aircrafts to India, thus forming an important component of the bilateral military agreement, signed during the Malaysian Prime Minister, Najib Tun Razak's visit to India in March-April 2017.¹² Finally, under the umbrella of Indo-**South Korea** Special Strategic Partnership and the 'Make in India' drive, the two sides have signed a Memorandum of Understanding (MoU) to firm up bilateral cooperation in defence shipbuilding, enabling India's Hindustan Shipyard Limited (HSL) to execute naval projects in

a timely manner.¹³ Furthermore, in another initiative, the Indian Defence Ministry contemplates the creation of a specialised Defence Procurement Organization (DPO) to streamline mega arms acquisitions as well as leverage them to build a robust Defence Industrial Base (DIB) in the country. The creation of the DPO as “a strategic imperative for longterm self-reliance” would be the second big-ticket defence reform to be set in motion after the “strategic partnership (SP)” policy is finalised to boost the private sector’s role in defence production, jointly with global armament companies. The “professional and empowered” DPO, once operational, will “amalgamate” what the Defence Ministry currently does in “a fragmented and isolated manner” by integrating the longwinded and cumbersome arms acquisitions, offsets, defence production and other such processes,¹⁴ thereby facilitating Ease of Doing Business.

Bolstering Maritime Cooperation: 'Act East' as the Focus

On the ocean front, it is common knowledge that the largest among the Indian Ocean navies, the Indian Navy operates two carriers 'INS Viraat' and 'INS Vikramaditya', while the third carrier 'INS Vikrant', is under construction. The Navy plans to build another aircraft carrier which may be nuclear propelled, upping the ante for its evolution as a three carrier force by 2030. Besides, India is the only country in region which operates a nuclear submarine 'INS Chakra', in addition to the indigenous nuclear-powered submarine, 'INS Arihant' ready for operations, thereby providing the third leg of the nuclear triad.¹⁵ The growing prowess of the Indian Navy was demonstrated at the International Fleet Review held in Vishakhapatnam (4-8 February 2016). In course of this grand show of naval power and sophistication, Narendra Modi acknowledged that the Indo-Pacific region remains the nation’s priority, since it serves “as a strategic bridge with the nations in our immediate and extended maritime neighbourhood”. Emphasizing the need for a “modern and multi-dimensional navy”, Modi further asserted that India would continue to actively pursue and promote its geopolitical, strategic and economic interests on the seas.¹⁶

The centrality of the Indian Ocean Region (IOR) in India’s AEP has been abundantly demonstrated by unveiling the maritime guidance document, 'Indian Maritime Security Strategy/IMSS – 2015', in order to bolster the Navy’s operational sphere and influence. The strategic importance of the maritime area comprising the Andaman Sea was revealed years back in 2001, with the construction of the first Tri-service theatre command of the Indian Armed Forces, based at Port Blair,

allowing it to keep a close watch on China's naval forays in the Indian Ocean, safeguarding the sea lanes converging towards Malacca Straits and also offering a good launch pad for India's anticipated role as a "net-security-provider" in IOR. This emphasis should not only be viewed as the Navy's demonstration of its evolving role as a "net security provider", but also as a means to balance China's Maritime Silk Route, an umbrella term referring to maritime infrastructure projects in the Indo-Pacific region, viewed as a supplement of the "string of pearls" strategy, aimed at encircling India and challenging the Indian Navy's role and stature in the region.

In keeping with the principles and concepts of national security and maritime power, enunciated in the Joint Doctrine (Indian Armed Forces) and the Indian Maritime Doctrine, IMSS-2015 builds upon the Indian Navy's Vision Statement and Guiding Principles (2014), which highlight the strategic 'way points' for the next decade. It reviews the key maritime strategic imperatives and influences, articulates the national maritime interests and maritime security objectives, in addition to deriving corresponding strategies for attaining them. On the one hand, while acknowledging the hybrid nature of maritime challenges, exacerbated by the almost overlapping nature of traditional and non-traditional threats, the document harps on the imperative of envisaging a seamless and holistic approach, advocating greater coordination among different maritime agencies. On the other hand, it justifies the significance of the Indian Navy as the primary instrument to secure the oceanic neighbourhood for economic purposes.

Towards this end, the IMSS-2015 has recommended a four-pronged strategy under the present and emerging circumstances: first, it has advocated steady increase in the Indian Navy's operational footprints across its areas of maritime interest, with a growing cooperative framework and contributions as a 'net security provider' in the neighbourhood, for maintaining "the state of actual security available in an area, upon balancing prevailing threats, inherent risks and rising challenges in the maritime environment, against the ability to monitor, contain and counter all of these, including deployments for anti-piracy, maritime security, Non-combatant Evacuation Operations (NEO) and Humanitarian Assistance and Disaster Relief (HADR) operations; second, an expansion in maritime operational engagements, with increased number and complexity of exercises with foreign navies, coordinated mechanisms for maritime security operations, and enhanced training, technical and hydrographic cooperation with friendly maritime forces; third, continued development of regional cooperative

approaches for enhancing maritime security in the IOR, including operational interactions like 'MILAN', Indian Ocean Naval Symposium (IONS) and emergence of maritime security cooperation as a priority area for the Indian Ocean Regional Association (IORA); and fourth, the growth and development of the Indian Navy's force levels and maritime capabilities, with steady focus on indigenization.¹⁷

IMSS-2015 dilates the geographical scope of India's maritime focus, expanding the two areas of interest southwards and westwards by bringing in the South-West Indian Ocean and Red Sea within its 'primary area' and the western Coast of Africa, the Mediterranean Sea and "other areas of national interest based on considerations of Indian Diaspora, overseas investments and political reasons" within its 'secondary area' of interest. This acknowledgement clearly transcends the Indo-Pacific region, with the 2004 and 2009 editions of the Maritime Doctrine expounding the northern IOR as the 'primary area' of interest. IMSS-2015 even goes beyond IMSS-2007 to include two additional chokepoints: the Mozambique Channel and Ombai-Wetar Straits, which are strategically located at the far end of the south-western and south-eastern Indian Ocean respectively, thereby formally reiterating the Indian Ocean's geo-strategic 'exclusivity' for India.

The 'Act East' phase has demonstrated an impressive trajectory of bilateral and multilateral maritime interactions between India and its 'Act East' partners, within the broad framework of burgeoning defence and strategic relations. In the backdrop of India's proactive AEP and Indian Navy's increasing footprint and operational reach in the neighbouring littorals, as highlighted in IMSS-2015, these exercises and interactions are aimed at securing the unimpeded commercial flow and access to resources in the Sea Lanes of Communication (SLOCs), freedom of navigation in international waters, the right of passage and over-flight, in accordance with recognized principles of international law, especially the United Nations Convention on the Law of the Sea (UNCLOS); enhancing mutual understanding and inter-operability; conducting HADR exercises; Search and Rescue (SAR) operations and meeting other challenges posed by non-traditional security threats, thereby reflecting shared concerns for sustaining peace and order in the waters. Towards this end, the regular naval and Coast Guard exchanges with its 'Act East' counterparts in general and the conduct of specific, periodic exercises, viz. Coordinated Patrols (**CORPAT**) with Indonesia and Thailand; India-Myanmar Coordinated Patrol (**IMCOR**); Singapore-India (**SIMBEX**) Exercises; Australia-India (**AUSINDEX**); Japan-India (**JIMEX**) Exercises etc. have added significant heft to the

momentum of maritime coordination between India the participating nations. The most significant component of maritime collaboration at the trilateral level has been reflected in the regularisation of the trilateral (India-US-Japan) 'Exercise Malabar'. Japan was inducted as a permanent member of the 'Malabar' Exercise in its 19th edition, held in October 2015. It may be recalled that 'Malabar', initiated as an India-US bilateral naval exercise in 1992, had been witness to Japan's participation as a non-permanent participant in 2007 and its subsequent editions in 2009, 2011 and 2014, much to China's chagrin. The most recent (21st) edition of the exercise was conducted in July 2017, primarily aimed at promoting interoperability among the navies of the three countries and also to promote holistic maritime cooperation among them.

Concluding Remarks

To conclude, the 'Make in India' initiative unveiled by the NDA-II government has elevated India's image as an attractive investment destination to the international market and the associated measures that aim at reducing administrative regulations, facilitating the ease of doing business, have emerged as a major plank of its overall policy spectrum. In this backdrop, greater emphasis has been laid on collaboration in defence technology, co-development and co-production with India's 'Act East' partners, specifically Vietnam, Malaysia, Thailand, Japan, Australia, South Korea and the like. This will definitely provide even greater dynamism to the already-existing collaboration in the sphere of defence, whether in the form of regular exchanges, joint exercises or high-level defence visits. Furthermore, the level of India's maritime engagement with its ASEAN and wider Asia-Pacific partners has received a major fillip under the 'Act East', significantly facilitating its role as a "net security provider" in the IOR. Under the given circumstances, it is evident that the 'Act East' Policy aspires to be more proactive and more engaging in its entirety.

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India's Act East Policy

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East Asia has become cornerstone of India's foreign policy due to the changing economic and security dynamics since the end of cold war. India shifted its attention to the East in order to materialise the benefits put forward by the globalisation and liberalisation process after the end of cold war. The growing economy of ASEAN attracted India's attention to capitalise on its relations with East Asian nations. India's Look East was adopted by PM Narasimha Rao government in 1992. It was transformed to Act East policy by the NDA government in 2014 as India created a strategic vision for the Pacific Asia due to its changing geo-politics. Some of the questions highlighted in this paper are: Why East Asia is significant in India's security perception? How China is a factor in growing cooperation between India and East Asia and Southeast Asia? In this regards, India's changing dynamics of relations with East Asian nations are discussed and analysed.

Look East Policy:

Since independence India has been interested in establishing collaborative relations with Southeast Asian nations as they shared a common history, culture and belief system. During British colonial period India was used as strategic base to control rest of Asian colonies. Indian economy was also integrated with regional economy during British colonial rule. After independence India adopted semi- socialist economy and also non alignment policy that caused a kind of isolationist and inward looking system. The basic objective of India was to exclude extra regional powers from Asia. However the cold war and China factor kept the region under the influence of the US. Since the end of the cold war, India has been making serious efforts to strengthen diplomatic, economic and strategic partnership with ASEAN.

India has always been interested in developing cooperative relations with Southeast Asian nations for the purpose of peace and prosperity in the region. Immediately after independence India opened communication with East Asian nations for friendly relations. The basic reason for India's interest in Southeast Asia was that they shared

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common historical and cultural bonding and India's central position in Asia. India is strategically located in Indian ocean which connects both West Asia and East Asia. Therefore, India always wanted Asia to be independent and it was interested in establishing a non-alignment policy in newly independent countries to keep the region free from the extra regional powers' influence. India sought China's support in Asian Relations ambition. However, China did not support India's mission of Asian Relations as China never wanted India to emerge as leader of the third world. Nor it wanted India to be treated at par with China. Rather, China wanted to emerge as the leader of the third world.

The South East Asian region after Korean war became party to the super power politics and got allied to the US throughout the cold war politics. The USSR's proxy war in Korea created a fear of domino theory in the US. The US felt that the fall of one area would lead to the fall of the rest of the Asian nations. In order to prevent the possibility of communist expansionism in the area, the US created SEATO alliances. It was due to the superpowers politics that the Southeast Asian nations could never get closer to India. Therefore India could never establish relations with South East Asian nations.

After the end of the cold war, there were major shifts in global politics which implicated the Pacific regional politics as well.

- 1) The USSR withdrew from the cold war and the US emerged as a unipolar power.
- 2) China was no longer required by the US to counterbalance the USSR.
- 3) Economic globalisation led to the borderless world.

After the end of the cold war, Asia was perceived as the epicenter of power in the 21st century. India and China were perceived as the fastest growing economies. It changed the geo politics and trends in Asian countries political relations. India aimed at reviving political ties, developing regional security cooperation and evolving economic linkages by getting integrated with Southeast Asia. Due to the changing scenario, the economic liberalisation was perceived as an opportunity for India to develop socio- economic relations with East Asian nations. India perceived South East Asia as economically dynamic, technologically advanced and possible source of FDI investment in India. Therefore, India sought its economic integration with the region. In this connection, "India joined ASEAN-led arrangements such the ASEAN

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Regional Forum (ARF), ASEAN Defence Ministers' Meeting Plus (ADMM+) as also ASEAN India Annual Summit and the East Asia Summit (EAS) which has institutionalized India's association with Southeast Asia"¹

In 1991, India faced the worst economic crisis and adopted liberalisation of economic system. The Gulf war led to acute recession and balance of payment crisis in 1991. (Thongkhohal Haokip, 2011.242) India adopted Look East Policy in 1992 by the then PM Narasimha Rao amidst worsening economic and political conditions. India's Look East Policy was introduced in order to integrate India in the global economy. Look East developed as a multi-pronged strategy involving many institutional mechanisms at multilateral and bilateral levels, economic links, and defence engagement. India aimed at economic cooperation with East Asian nations by creating road and maritime connectivity. Due to the trading routes security reasons, the defence cooperation is also high on the agenda. India's aim in engaging cooperation with these countries is the stable regional order.

Due to India's initiative and efforts, India's trade with North and Southeast Asia reached about a quarter of its total trade, outweighing that with the United States and the European Union. China has become India's top trading partner, with bilateral trade growing from roughly \$US7 billion in 2003-2004, to \$US65 billion in 2013-2014. In the same period, two-way trade with ASEAN member states has grown from approximately \$US13 billion to \$US74 billion, making its trade with the region as a whole even more significant than with China. (Daniel Rajendran, 3)

Look East Policy was a multipronged strategy. The policy has evolved from economic and diplomatic engagement with Southeast Asia to broader security and defence ties across the whole Asia-Pacific. It aimed at economic development; establish links for defence engagement and also develop cultural relations and collaborate to deal with problems like terrorism. The basic objective is to counter balance the growing influence of China in the India and Pacific ocean. India has allied with major powers in the pacific like Japan and Australia and is engaged in joint patrolling, bilateral exercises, humanitarian assistance and disaster relief and multilateral engagements including the biennial MILAN exercises in Port Blair since 1975. (Daniel Rajenderan, 8-10)

¹ http://www.irconference.in/irc2017/assets/IRC_conference_proceedings.pdf

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Indian Navy's Maritime Doctrine(2004, 2007, 2009, 2015) have highlighted India's maritime vision. (Sureesh Mehta, 2009) In the twenty-first century, India had a vision of an arc from the Persian Gulf to Malacca strait which is a legitimate area of its interest. India's 75% trade passes through Indian ocean and 50% of trade passes through the Malacca strait. India has developed tri command in Andaman and Nicobar as it provides gateway to South China sea and the Pacific ocean.(R.V.R. Murty.2007) India considers maritime spaces strategically quite significant for economic and security reasons and intends to collaborate with East Asian nations for this purpose.

Shift to Act East Policy:

India's Act East Policy Was introduced in the 12th ASEAN - India summit in 2014 in which PM Modi mentioned that 'A new era of economic development, industrialisation and trade has begun in India. In 2011, The US secretary of State, Hillary Clinton had encouraged India not to Look East but engage and Act East. The policy aimed at ASEAN - India partnership - engagement for peace, prosperity and progress. India ASEAN relations involved Political and security cooperation, economic cooperation and socio- cultural cooperation.

Act East Asia policy was a move from Look East policy as Act East policy wanted to engage India and Asia- Pacific nations in more active partnership. The Act East policy included not only economic aspects of cooperative relations but also strategic and security cooperation between India and Asia Pacific nations. (Scott, David. 2013) The security aspect includes- maritime security; cyber security, anti terrorism, drug trafficking and narcotics. East Asia stretched from Southeast Asian nations to East Asian nations like Japan, South Korea's and Beyond-Australia.(Sudhir T. Devare et al)

The Act East policy aimed to reinvigorate India's relations with ASEAN and expand the country's engagement with Korea in the North to Australia and New Zealand in the South and from Bangla Desh to Fiji and Pacific island countries in the Far East. ASEAN forms the pillar of India's Act East policy. Indian PM hosted a special ASEAN -India Commemorative Summit to give a boost to Indian economy. PM Modi's visits to these countries was one of the critical aspects of diplomatic and foreign relations. PM Modi visited various countries like Myanmar, Malaysia to attend ASEAN and East Asian summits held in 2014 and 2015 respectively.

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Both India and ASEAN are cooperating to counter terrorism by sharing best practices and information, law enforcement and capacity building. Cyber security capacity building by use of information and communication technologies. Maritime cooperation between India and ASEAN by mechanism of Expanded ASEAN Maritime Forum (EAMF) for better cooperation in search and rescue, to prevent and manage accidents sea according to ICAO and IMO guidelines. India's vision for Security and Growth for all in the region (SAGAR) has been recognised by ASEAN. (Sudhir T. Devare et al)

North East and Act East policy:

In order to deepen India's diplomatic, economic and cultural integration of the region, India has endorsed the Master Plan on ASEAN Plus Connectivity (MPAC) to enhance connectivity through land, water and sea routes. India's North East region is critical to develop such connectivity. The North East has been an isolated and turbulent region so far which can be stabilised by economic development. India's Act East Policy can be contributory to eliminating the geographical isolation of North East; it can be used as a connecting corridor to South East Asia. The economic connectivity of North East with Southeast Asian nations will be instrumental in the economic development and stability of the North East region.

The North East is the launching pad of Act Asia policy as it links ASEAN with India through Bangladesh and Myanmar. India is making serious efforts to develop its relations with Bangladesh and Myanmar due to their connectivity with the North East. Earlier India and Bangladesh relations were conflictual - characterised by suspicion and mistrust. Due to Act East policy both have recognised the convergence of their interest in the field of security, economy and energy development areas. The four North East States (Manipur, Mizoram, Nagaland and Arunachal Pradesh) in India share a 1643 kilometer long land border with Myanmar. (Subir Bhaumik, 2014. 9) India's Act East policy envisages that infrastructural development and human resource development in the North East Region can facilitate people to people contact on social, cultural, and economic platforms that can lead to the integration of the region with Southeast Asian nations. It means physical connectivity is to be complemented with soft connectivity. Various infrastructural development projects have been launched to facilitate trade with neighbouring countries. For instance India Myanmar and Thailand Trilateral highway will be a significant link between India and ASEAN. India is also party to Trans Asian Railway project; Kaladan multimodal

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trade transit project and the Bay of Bengal initiative formulti sectoral Technical Economic Cooperation (BIMSTEC). (Ashok Sajjanhar. 2016.6)

These projects will increase India's connectivity with ASEAN by land, air and waterwhich in turn will lead to peace and prosperity in the region. The extension of India-Myanmar - Thailand trilateral highway to Cambodia, Laos and Vietnam will facilitate the movement of passengers across Southeast Asian countries. It will increase people to people contact and confidence building among people of different countries in the region. One can also visualise the possibility of Trans Asian countries visa like Shangan to travel all these countries. The physical and digital connectivity can be used for revival of their traditional; cultural and religious bonding. In the age of globalisation as all these countries are becoming consumerist and losing their interest in religion or god, there should be special efforts to revive the cultural values based on religious beliefs. Social cultural bonding can provide a solid base for the economic and security relations between India and ASEAN nations. It is not too much to think about the integration of India and ASEAN nations. Most of the European countries used to have conflictual relations before the second world war . After the end of cold war , European countries not only introduced common currency but also common visa- Schengen to travel to all these countries. Therefore the physical and digital connectivity between India and ASEAN is very critical of India's Asia Pacific strategy. Several steps have been taken in this direction. Asian Development Bank(ADB) is funding the connectivity projects in North East, for instance the Imphal- Moreh (NH39) highway. The construction of railway from Jiribam to Imphal via Tipul will facilitate the development of the economic zone around Moreh in Indiaand Tamu in Myanmar border area which is the junction of land connectivity corridor. The development of such economic zones will transform the economic structure of the region. The development of economic corridors will attract investment and will stimulate the economic growth of India's Southern and North Eastern regions;-and Cambodia, Laos, Myanmar and Vietnam(CLMV) countries will also be benefitted by getting integrated in the regional economic development. In order tostrengthen economic relations with ASEAN nations, India needs to have harmonious political and diplomatic relations with these countries.

India perceives its North East as a critical connecting point with South East Asian countries. India's trade with North and South East Asia represents about a quarter of total trade. India has developed strong relations with various ASIAN countries like Thailand and Singapore.

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Indonesia has become India's second largest trading partner in ASEAN countries. In 20 years India has become a sectoral partner of ASEAN. India and ASEAN entered into a summit partnership in 2002 and launched negotiations for FTA in 2003.

Apart from ASEAN, India has become successful in strengthening its ties with East Asian nations like Japan, Australia and Korea to secure its economic, security and strategic interests.

China factor and Act East Policy:

The rise of China's economic and military power contributing to the possibility of its emerging as a superpower by the end of 20th century is a serious concern of India and various other countries in East Asia and Southeast Asia. China's growing military power in Indian ocean and Pacific ocean and South China sea is posing a serious threat to regional stability. China is developing friendly relations with South Asian countries like Pakistan, Sri Lanka and Maldives which is posing threat to Indian security and free trade. As part of "strings of pearls strategy", China is developing ports in Pakistan, Maldives, Sri Lanka, Bangladesh and Myanmar. (Shihoto Goto, 27) These ports can also be used for resupplying, refuelling and strengthening Chinese positions in Indian ocean. China's strings of Pearl and New Silk Route to reach out to Africa and Asia by both land and sea are the serious concern of India and East Asian countries. China is developing trading routes via Pakistan incorporating Indian and Pacific oceans. China has deployed nuclear submarines in Indian ocean; large number of fishing boats in the Bay of Bengal; building submarine bases in Maldives. Consequently, India has developed the perception of "strategic encirclement." China is exporting submarines to India's neighbours and increasing its military presence in Indian ocean as 80% of its trade is shipped through Indian ocean. Therefore, China aims to increase its prowess on the oceans. Due to the rising military presence of China, India's geopolitical situation is changing.

In order to counter Chinese hegemonic designs in Indian ocean, India wants to have access to all sides of Indian ocean and have a strong navy, increasing its war ships, nuclear submarines and aircraft carriers in Indian ocean. India intends to safeguard its interests by deploying additional forces into the East China Sea and West China sea to maintain military balance in Asia. In order to counterbalance China's hegemonic designs in the region, India perceives East Asia significant in grand strategic policy and planning.

India and ASEAN:

India is strengthening its relations with Southeast Asian nations by extending technical, economic and strategic assistance. India trained crews of Thai aircraft carriers and submarines forces, and fighter pilots in Vietnam. India has trained Malaysian pilots and land crews of fourth generation planes. India agreed to train and provide maintenance for the Indonesian Air Force. Singapore is currently using India and the land air base for training.

India's PM Modi has adopted Act East policy for a broader Indo-Pacific conceptualisation of Indian region. In 2015, India under the Modi administration allocated \$1 billion to build cultural and commercial connectivity between India and ASEAN. India has taken initiative of 'Make in India' 'skill India' and 'digital India' for rapid economic development; promoting energy security and creating infrastructure. Regional Comprehensive Economic Partnership (RCEP) agreement grouping ASEAN 10 and China, Japan, South Korea, Australia, New Zealand and India is a major initiative in his regard.

India is trying to establish friendly relations with Japan, Vietnam, Australia, ASEAN and BRICS to pursue its goal of economic development and prevent imperialism expansionism in Indian ocean and Pacific Rim as well as act as a member of global governance. India is cooperating not only in economic development, cyber space, energy security and military and maritime security. India is becoming a prominent partner of various countries to play a great role in regional and international affairs. India, Japan, SEA and US are joining hands to promote defence cooperation to protect their mutual interests. It will benefit the US, Australia and other countries around the South China sea.

India- Japan relations:

Indo-Japanese relations converge on global interests- maintaining sovereignty, territorial integrity, democracy, human rights, rule of law, open global trade regime and freedom of navigation; maritime interconnection and growing international responsibilities. Japan is concerned about the issue of rising power of China, maritime security and terrorism which is posing challenge to the stability of East Asian regional as well as global order. Maritime security is significant to ensure safety of the sea line of communication as well as ensuring economic and energy security. Japan intends to keep its ocean free and open. Japan seeks to ensure sea routes in Indian ocean from the possibility of threat from China and North Korea.

Japan though is not a strong economic trade partner of India. It is extending its technological assistance and economic investment to upgrade India's infrastructure and manufacturing sector. Japan and India have mutual interest in building long term economic and defence cooperation. After the 2010 Senkaku (territorial dispute between Japan and China) incident, Japan has shifted towards India. India is also facing territorial disputes with China and intends to develop modern strategic roads, tunnels, railroads, helipads and airports to deal with China's challenge in Tibet. Japan is extending assistance in the field of transport, energy, forestry, agriculture and infrastructural development.

India has become one of the largest recipients of Japan ODA. India has become part of the East Asian regional production network. In order to boost India's industrial production and urbanisation, India aims to develop six industrial corridors: Delhi- Mumbai; Amritsar- Calcutta; Chennai Bangalore; Bangalore- Mumbai; and Vizag- Chennai. India intends to develop high speed passenger corridor and high speed rails (250- 350 km / hour) Delhi- Amritsar; Pune- Mumbai-Ahmedabad; Hyderabad- Chennai; Howrah- Haldia; Chennai- Trivandrum; Delhi - Patna. Japan is providing financial and technical assistance for the infrastructural development under special Terms for Economic Partnership Loans. (Shihoko Goto, p 11-12)

Japan has been extending official Development Assistance (ODA) program and supported critical infrastructural development projects like Delhi Metro, Delhi- Mumbai industrial corridor and China - Bangalore industrial corridor. (Makoto Kojima, 11) There is convergence of interest in economic and strategic partnership between India and Japan. The Japan International Cooperation Agency was awarded a contract (2014) to build 200 kms of strategic roads along India's disputed border with China. Both India and Japan have also signed cooperation agreements in the field of defence and dual use technologies. In 2006 India and Japan entered into a strategic partnership. They signed a bilateral defence deal for sale of Shin Maywa US-2 amphibious SAR aircrafts for Indian navy. (Daniel Rajendran, 2014 7) India and Japan have entered into a civilian nuclear deal. Both have signed the "Joint Declaration on Security Cooperation" between India and Japan. In 2009 India and Japan have entered into security cooperation to conduct joint naval exercises. Japan is participating in Indo- US Malabar exercises series. Earlier only India and US have been conducting Malabar exercises since 1992, Japan was inducted as a permanent member in 2007. Both India and Japan have been conducting air based anti submarine warfare exercises in Indian ocean since 2012. Japan entered in naval exercises a collaborative effort to realise a

India's Act East Policy

peaceful, open, stable, equitable rule based order in the Indo Pacific region and beyond.

India - Australia relations:

India and Australia also have common interest to cooperate in economic and strategic fields. Australian PM, Tony Abbott signed a nuclear Deal with India as Australia has large reserves of Uranium. It will enhance India's energy generation. Both India and Australia have mutual economic, and security interests. Both India and Australia have carried out bilateral maritime exercises, AUSINDEX since 2015. It is a sign of increasing strategic partnership between the two countries. Both are conducting joint operations in the field of humanitarian relief and Disaster relief management. (HADR). They have also initiated ministerial dialogue to foster stability of the Indo- Pacific region. This region is significant for global trade, commerce, navigation and scientific research. They are intending to enter in trilateral relations with Japan due to the commonality of their interests economic, strategic and counter terrorism. The defence cooperation between India- Japan and Australia will emerge as a cornerstone of trilateral partnership among India- Japan and Australia.

Act East policy contributes towards consolidating interests among the major regional players. India's 'Make in India' policy particularly in defence equipment has opened avenues of collaboration between India, US, Japan and Australia.

Vietnam in India's changing geopolitics:

As China is trying to encircle India by string of pearls, India is responding by developing relations with extended neighbours like Vietnam. Vietnam is an important pillar of India's Look East Policy. Vietnam acts as strategic and defence partner of India. India perceives Vietnam a close strategic ally and has taken various initiatives to build healthy relations with Vietnam. In 2007, both established strategic partnership and collaborated in economic, scientific and cultural fields. Indian companies have started investing in Vietnam in the field of oil and gas exploration, agricultural, chemical and sugar processing as well as in the IT field. Both have mutual interest in collaborating to counterbalance China's growing power. India's decision to deploy its nuclear submarines in Vietnam would act as a counterbalance to China. India proposed to supply Brahmos, anti ship missiles to Vietnam. India is helping Vietnam in its defence modernisation by cooperation on defence equipment and

Nirmal Jindal

training. India is also developing its strategic partnership with Indonesia in 2009.

Apart from strengthening its relations with East Asian nations, India is also trying to develop friendly relations with developed nations for the purpose of their financial and technical support for the development of third world countries. India is establishing its relations with the US, Japan, Korea and Australia which reflect a shift in India's policy. India's policy of establishing friendly relations with different countries, membership of various regional and global institutions aims at strengthening its own economic and security position. India's Act East policy aims at security, development and fight against hegemonic ambitions of upcoming dominating powers in collaboration with Asian nations. India's policy to maintain strategic autonomy though hinders the full growth of its multialliances policy but it reflects India's aim to maintain balanced relations with different countries of the world.

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Bimstec Trade and Connectivity

Nisha

Introduction

Bay of Bengal has been a significant blue economy since ages. Its triangular shaped is surrounded by South Asia and South East Asian countries. The group of South Asian countries are SAARC region and South East Asian countries as ASEAN. Similarly, the amalgamation of five countries from South Asia and South East Asia led to the emergence of BIMSTEC. All this group of countries are regional organization.



SOURCE:-WWW.BIMSTEC.ORG

The youngest regional organization among these is BIMSTEC but history of this organization doesn't begin with BIMSTEC. It was BIST-EC which stood for Bangladesh, India, Sri Lanka, and Thailand Economic Cooperation undertaken by Thailand in 1994. When Myanmar joined this organization on December 1997 the organization became BIMSTEC (Bay of Bengal Initiative of Multi-sectoral and Technical Economic Cooperation). This organization constitutes of seven countries with fourteen sectors:

Table1:-BIMSTEC Area of Cooperation

Country	Area of Cooperation
Bangladesh	1. Trade & Investment. 2. Climate Change.
Bhutan	3. Cultural Cooperation.
India	4. Transport & communication 5. Tourism. 6. Counter Terrorism. 7. Transnational Crime & Environment.
Nepal	8. Poverty Alleviation.
Sri Lanka	9. Technology.
Thailand	10. Fisheries. 11. Public Health. 12. People to people contact.
Myanmar	13. Energy. 14. Agriculture.

Source: Ministry of External Affairs, India.

The permanent secretariat of BIMSTEC was established in 2004 at Dhaka, Bangladesh. Where India has contributed 32% cost of secretariat reflecting its strong commitment to BIMSTEC.

Since 2016 the BRICS and BIMSTEC summit in Goa, India has made the (BIMSTEC) organization centre of focus. Due to this so many initiatives are taken to revive it, for trade, investment and connectivity.

The member countries are already engaged through various trade agreements in other regional organization such as SAARC, ASEAN, BBIN and bilateral agreements.

On the other hand, geography, polity and economy are some of the reasons for collaboration of these countries. The Prime Minister Narsimha Rao Look east policy in 90's now PM Narendra Modi Act east policy presently and Thailand Look west policy comes in the reflection of BIMSTEC. Some other reason for the formation of this regional organizations are constant political tensions between Pakistan and India which hampered the trade in SAARC region.

Therefore, member of the regional organization are different stages such least developed countries and developed countries. There are four least developed countries (Myanmar, Nepal, Bhutan and Bangladesh). Being in a regional organization trade is important activity for them.

TRADE IN BIMSTEC COUNTRIES

International trade is significant with increasing globalization. Trade in simple terms is action of buying and selling goods between two countries or more than two countries that is bilateral and multilateral. Intra trade among these countries is trade of products that belong to the same industry. Here trade in similar products has been a key factor in trade growth.

Similarly, the BIMSTEC organization for intra-regional trade and cooperation among the member countries. India trade has observed growth over recent years. While India's imports from BIMSTEC have remained same during the period, the exports to BIMSTEC have witnessed a sharp rise from US \$ 14.6 billion to US \$ 20.9 billion in 2016-17. India trade surplus with the regional organization is accounted about 4.5 percent of India's total international trade in the year 2016-17. Whereas India's exports to BIMSTEC accounted for 7.6 percent of India's total export. On the other hand, India's imports from BIMSTEC accounted for 2.2 percent of India's total imports. From BIMSTEC member countries Thailand is India's largest trading partner followed by Bangladesh which account for about 25.5 percent of India's trade with BIMSTEC countries.¹

At the same time, BIMSTEC Free trade agreement was signed in 2004 but it was implemented due to lack of consensus in areas such as modalities of tariff reduction and elimination, size of negative list, criteria for rules of origin, mechanism of dispute settlement, safeguard measures, customs operations and negotiations on the agreements on

services and investment. The framework agreement will cover trade in goods and services, investment, economic cooperation as well as trade facilitation and technical support for least developed countries in BIMSTEC.

Further, to analyse trade in BIMSTEC we need to look at the performance in the past since it was formed. Initially the member countries took decision to include not only trade in goods but also trade in services, investment issues and cooperation in sectors. Trade was divided into two tracks, first fast track trade liberalization between 2006 and 2011. Secondly, a normal track trade between 2007 and 2017 focusing upon the level of development of the countries.⁷ Due to this BIMSTEC trade negotiation committee was framed to emphasis on the areas of:

- 1) Customs cooperation.
- 2) Trade in services.
- 3) Investment.
- 4) Tariff concession on trade in goods.
- 5) Dispute settlement mechanism.

According to framework agreement its amendment by 19th TNC meeting for fast track product, the Non-LDC (Least Developed Countries) member countries reduced or eliminated tariff imposed on LDC member countries by 30 June 2013 and tariffs among themselves by 30 June 2015. The LDC member countries are committed to reduce or eliminate tariffs among themselves by 30 June 2015 and tariff imposed on Non-LDC member countries by 30 June 2017. For normal track product, Non-LDC member countries are required to reduce or eliminate tariff for the products of LDC member countries within 30 June 2016 and tariffs for the products among themselves within 30 June 2018. (See table2) Similarly, The LDC member countries are required to do the same within 30 June 2021 among themselves and within 30 June 2023 for Non-LDC member countries. However, the 20th TNC meeting was held in Bangkok to rectify the agreement. The trade negotiation committee cover all trade in goods in form of reduction and elimination of tariffs with more flexibility granted to LDC that is least developed countries. Even after 20 meetings FTA is not implemented and 21st meeting of trade negotiation committee is going to take place for further developments in trade.²

Table 2: Tariff Reduction in BIMSTEC country.

Track	Country	India, Sri Lanka and Thailand	Bangladesh, Bhutan, Nepal and Myanmar
Fast Track	India, Sri Lanka and Thailand	1 st July 2010 to 30 th June 2013	1 st July 2010 to 30 th June 2011
	Bangladesh, Bhutan, Nepal and Myanmar	1 st July 2010 to 30 th June 2015.	1 st July 2010 to 30 th June 2013.
Normal Track	India, Sri Lanka and Thailand	1 st July 2011 to 30 th June 2016.	1 st July 2011 to 30 th June 2014.
	Bangladesh, Bhutan, Nepal and Myanmar	1 st July 2011 to 30 th June 2021.	1 st July 2011 to 30 th June 2019.

Source: International Journal and e- services science and technology.

Therefore, BIMSTEC is likely to grow by 6.9 percent when the world economy is sluggish at a pace of 3.1 percent in 2016, according to the International Monetary Fund (IMF). BIMSTEC's gross domestic product (GDP) is \$3 trillion or four percent of global GDP in 2016. The trade from 1995 to 2005 and even from 2005 to 2017 in BIMSTEC Countries have gone through rapid change over last decades.

CONNECTIVITY IN BIMSTEC

For any regional organization to flourish connectivity and infrastructure is the major support system for progress. BIMSTEC too consist of connectivity and infrastructure projects such as:-

1. Trilateral Highway

The trilateral highway was taken into account at the Trilateral ministerial meeting on transport linkages in Yangon(Myanmar)April 2002.This is the project was framed by the agreement of three countries India-Myanmar-Thailand. It is the cross border transportation corridor that has been financed by the government of India, Myanmar and Thailand. The highway will be connected from Moreh in Manipur (India) to Tamu in Myanmar to Mae Sot in (Thailand).This alignment of the trilateral highway falls within Asian highway1 and 2.

2. Sittwe Port

It is a deep water port at Sittwe in Rakhine state in Myanmar is located on the Bay of Bengal at the mouth of the Kaladan river. The port has been financially supported and constructed by India at the cost of US \$ 120 million and is part of Kaladan multi-modal transit. These transport

projects are joint collaboration between India and Myanmar. The aim of the project is to develop the infrastructure in south western Myanmar and North eastern India, areas that had been isolated and still lacking in development.³

3. Kaladan Multimodal Transit Transport Project

This project will provide alternate route for transportation of goods to north eastern region of India through Myanmar. It has two major components of this project which include development of the port and IWT (Inland Water Transport) development between Sittwe and Kaletwa in Myanmar along Kaladan River. Followed by the building of highway (129 km) from Kaletwa to India-Myanmar border in Mizoram. In third stage construction of inland waterways transport highway transshipment terminal at Paletwa and six inland water transport barges for transportation of cargoes. Construction work inland waterways transport terminal at Paletwa has been started in April 2013 and likely to get completed in 2015-2016. Whereas other infrastructure projects are Mekong-India economic corridor and Asian Highway. Which BIMSTEC countries are part too along with other countries.⁴

CONCLUSION

Regional organizations are group of few countries of same region which are neighbours, geographically contiguous and main motive is economic growth. For the growth of economy, trade and connectivity is crucial pivot for the development of the organization. BIMSTEC is emerging regional organization on the phase of development. As it collaborate both South Asia and South East Asia. This regional organization includes two landlocked countries. Being landlocked these countries can also get access to the connectivity of Bay of Bengal. If free trade agreement is finalised it will give new dimension to the trade in this region. The regional organization will flourish more than SAARC and may be ASEAN. At the same time it will lead to development of North eastern part of India.

Act East Policy was launched by Modi government with its arrival in May 2014. Act East Policy is not a new one but accelerated format of Look East Policy. Modi government has decided to remain proactive instead of reactive in the realms of foreign policy right from Myanmar to Australia. BIMSTEC is the result of non-functioning of the SAARC. Regional cooperation has been the key of regional and global well-being since at least after the end of the second world war. India has

decided to strengthen BIMSTEC along with like minded countries to accelerate the process of regional cooperation. All members of BIMSTEC has been connected with each other by land or maritime. They have enormous potential to grow. They haven't realised it in its real format. Major pundits of global politics has predicted that 21st century will be Asian century. For the realisation of the Asian century, Asian countries has to cooperate. BIMSTEC is a step in this direction. Although it has not propelled as per expectations but it is growing average and has sustained the saga. All member countries must accelerate it. India being a biggest economy of the group has exclusive onus to ensure its full growth.

BIMSTEC must be given more strength by all member countries. Member countries must ensure increasing intra trade relations and also resist itself to import any goods which is comparatively available in cheaper rates within BIMSTEC. It has grown well and all set to push it in foreseeable future. In case of real growth, it is bound to support the pace of regional cooperation among member countries and also push factor for India's Act East Policy.

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‘Techno-Mates’: Understanding ICT as a Tool for Accelerating Act East Asia Policy

Sabu Thomas

Introduction

In the year 1992, the then Prime Minister of India P.V. Narasimha Rao announced a Look East Policy (LEP). This was aimed to introduce more flexibility in dealing with the East Asian partners of India and to ensure a balancer posture for the country in the region. However, the LEP failed to keep the hype and continued for more than twenty years with usual ‘policy chit-chats’ and ‘treaty exercises’. A change in the policy orientations occurred with the East Asia Summit in Myanmar in November 2014 where Prime Minister Narendra Modi, announced an Act East Policy (AEP). The Act East Policy unveiled a historical turning point in the regional political interactions (Chakroborti, 2016). AEP has identified many novel areas of cooperation among the state actors in the region. The venues include security, strategic, political, counter terrorism, defense and trade and commerce. There were serious efforts for joint ventures on movements against terrorism. The Modi government also initiated active defense partnership with several ASEAN partners.

It is found that with the new policy India’s partnership with hitherto silent actors like Japan has witnessed dynamic growth. There is clear evidence of the flourishing bilateral strategic, economic and technological partnership¹. There were successful initiatives to establish normal ties with China and cross border issues never became a stumbling block in the dialogues. In the case of South China Sea dispute, India was ready to explain her stand to the international community and emerged as a strong exponent of cohabitation in the interstate relations².

Act East Policy is at its early stages and is proposed to offer long term collaborative projects³. There should be more avenues of cooperation with the partner states so as to make a strong unity in the region with better role for India. Information and Communication Technology is a

potential area which offer larger opportunities of mutual assistance and partnership. India, with its extensive ICT infrastructure and strong ICT policies, can lead the regional ICT projects. This may contribute positively to the Act East Policy.

ICT- Mapping a connected world

Information and communication Technologies (ICTs) are becoming sturdy agents of social change. They are offering unparalleled avenues of social interactions and communication. ICTs are capable of changing the patterns of social organisations and associations. In the case of state mechanism, the change is evidenced in the way in which governments deliver public services and communicate with public. It also acts as an agent of democratization by providing an active audience, inexpensive public access and greater symmetry of communicative power (Coleman& Blumer,2009).

The influence of ICTs on society goes far beyond establishing basic information infrastructure. The ICTs are now considered as strong foundation for development. ICT applications, such as e-government, e-commerce, e-education, e-health, and e-environment, are enablers for development, as they provide an efficient channel to deliver a wide range of basic services in remote and rural areas. Thus, development of ICTs is globally accepted as a pre- condition for modernization and development. It is also accepted as a technology of transformation.

A digital identification system such as India's Aadhaar, by overcoming complex information problems, helps willing governments to promote the inclusion of disadvantaged groups. Alibaba's business-to-business e-commerce site, by significantly reducing coordination costs, boosts efficiency in China's economy and arguably the world's. The M-Pesa digital payment platform, by exploiting scale economies from automation, generates significant financial sector innovation, with great benefits to Kenyans and others. Inclusion, efficiency, innovation—these are the main mechanisms for digital technologies to promote development. (World bank, 2016:2)

Estimates put the Internet's contribution to global GDP at as much as \$4.2 trillion in 2016. Global high-technology exports have more than doubled in the last 15 years, from \$987 billion in 1999 to \$2,147 billion in 2014.

Table 1: Global Connectivity Figures (2016)

Sr No	Connectivity Particulars	Percentage
1	Global Mobile-cellular network Connectivity	95
2	Global Mobile- Broadband Network Coverage	84
3	Global Internet usage (2016 estimate)	47.1
4	Global Percentage of Households with internet access	52.3
5	<i>Global Mobile Broadband subscription</i>	<i>49.4</i>

(**Source:** Compiled from International Telecommunication Union Statistics 2016)

The modern world is rightly called as a ‘connected world’. According to international Telecommunication Union (2016) seven billion people which come around 95% of the global population live in an area that is covered by a mobile-cellular network. Mobile-broadband networks reach 84% of the global population. Mobile penetration has reached saturation level in many countries and grows 7.6% annually. This should also be read with accelerated shift to personalized digital technologies including mobile broadband connections and possession of smart phone.

There is an intimate link between internet and interstate relations. The evolution of internet is closely linked with military purpose. ARPANET, the earliest version of the present-day internet was the result of the cold war tension between United States of America and the former USSR. In US, the link between military and computer establishments clearly marked the birth of modern computer industry itself (Hafner & Lyon, 1996)⁴. The earlier initiatives for the development of internet was associated with Advanced Research Projects Agency (ARPA) of the US government. ARPA had been formed by President Dwight Eisenhower in the period of US national crisis following the Soviet launch of the first satellite ‘Sputnik’ in October 1957. The agency was closely controlled by the President and Secretary of Defense. In fact, the sustainability of communication systems was a necessary condition for the deployment and operation of strategic weapons. It should survive most severe attacks and retain the retaliatory capacity of the country. The result is a fragmented and decentralized system of information sharing which cannot be easily destructed by any volume of attacks from the opponents. This was the beginning of World Wide Web and Internet. In the following years, ICT was widely used in international relations as a strong tool for military technology development. Apart from military purpose, ICT facilitates better and effective communication and monitoring of relations between states. Another use of internet in

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international arena is in the field of trade and commerce. IT (Information Technology) and ITeS (Information Technology Enabled Services) is presently a strong component of national GDP and international trade.

ICT and Act East Policy

With regard to ICT, East Asia and the south East Asia has the advantage of high performers in ICT. China is one of the leading players in information technology (IT) and Information technology related services (ITeS)⁵. South Korea is another leading player in IT and ICT with high connectivity figures⁶. Japan is also a dominant player with sophisticated technology and effective connectivity. But apart from the major players, many countries in the belt suffer from low access to ICT and IT related products and services. Connectivity in many countries fall short of global averages. It is in this context the Act East Policy should prioritize ICT in its agenda.

In the case of India, the ICT figures are highly impressive. There is a large ICT network and infrastructure that extends to the rural areas of the country. There are many factors including demographic dynamics of hyper-connected young population, rising standards of living and upwardly mobile middle class, deeper internet penetration, explosion of social-media platforms, and increased smartphone penetration that promote Indian trajectory in the path of ICT development. The Broad band commission report suggest India as the ‘next big frontier of the digital world’.

Over the last two years, mobile broadband subscriptions (including 3G/4G) in India have grown by nearly 2.5 times. But with just 137 million customers and a broadband penetration rate of just 13%, compared with a mobile penetration rate of 80%, India’s digital leap is just starting. Given the massive opportunity to expand broadband connectivity in the country, India is truly the “next big frontier” of the digital world (Broad Band Commission, 2016:19).

The Indian adaption of technology with overall tele-density of 92.98%, mobile tele-density at 79.8% and 220 million smart phone users gives further space for ICT propelled innovations in the country. As per the Telecom Regulatory Authority of India (TRAI) data, India has an overall 92.98% tele density. Total telecom subscription in India is 1194.58 million and is growing in a monthly rate of 0.51% The most promising aspect of the connectivity figures is that most these connections comes

from the wireless telephone sector. There are 276.52 million broad band connections in India. The mobile communication industry in India, with the advantage of steeply falling prices of devices and steadily increasing network coverage has become the second largest mobile market in the world. The mobile subscriber base in India is expected to grow from 616 million users in 2016 to one billion by 2020.

The digital India project of Modi government gave further impetus to the ICT sector in India. It assured better connectivity in the state. The digital India project also identified IT as an engine of economic growth. The vision of Digital India programme is inclusive growth in areas of electronic services, products, manufacturing, and job opportunities etc.⁷. The Digital India programme has been designed to build holistic capabilities across infrastructure, manufacturing, processes, skill sets and delivery. The focus is on improving direct services to citizens as well as making the country business friendly destination for entrepreneurs. Infrastructure development is also a key concern for the development of digital India.

“To realise the dream of a more efficient economy, the digital India campaign was launched to set up digital infrastructure and promote digital literacy. Bringing on E-governance ensures efficiency and transparency while saving a lot of time on procedural matters. While this is in the early stages, proliferating the schme across multilingual platforms and improved internet connectivity in rural areas can scale up this initiative. The government takes the importance of adequate infrastructure. This is why the government is committed to establishing Bharat broadband, connecting 1.5 Lakh panchayats to the internet. As on January 29, 2017, optical fibre cable has been laid to 76089 Panchayats with a total length of 172257 Kms. As many as 16355 gramPanchayats have been provided with broadband connectivity” (Naidu, 2017:8)

It is found that in comparison with the states in the region India has the advantage of strong IT policy, regulatory mechanisms and international competitiveness. This advantage can be a used a spring board for getting better affiliations with the East Asian players.

Finding venues of cooperation

East Asian region can be rightly considered as the manufacturing hub of the world. China, Japan, South Korea and Taiwan are the industry hotspots of the world. In the case of service-based industries also the

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East is hosting the world’s most important financial centers. The tertiary sector contributes more than 90% of Hong Kong’s GDP. The East Asian economy has clearly shifted from the agrarian base to a multi-sector economy. This change was made possible with the shift to IT/ICT based industries and services.

ICTs are identified as great engines of economic growth. According to a 2009 World Bank study, every 10 percentage-point increase in mobile-phone penetration in a developing country yields an extra 0.81 percentage points of annual economic growth. Throughout the world, services such as telecommunications, IT, and finance have experienced the most liberalization in the post 2000⁸. In the case of trade and commerce IT and ITeS have received larger focus and has become an integral part of the skill development and capacity building strategy (Bharti, Gaurav & Kumar, 2016). The trade in IT and Services related products are flourishing in an unprecedented speed and volume.

Table 2: ICT/Service related trade in selected countries

Sl No	Country/Area	Trade in services (as % of GDP)	ICT Services Exports (In US Dollars)
1	Global	12.69	1.436 Trillion
2	East Asia and Pacific	10.4	260.68 Billion
3	European Union	23.4	693.5 Billion
4	South Asia	10.5	113.21 Billion
5	China	5.9	83.38 Billion
6	Japan	7.24	42.457 Billion
7	Hong Kong	53.9	16.42 Billion
9	Peoples Republic of Korea	15.21	24.52 Billion
10	India	11.38	108.46 Billion

(**Source:** Compiled from World Bank Data 2016, <https://data.worldbank.org/indicator>, Accessed on 04-06-2018)

The world bank data suggest that trade in services is a strong component of national GDP. The East Asia and Pacific figures with regard to trade in services far below the European Union. However, it is gaining strength and may reach the global average very soon. This assumption is based on the high growth rate of the sector which was 7.01% in 1996. During 2011 the figure reached 11.11. The best performer in the region is Hong Kong with an impressive percentage of 53.9.

India has a good progress report in trade in services in the region. With quality human resources, political will power and innovative policies,

India has vast potentials to improve its status in the trade scenario. With regard to ICT services exports India is maintaining a steady growth starting from 9.176 billion US dollars in 2000 to 108.46 billion US dollars in 2016. On the other hand, the Indian trade share in the region is comparatively low with regard to other trade partners. The Act East Policy can focus upon this trade deficit and can effectively promote relations through better trade relations in the IT/ITeS trade sector. This should also be read in the context of 'Make in India' project.

Table 3: ICT Indicators of selected countries

Sl No.	Country	Percentage of Individuals using internet	Fixed Broad band Connection (Per 100 inhabitants)	Active Mobile Broadband connection (Per 100 inhabitants)	Percentage of House Holds with computer	3G Coverage (Percentage)
1	China	53.2	22.9	69.1	52.5	98
2	Japan	92	31.4	132.3	81.0	99.9
3	South Korea	92.7	41.1	11.5	75.3	99
4	India	29.5	1.4	120	15.2	79.7
5	Vietnam	46.5	9.6	46.6	23.5	77.3
6	Cambodia	25.6	0.6	50.2	10.5	80
7	Asia&Pacific	41.5	11.3	47.4	37.8	87.6
8	Global	45.9	12.4	52.2	46.6	85

(**Source:** Compiled from 'Measuring the Information Society Report Volume -2' (ITU,2017))

It is to be acknowledged that the ICT performance of the region is at par with/above global averages. But at the same time there is clear regional disparities across countries. To the Asian region, the digital divide poses a big trouble maker for ICT development. Connectivity in many countries in the area is very weak and are beyond global standards (Hilbert, 2016). The barriers of infrastructure further hinder digital initiatives of governments. In many developing states physical access to a computer or kiosk is still a distant dream. The larger question is how to access digital depositories and services without computer and electricity. Next issue is the cost factor. People at lower income brackets are unable to hire costly accessories or to pay service charges. In many states in the region connectivity is highly priced. Even though connectivity prices are decreasing in a promising rate, computed on the income level of citizens, it is still not easily affordable for the disadvantaged^o. Bridging the digital divide is a major theme for all the states. Apart from state actors, international agencies also seriously attend these issues. The World Bank pumps millions and b illions for mitigating divide issues. The issues of constructing digital infrastructure

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and addressing digital divide should become a priority concern in Act East Policy.

The Act East Policy can also look into the governance solutions in the region. Many of the East Asian partners are suffering from governance deficits. There are issues concerned with human development including poverty and health. Administrative quality and public service delivery are another issue that needs to be addressed. It is hoped that with the use of ICT, most of these issues can be well addressed. Digital technologies offer more employment opportunities. E-health solutions provide better medical assistance. With her technological expertise and infrastructure, India can help the neighbors in the region and can emerge as a strong force in the region. Initiatives like the 2007 ASEAN-India Science & Technology Development Fund can accelerated joint ventures in IT projects¹⁰. This can be also supplemented with private ventures in the field of ICT. India should initiate the promotion of private investment in regional ICT initiatives and ITeS.

Issues and Concerns

Governance environment all over the world is fast shifting to digital modes. This brings forth many benefits to the citizen and state. Governmental procedures are simplified as the individual can directly access the services without bureaucratic barriers. With more openness, governance is forced to become moral. Corruptions are minimized, if not eliminated. With open procedures and public accessed documents government accountability also increases. Responsibility and responsiveness also increases in the face of public scrutiny. With regard to interstate relations ICT can make more cohesive bonds that will minimize the role of state boundaries and national enmities.

With respect to democracy, the evolution of ICT enables more effective and efficient discussion and participation. The traditional barriers of place, time and economy are effectively mitigated with the support of technology. Many of the new social movements are supported and supplemented by social media and technology tools Shirky (2011). With regards to the potential of Internet in Governance, UNESCO observes,

The Internet is the technology of the future, and trends over the past 10 years support the conclusion that barriers of access to the Internet will diminish, bringing to the fore questions relating to the use of the Internet in all regions of the world¹¹.

As per the ITU figures, the East Asian region is exhibiting high level of growth in ICT indicators. But the growth commonly observed in Asia

and the Pacific has been primarily driven by growth in China. More than 50% of the fixed broadband subscriptions are registered in China, which has also increased the share of Asia-Pacific in the global total of fixed broadband subscriptions to more than half¹².

A major challenge to the Act East Policy comes from the political structure of the region. The national entities in the region follow different political systems and have multiplicity of governance patterns. There is no uniformity or commonality with respect to culture, politics or language. Stability of many state systems are also in question. This makes a partnership and integration, a difficult task.

In the case of trade, even though India-ASEAN trade has registered a 10% growth during the period 2016-17, the full potential is yet to be achieved. The two-way trade between India and Asean moved up to \$71.6 billion in 2016-17 from \$65.1 billion in 2015-16. But during the same period Chinese trade was for 452.31 billion dollars. This calls for a more focused approach from the part of India¹³

Concluding Remarks

ICT-enabled governance has been widely used to meet the drastically increasing demand for social welfare and democratic engagements. In a short span of time ICT assisted governance have gained global acceptance and it became an essential feature of modern governance. It assures more citizen engagement in government, better service delivery, effective civil society interactions and better and efficient governance. Mobile phones, the Internet, and other modern communication technologies, are providing new platforms to disseminate information and increase access to services among underserved areas and among those with lower mobility. Interactions may take place in an unimagined speed and volume. Corruption, red-tapism and bureaucratic hindrances in service delivery are minimized. Governments and authority structures are transforming into more transparent, accountable, horizontal and moral patterns. Incidentally citizens will become more informed, well involved, better connected and well served. In the economic front ICTs provide a vibrant agent of economic growth and development.

IT and ITeS has become a 'hot cake' in the national and international market. As such a heavy volume of IT products and services are exchanged between states. This opens up a great platform for cooperation between the state actors. The Act East Policy of the government of

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India is a positive step toward a better regional integration. There are many strategies adopted by the government to implement the policy. A major component in this context is trade and commerce. It is suggested that India should give more attention to ICT/IT related trade and services. This will be beneficial to both India and the participant state.

Many of the states in the region are struggling with governance issues ranging from poverty to democratic quality. India, with her vast resources and advanced know-how in ICT can help her neighbors with ICT based governance solutions. Most of the Indian digital success stories including ‘digital India’ can be replicated in many of the neighboring countries. Thus, it is hoped that with effective use of IT/ICT Act East Policy will become more productive and fruitful. In the very near future India can become a ‘power house’ of the region with the Act East Policy.

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- [1] See, *2 Years On, Has Modi’s Act East Policy Made a Difference for India?* Ashok Sajjanhar, *The Diplomat*, June 2016, <https://the.diplomat.com/2016/06/2-years-on-has-modis-act-east-policy-made-a-difference-for-india>, Accessed on 02-06-2018
- [2] In the South China sea issue, India was concerned because of the high volume Indian trade through the South China Sea route. Here India took a principled position of freedom of navigation, maritime security, expeditious resolution of dispute according to international law and the UN Convention on the Law of the Sea.
- [3] “India has upgraded its relations to strategic partnership with Indonesia, Vietnam, Malaysia, Japan, Republic of Korea (ROK), Australia, Singapore and Association of Southeast Asian Nations (ASEAN) and forged close ties with all countries in the Asia-Pacific region. Further, apart from ASEAN, ASEAN Regional Forum (ARF) and East Asia Summit (EAS), India has also been actively engaged in regional fora such as Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), Asia Cooperation Dialogue (ACD), Mekong Ganga Cooperation (MGC) and Indian Ocean Rim Association (IORA).” Source, Press Information Bureau, Government of India, Ministry of External Affairs, Press Release Dt. 23-12-2015, <http://pib.nic.in/newsite/PrintRelease.aspx?relid=133837>, accessed on 04-06-2018.
- [4] During Second World War the American military funded many computing experiments. Navy supported Howard Aiken, a Harvard Mathematics Professor, who dreamed of building a large scale calculator.

The project resulted in MARK-I, an arithematical operation machine that can function without human operator. The army supported ENIAC (Electronic Numerical Integrator and Calculator) project of University of Pennsylvania. The air force funded a computer project namely, Whirlwind.

- [5] The beginning of ICT innovation in Chinese state can be traced back to “Office Automatization Project.” of the central government at the end of 80s. This project helped computerization of the state services and construction of an internal e-network in the country (Zhang, 2006). In 1993, Under the patronage of Jiang Zemin the State Council launched a project named “Golden Card” aimed at introducing smart cards and installing a national automated teller machine (ATM) network and a point-of-sale (POS) computer network.
- [6] With regard to ICT price basket, South Koreans pay an average of \$38 a month for connections of 100 megabits a second. Americans pay an average of \$46 for service that is slow by comparison. See Mark McDonald, *Home Internet May Get Even Faster in South Korea*, New York Times, February 21, 2011 ‘http://www.nytimes.com/2011/02/22/technology/22iht-broadband22.html?_r=, Accessed on 22-05-2018.
- [7] Digital India is an umbrella programme to prepare India for a knowledge-based transformation. This programme pulls together many existing schemes. At the backdrop of creating a participative, inclusive, responsive, and transparent government, Digital India beckons a new innings in transforming the largest democracy into a deepening democracy by empowering citizens digitally.
- [8] IT services are related to computer software, whereas ITeS uses computers or telecommunications to render services to non-IT sectors, which may include insurance, banking, finance and others.
- [9] The ITU study 2010 reveals that between 2008 and 2010 ICT services have become more affordable and relative prices came down by an average of 18%, globally. The steepest price drop occurred in developing countries, where fixed broadband prices dropped by 52.2%. In developing countries, mobile cellular prices, which have substantially dropped over the last decade, fell by a further 22%.
- [10] The ASEAN-India Science & Technology Development Fund was announced at the 6th ASEAN-India Summit in November 2007 with a US\$ 1 million contribution from India to promote joint collaborative R&D research projects in Science & Technology. This fund has been enhanced to US\$5 million from 2016-17. Projects worth US\$ 0.67 million are already under implementation and new projects are being identified.
- [11] See, Reflection and Analysis by UNESCO on the Internet, 36 C/5429 July 2011, UN General Conference 36th session, P-9.
- [12] For details see the *State of ICT in Asia and Pacific 2016, Uncovering the*

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widening broadband divide: UN ESCAP Report, www.unescap.org/.../State%20of%20ICT%20in%20Asia%20and%20the%20Pacific%20, Accessed on 03-06-2018.

- [13] Arvind Panagariya, professor at Columbia University observes “With 644 million population and combined GDP of \$2.7 trillion, Asean is a large economy. It also enjoys annual per capita income of \$4,200. If you combine India and Asean, you have a \$5 trillion economy, third largest in the world after the US and China. Seen this way, India and Asean are extremely important for each other,” Source: Surojit Gupta, *Indo-Asean trade rises 10% to \$72bn in FY17, but is long way off potential*, The Times of India, Jan 26, 2018. <https://timesofindia.indiatimes.com/business/india-business/indo-asean-trade-rises-10-to-72bn-in-fy17-but-is-long-way-off-potential/articleshow/> Accessed on 05-06-2018.

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- [6] Hilbert, M. (2016). The bad news is that the digital access divide is here to stay: Domestically installed bandwidths among 172 countries for 1986–2014. *Telecommunications Policy*, 40(6), 567-581.
- [7] Naidu, V. M. (2017). The Story of A New India. *Yojana*, 61(5), 7-13.
- [8] Shirky, C. (2011). The Political Power of Social Media Technology; The Public Sphere and Political Change. *Foreign Affairs*, 90(1), 28-41.
- [9] World Bank. (2016). *Digital Dividends*. Washington: World Bank.
- [10] Zhang, J. (2006). Good Governance Through E-Governance? *Journal of E-Government*, 2(4), 39-71.

India's National Security and Act East Policy: Some Reflections on the Tibetan Issue

Rakhee Viswambharan

Act East Policy – An Overview

The main content of India's Act East Policy was well reflected in the statement of the Minister of State for External Affairs, Dr V K Singh at the Lok Sabha. He has stated that the main focus of the act east policy is the extended neighbourhood in the Asia-Pacific region. He maintained that the policy which was originally conceived as an economic initiative, has gained political, strategic and cultural dimensions including establishment of institutional mechanisms for dialogue and cooperation. As a follow-up of the act east policy India has upgraded its relations to strategic partnership with Indonesia, Vietnam, Malaysia, Japan, Republic of Korea (ROK), Australia, Singapore and Association of Southeast Asian Nations (ASEAN) and forged close ties with all countries in the Asia-Pacific region. Further, apart from ASEAN, ASEAN Regional Forum (ARF) and East Asia Summit (EAS), India has also been actively engaged in regional groupings such as Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), Asia Cooperation Dialogue (ACD), Mekong Ganga Cooperation (MGC) and Indian Ocean Rim Association (IORA). The Act East Policy has also placed emphasis on India-ASEAN cooperation in India's domestic agenda on infrastructure, manufacturing, trade, skills, urban renewal, smart cities, make in India and other initiatives. It is pointed out that the connectivity projects, cooperation in space, S&T and people-to-people exchanges are also included in it.¹

It is further made clear that the objective of 'Act East Policy' is to promote economic cooperation, cultural ties and develop strategic relationship with countries in the Asia-Pacific region through continuous engagement at bilateral, regional and multilateral levels thereby providing enhanced connectivity to the States of North Eastern Region including Arunachal Pradesh with other countries in India's neighbourhood.² It appears that

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India had specifically mentioned about Arunachal Pradesh as China always raise its objection whenever the Tibetan leaders visit the place which China claim as 'South Tibet'. In this context the connectivity of the north east region with ASEAN member countries can also be considered as a initiative towards addressing India's national security concerns as well as human security concerns simultaneously.

Again the ASEAN-India Plan of Action for the period 2016-20 has been adopted in August 2015 which identifies concrete initiatives and areas of cooperation along the three pillars of political-security, economic and socio-cultural. The visit of head of states of the 10 ASEAN members as the Chief Guest of India's republic day celebrations and the bilateral exchange of with all members marked a new beginning in India – ASEAN relations. Similarly India's move through the quadrilateral interface with Australia, Japan and the US is also an initiative towards establishing a rule based order in the Asia-Pacific region which is ridden with the border dispute in the land as well as maritime domain. Further the unresolved Tibetan people's struggle for autonomy within People's Republic of China (PRC) adds a new dimension to the international law based order in the East Asia. It appears that the increased interaction among countries in the Asia Pacific region would also help to resolve many bilateral issues amicably. Since India share border with China only through Tibet, it appears that any solution to the Tibetan issue base on accepting the right to self-determination of the Tibetan people would also enhance India's national security.

The Tibetan Issue

The unresolved Tibetan issue is a great challenge before the international comity of nations in general and the East Asia region in particular. The issue is embedded in the history of Tibetan nationalism and Tibet-China relations, which can be divided into four main periods. (Smith 1996; Goldstein 1989; Grunfeld 1987).

The first phase from 630 to 842 represents the beginning of the consolidation of the Tibetan state and its consequent fall in 842. In the post fall phase, political unity continued to elude Tibet till mid-13th century, when Tibetan Lamas established a political—spiritual relationship known as 'cho—yon' or 'priest—patron' relationship with the Mongol empire. From 1260 to 1368 and then again from 1644 to 1911, Tibet remained a dependent state under the Mongol Yuan and Manchu Ching dynasties respectively. From 1368 to 1644, Tibet was independent of Ming dynasty of China. During the second phase, Tibet

was under the direct rule of China for a short span of three years from 1911-14.

In the third phase (1914–50) Tibet had experienced an upsurge of, nationalism, which was stimulated in the early 20th century by the British imperialist interference and in Tibet, the Chinese attempt to impose direct control over it. However, during this phase with the British assistance Tibet managed to enjoy de-facto independence, devoid of international legitimacy.

In the fourth period (1950 to the present) Tibetan independence was forcibly eliminated. The People's Liberation Army (PLA) annexed Tibet in the 1950 under the apparel of 'peaceful liberation' from 'imperialist forces'. Tibet was forced to sign a '17-Point Agreement on Measures for the Peaceful Liberation of Tibet' with China in 1951. The agreement brought the Tibetan national identity under stress as it paved the way for China to impose 'socialist transformation' of Tibetan society. During the Cultural Revolution (1966–76), the Tibetan culture was once again subjected to intense assimilation process. However, after 1980, Tibetan culture and nationalism revived. During this phase Tibetans gained international support for right to self-determination of the people of Tibet. (Smith 1996).

The great power game was well visible in Tibet from the beginning of 20th century. In 1904 the British troops entered Tibet and forced China to sign an agreement. This British move was inspired by Viceroy Lord Curzon's perception regarding the Russian moves in Central Asia and in particular Tibet. However, Britain did not approve the invasion of Tibet and the Chinese suzerainty was restored. The 1907 convention by Russia, China and British-India approved the Chinese suzerainty over Tibet. In the 1914 Shimla convention Tibet attended as an independent entity along with British India and China. The convention resulted in drawing the Mc Mahon Line that demarcated the border between India and Tibet. There is difference of opinion regarding the Chinese approval to the final outcome. However, given the weak power position of China at that times it had only limited option.

It is important to note that Tibet was never formally recognized by the League of Nations or the United Nations. However, between 1913 - 51 Tibet had an independent government, currency, army, judicial and postal systems. Furthermore, the Tibetan government enjoyed formal bilateral relations with the neighboring countries such as Mongolia, Nepal, India, and Bhutan, and concluded treaties with China and Britain. The Tibetan claim that they have every right to self-determination as

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China had illegally occupied their territory in the name of 'peaceful liberation of Tibet'. The Chinese annexation of Tibet, in fact, eliminated the long existed buffer zone from the region and a common border was formed between India and China. When two equally powerful nations based on nationalist feeling emerged and they share a contested common border both nations try to resolve the border issues through a zero sum game. It appears that the denial of autonomy to the Tibetan people by the communist China further worsened the India – China relations.

India and Tibet's Status

Independent India had shown less interest in Tibet. However, when the People's Liberation Army (PLA) entered Tibet, India deplored the invasion of 26 October 1950, the Ministry of External Affairs, Government of India, told the Chinese foreign office how it looked at the event that "In the context of world events, invasion by Chinese troops of Tibet cannot but be regarded as deplorable and in the considered judgment of the Government of India, not in the interest of China or peace." (Mehrotra, 2000)

Again on 7 December 1950 the Indian Prime Minister, Jawaharlal Nehru reiterated India's stand in the Parliament:

It is not right for any country to talk about its sovereignty or suzerainty over an area outside its own immediate range. That is to say, since Tibet is not the same as China, it should ultimately be the wishes of the people of Tibet that should prevail and not any legal or constitutional arguments — the last voice in regard to Tibet should be the voice of the people of Tibet and of nobody else (Mehrotra, 2000)

The then Prime Minister of India, Jawaharlal Nehru's statement well reflected India's stand on right of the people for self-determination.³

After initial support for Tibet's claim for self-determination,¹ the Indian stance on the issue changed in the wake of Indo - China bilateral agreement of 1954, known as Panchasheel.⁴ As per the agreement India had accepted China's claim on Tibet. On 29 April 1954, India agreed to the Chinese insistence on referring to Tibet as 'Tibet Region of China'. Though India did not provide any direct support to the Tibetans right to self-determination when it was taken up at the UN General Assembly in 1958, it did provided political asylum to Dalai Lama and his followers in 1959.

Tibetan refugees in India

India had provided political asylum to Dalai Lama and over 80,000 Tibetans refugees. India's consistent official policy has been to disallow anti-Chinese activities by Tibetan refugees on Indian soil. However, India has allowed the Tibetans to run a government-in-exile, the Central Tibetan Administration. So long as the exiled community stays in India, Tibetan nationalism and the demand for self-determination will remain a major apprehension for PRC. (Suresh R. 2011) India has refused to reduce or suspend its support to Tibetan refugees in India. This is one of the major irritants in India – China relations. The Chinese complain that such open encouragement and support given by the government of India to the Tibetan in their 'anti - China activities' constitute interference in China's internal affairs and harms the progress of India - China relations.

India – China Border Dispute

The border dispute continues to elude resolution ever since India and China have acquired a common border when the PRC occupied the Tibetan plateau in 1950-51. The historical roots of the India-China border dispute can be traced to the imperial period when the great game between British India, Czarist Russia and Qing China over Tibet and Central Asia. Empires thrived on uncertain borders were more preferable to imperial powers as clearly demarcated borders constrained their own ambitions and strategic flexibility. In addition, the inhospitable terrain of the high Himalayas, the absence of sophisticated surveying technologies and existence of a functioning Tibetan state made the delimitation of India's northern border either unnecessary or difficult.

Nevertheless ultimately in the Shimla convention of 1914, in fact, made the border line between British India and Tibet. However, in the mid-20th century, when two equally nationalistic and territorial states gained control over the India and China, the latter was not ready to accept the British proposed Mc Mohan line. This stand of China was well reflected especially after the signing of the 'India–China Agreement on Trade and Intercourse between Tibet Region of China and India' (April 29, 1954) in which India for the first time accepted Tibet as a part of China. On the Indian side Prime Minister, Jawaharlal Nehru at the time of signing of Panchasheel agreement thought that the boundary was no longer an issue, and that the Chinese have accepted the historical status quo.

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Jawaharlal Nehru wrote of this to Zhou Enlai in 1958 as the border issue heated up:

When the Sino-Indian Agreement in regard to the Tibet region of China was concluded, various outstanding problems, including some relating to our border trade, were considered.... No border questions were raised at that time and we were under the impression that there were no border disputes between our respective countries. In fact we thought that the Sino-Indian Agreement, which was happily concluded in 1954, had settled all outstanding problems between our countries.⁵

He had also expressed shock at seeing maps printed in China showing certain 'Indian' areas to be part of China.

Thus the India - China border problem is embedded on Tibet as China had no border with India except through Tibet and India's border with Tibet was a well-settled border negotiated at the Shimla conference of 1914.⁶ Therefore it appears that a solution to the Indo-China border problem also lays in the Tibetan claim for the right to self-determination.

India and China: The Common Security Concerns

It appears that Tibet is an extremely important factor in security paradigm of both India and China. Since its geopolitical position has impacted it between two great powers, it has to be dependent on either China or India, having no other choice. Tibet has always had a high degree of spiritual identification with India. The Republican Chinese officials way back in 1910 expressed similar assessments when they stated: 'Tibet is a buttress on our national frontiers—the hand, as it were, which protects the face—and its prosperity or otherwise is of the most vital importance to China'.

India has its reciprocal fears arising from Chinese military presence in the Tibetan plateau.⁷The true extent of China's military presence in Tibet cannot be gauged, given the extreme secrecy surrounding information about the PLA. The presence of Chinese strategic forces on the Tibetan plateau adds another dimension to India's China threat perception. Again China's management of water resources emanating from Tibet, which is the major source of water in the Indian subcontinent, also feature in Indian security conceptions. The historical memory and sense of betrayal and humiliation on account of the 1962 war that continues to disturb India and casts a shadow over Indian perceptions of China.

In essence, the complex of security concerns connected to Tibet underpins the strategic rivalry between these two major Asian players, India and China. Consequently, the China and India have common security concerns that are connected to Tibet. These issues can be well addressed only through mutual trust and confidence building measures. Though there are mechanisms to resolve the border dispute amicably since 1988 through the joint working group (JWG), little progress has been reported so far. Meanwhile the external powers exploit the conflicting situation to their advantage through various overt and covert moves.

Security in the Asia – Pacific Region and India – China Relations

Among various proposals put forward to settle the Tibet issue and India - China border dispute the Dalai Lama's five-point peace plan for Tibet, known as the Strasbourg Proposal of June 1988 assumes great significance. The proposal called for the transformation of "the whole of Tibet, including the eastern provinces of Kham and Amdo," into a zone of peace and nonviolence. The establishment of a peace zone "would be in keeping with Tibet's historical role" as a "buffer state separating the continent's great powers." Dalai Lama explained the relevance of Strasbourg Proposal:

Historically, relations between China and India were never strained. It was only when Chinese armies marched into Tibet, creating for the first time a common border that tensions arose between the two powers, ultimately leading to the 1962 war. Since then numerous dangerous incidents have continued to occur. A restoration of good relations between the world's two most populous countries would be greatly facilitated if they were separated-as they were throughout history-by a large and friendly buffer region.⁸

It appears that the proposal that Tibet should become a buffer region is almost identical to the Indian government's proposal for the demilitarization of Tibet, an idea India toyed with prior to independence. (Zhao, 1996) After independence, India advocated this idea until the 'liberation of Tibet' by the PLA in 1951. However, the Dalai Lama's call for the establishment of a peace zone or demilitarization of Tibet has failed to draw a positive response from the Chinese government, to which it was addressed. A demilitarized buffer zone along the Indo-China border would have brought peace in the region. It is also argued that such a demilitarized buffer zone would have accelerated the bilateral interaction between the two major Asian powers, India and

China. However, the Tibetan proposal was long rejected by the Chinese communist leadership.

Recently India and China met at Beijing to strengthen coordination mechanisms along the disputed border including on the ground implementation of a border defence agreement aimed at formalizing patrolling and minimizing the occurrence of incidents along the disputed borders. The meeting had explored into the ways and approaches to safeguard peace and tranquility in the border areas. The meeting was the sixth round of the working mechanism which was set up in 2012 with the objective of cross ministerial platform focusing on the ground issues in the border areas. However, it appears that all these efforts fail to achieve anything concrete towards the settlement of border dispute mainly due to the fact that once China accepts the Mc Mohan line between India and China its claim on Tibet would further diminish. This is mainly because the acceptance of British negotiated Mc Mohan line by China is tantamount to accepting the independent status of Tibet.

Thus it appears that Tibet has shaped the informal and invisible dynamics of India - China relations and politics from 1950 to the present. Tibet is also the legal foundation on which both India's and China's border claims rest. It is important to note that China had amicably settled all border claims with Russia, Pakistan, Nepal, Myanmar, Afghanistan and Bangladesh. Again China had long ago settled its territorial dispute with Myanmar along the Mc Mohan line.

Conclusions

It appears that in the post-cold war period any further delay on the part of China to resolve the border dispute with India would be detrimental to China on two counts. Firstly, it provides an opportunity to strengthen the bounds of India – US – Japan relations. Such an alliance, especially in the context of prevailing South China Sea and East China Sea disputes act against the China's interest. Secondly, the alliance of world's largest democracy and world's most powerful military power and powerful economic power with a strong democratic system would pose a major challenge to communist regime in China. Any kind of strong bonds of friendship among these three major players appears to pose internal as well as external threat to the survival of the present communist regime in China.

Finally it appears that India's Act East Policy is an initiative not only to address its national security concerns but also the human security

concerns. Further the better connectivity with South East Asian nations and East Asia and the Pacific region at large bring in many players in the region and that is in tune with India's move towards a multi polar world with multilateral forums to address the non-traditional threats to security. (Suresh R, 2015) Democratic system of governance and protection of human rights are imperative to have a rule based international order. Thus India's act east policy also appears to be a move towards the strengthening of democratic system in the Asia Pacific region as it strengthened its national security.

Notes

- [1] Lok Sabha question No. 4062 answer of the Dr V. K. Singh, Minister of State for External Affairs, Govt. of India, 23/12/2015. mea.gov.in
- [2] Ibid.
- [3] Tibet is not a province of China. It is different from China proper. We recognize that and, therefore, we consider it to be an autonomous region of the Chinese State. The Chinese people are called the Han people. The Tibetans are not Hans. The Tibetans are Tibetans. See the transcript of the Prime Minister Jawaharlal Nehru press conference held on 4 April 1959 in New Delhi.
- [4] (i) Mutual respect for each other's territorial integrity and sovereignty; (ii) mutual non-aggression (iii) mutual non-interference in each other's internal affairs; (iv) equality and mutual benefit; and (v) peaceful co-existence.
- [5] Notes, Memoranda and letters Exchanged and Agreements signed between The Governments of India and China White Paper III, MEA, Government of India, New Delhi.
- [6] Indian Parliament on Issue of Tibet, Lok Sabha Debates 1952 -2005, Tibetan Parliamentary and Policy Research Centre, New Delhi, 2006.
- [7] Chinese irredentism and communist imperialism are different from the expansionism or imperialism of the Western powers. The former has a cloak of ideology which makes it ten times more dangerous. In the guise of ideological expansion lie concealed racial national or historical claims. The danger from the North and North-East, therefore becomes both communist and imperialist. See the Letter from Deputy Prime Minister, Sardar Vallabhbhai Patel to Prime Minister Jawaharlal Nehru New Delhi 7 November 1950
- [8] See 'Strasburg Peace Proposal', Department of Information and International Relations, Central Tibetan Administration, Dharamsala, India, 2013.

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Act East Policy : The Maritime Connect

Utham Jamadhagni

Eastward Bound

India as an emergent power aims to build new ties and nurture old friendships especially in the greater Asian region. With a reorientation in India's foreign policy towards geographically proximate countries, the bond with ASEAN countries is under renewed focus. In an age when economic interdependence is ever increasing, other aspects of engagement are assuming added importance. India aims to widen its arc of influence over the area spanning from the Persian Gulf to East Asia. It is in this context that her involvement in the ASEAN region warrants attention. ASEAN serves as the lynchpin of India's Act East policy. The evidence of this can be seen in the number of high level exchanges that have taken place this year. The Indian President, Vice-President and Prime Minister have, among them, travelled to nine out of the 10 ASEAN countries.¹

ASEAN is close to India geographically – India shares land borders only with Burma, but sea borders with Thailand, Indonesia, Malaysia and Singapore. India-ASEAN relations have deepened and intensified significantly in recent years. The Look East Policy took the cultural, geographical connects into account and the potential role the diaspora could play in bridging the gaps between India and their host countries.² This policy sought to foster closer links with ASEAN in strategic, political and economic fields. Not only was it an attempt to exhibit India's trade and investment potential, it also attempted “to carve a place for India in the larger Asia-Pacific.”³ ‘Look East’ was introduced in the early 1990s by the then Prime Minister PV Narasimha Rao. It was endorsed by his successors Atal Bihari Vajpayee and Manmohan Singh.

In the words of Prime Minister Dr. Manmohan Singh, “*India's Look East Policy is not merely an external economic policy, it is also a strategic shift in India's vision of the world and India's place in the evolving global economy. Most of all it is about reaching out to our civilisational neighbours in South East Asia and East Asia*”⁴ With the unveiling of the Look East Policy a drastic change in the orientation of India's foreign and economic policy took place with sights set on strengthening the

relations with these countries that have had strong cultural ties. The Look East Policy attempted to engage ASEAN countries in economic, strategic and political fields. The impetus has been heightened by the “Act East” policy.

From Looking to Acting

It was Hillary Clinton, the US Democratic Presidential aspirant who as Secretary of State during her visit to India in 2011 said, “We encourage India not just to look East, but to engage East and act East. And its leadership in South and Central Asia is critically important.”^{5,6}

There have also been several high level visits since the Modi government took over. ⁷ He attended the two ASEAN-India Summits.⁸ Prime Minister Narendra Modi used the East Asia Summit in Myanmar last month to stress India’s seriousness to advance India-ASEAN economic relations, signalling a more action- oriented policy towards South East Asia to boost economy and expand the country’s global role. Externally, India’s ‘Look East Policy’ has become ‘Act East Policy,’” Modi emphasised at the ASEAN-India Summit of 2014. He highlighted specific recommendations to advance ASEAN- India economic relations over the next few years, including establishing a special purpose vehicle for project financing, building information highways, and inviting ASEAN countries to participate in India’s ongoing economic transformation.

The foreign minister of India under the incumbent central government, Sushma Swaraj, on her maiden visit to Vietnam in August 2014, talked of “Act East Policy” to replace the earlier “Look East Policy”.⁹ Deepening of trade and other links has been the principal aim of the new foreign policy doctrine of Narendra Modi.

Modi(u)s operandi

Prime Minister Modi after assuming charge, has made several tours to neighbouring Asian region as well as to the ASEAN countries. Modi has visited Singapore to commemorate the golden jubilee of Indo-Singapore relations in 2015. He has also not neglected the newly democratic Myanmar — the only ASEAN country India shares a land border with. The annual India-ASEAN Summit similar to the ones held with other leading nations of the world like US, China, Japan, South Korea, Australia, New Zealand and the European Union signifies the status that has now been accorded to India by this Asian bloc.

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High level visits by the President and Vice President of India as well as ministers with key portfolios like External Affairs, Defence and Finance indicate India's resolve to "build closer ties with South East Asia. In September 2015 during President Pranab Mukherjee's visit India extended the \$100 million credit for defence purchases to Vietnam with whom the ties are being ever deepened. India also held its first bilateral talks with Malaysia a first in five years in November 2015, when Modi met Malaysian counterpart Najib Razak. The Indian PM sought investment in infrastructure as well as defence manufacturing under the 'Make in India' campaign.

Modi and Burmese President Thein Sein both reviewed key ongoing joint infrastructure projects such as the India- Myanmar-Thailand trilateral highway and the Kaladan project. Kaladan Multi-Modal Transit Transport Project will connect the India's eastern seaport of Kolkata with Sittwe seaport in Myanmar by sea; it will then link Sittwe seaport to Lashio in Myanmar via Kaladan river boat route and then from Lashio on to Mizoram by road transport.

Singapore Prime Minister Lee Hsein Loong invited Modi to visit the city-state in 2015 to celebrate the 50th anniversary of bilateral ties. Modi could be seeking Singapore expertise to accomplish his urban planning and development projects. Modi also met Thai Prime Minister Prayut Chan-o- cha who expressed interest in the 'Make in India' initiative.

During External Affairs Minister Sushma Swaraj's visit to Myanmar to India-ASEAN meeting, India said it would soon draft a five-year action plan starting 2016 for enhancing connectivity and cooperation in diverse areas.¹⁰¹¹In 2014 she visited Vietnam where she inaugurated the third meeting of India-ASEAN Network of think tanks.¹² She also visited Myanmar, Singapore and South Korea. In 2015, she visited Indonesia and Thailand, with an aim to cooperate in security, trade, investment, connectivity and capacity building and strengthening people to people linkages. Areas that have received special impetus besides the firmament of Defence relations are cyber security, humanitarian assistance and disaster relief as well as infrastructure development.

A new plan of action has been drawn up to fulfill the ASEAN India Partnership for Peace, Progress and Shared Prosperity that was signed in 2004 to intensify the engagement with this vital economic community.¹³The Delhi Dialogue, a quasi government track initiative, begun in 2009 discusses politico security and economic issues. It serves as an exchange platform for business leaders, government ministers and academics to interact. The most recent edition was held

in February 2016¹⁴. In her address to the forum, External affairs minister Sushma Swaraj acknowledged the centrality of ASEAN in her contact with the East and noted that the relationship had grown “from being Sectoral Dialogue Partners to being Strategic Partners”.¹⁵

Island interest

Sea lane security is important to ASEAN Nations, while it is imperative for India too. India's island territory of Andaman & Nicobar Islands are closer to ASEAN countries than to the Indian mainland. The Nicobar Islands are just 98 nautical miles from the Banda Aceh province of Indonesia. Both countries share around 300 nautical miles of maritime border. There is no maritime boundary dispute between the two countries. Notably, India settled its maritime boundary with Indonesia as early as 1974 following an agreement over the area between Great Nicobar and Sumatra islands¹⁶. A 1977 treaty extended this line into the Andaman Sea and the Indian Ocean¹⁷. In 1979, the agreement over the tri-junction point between India, Indonesia and Thailand came into force.¹⁸ For long, India has neglected the strategic importance of the far flung island territory. The Chinese foray into gaining access to the Indian Ocean through leverage from military and economic aid to littorals all around India have woken her up to the looming threat. Thus India established a separate tri-service command here.

The Andaman and Nicobar joint service command, at first called the Far Eastern Naval Command, was established only in 2001. This set off concerns within Southeast Asian region especially Malaysia, Thailand and Indonesia on her present growth and “future intentions”.¹⁹ An Indonesian naval delegation later visited the A&N naval installations convincing them that a strong Indian Navy could be a positive factor in the safety and security of the region. Some of the 562 islands in the Andaman and Nicobar group are uninhabited making them safe havens for poachers and other Violent Non-state Actors (VSNAs). The proximity of these islands to the international trading route is also of concern as there are reports of dangers of collision, oil spills and marine pollution.

Joint naval exercises

The nature of prevailing transnational and cross border threats warrants that countries in a region cooperate to control and finally weed out the menace. Earlier military threats emanated from other states and were clearly demarcated. With the rise of maritime security problems like piracy, arms and drug smuggling and trafficking, illegal immigration and maritime terrorism that respect no boundaries, states are left with

no choice but to seek the help of others within and out of the region. The widening of security paradigm to encompass challenges of pollution, energy demand and supply, economic security and several other human related issues has meant the consideration of issues that are foreign in source and or solution. The pan regional threats like over-fishing - that could affect the marine resources of a region are also noted with concern. The joint naval exercises reflect this reality in that it has manifested into search and rescue operations, patrolling of dangerous waterways, associating with hitherto remote nations and the focus on specific issues facing the co-operator.

The plethora of regional and extra regional military exercises by the Indian navy, army and air force in the recent are rudimentary steps towards cooperation in the military arena in the south Asian region. Owing to the transnational character of sources or solutions to threats and the inadequacy in numbers, sophistication or range of individual national armed forces in combating these threats are the twin movers of this rationale. Such exercises are aimed at achieving coordination at the operational levels and learning or sharing the separate experiences in facing or dealing with the threat. The threat of maritime terrorism is further aggravated by the threat of the WMDs falling in the hands of terrorists obtained from the theft of vessels ferrying such material. With containerization of sea borne trade and the Flags of convenience concept now allowing concealment of ownership, piracy together with maritime terrorism concoct a dangerous mix.

Small is big

The Indian navy has one of the oldest formal maritime cooperative mechanisms with Singapore. The Singapore, India maritime bilateral exercises (SIMBEX) began as early as 1993 in the Andaman islands has over the years, grown in scope and complexity, evolving to advanced naval warfare exercises covering the air, surface and sub-surface dimensions²⁰. Singapore has emerged as India's staunchest supporter for the latter's geostrategic initiatives and the military presence in the Asian region, and provided a strong platform for India's integration with the East Asian economies.²¹ Singapore can be seen to be one of the closest. Singapore has also been a consistent supporter of a greater role for India in ASEAN's fora. In fact, India joined the ARF upon Singapore's nomination and backing. In SIMBEX 15, INS Delhi, INS Ranvijay, INS Ranveer, INS Jyoti and INS Kirch joined Singaporean Naval submarine and 3 more naval ships to exercise in the South China Sea.²²

Indonesia

India's first-ever naval exercise outside the Commonwealth was with Indonesia.²³ India has been supplying naval equipment and proposes to enhance cooperation in this field by joint production and transfer of technologies. Apart from this the two countries have established frameworks to deal with non-traditional security issues like terrorism and maritime piracy. Since 2002 India has been conducting coordinated patrols (INDINDOCORPAT) with the Indonesian navy to tackle maritime concerns like piracy, arms and people smuggling and also to enhance security in the Andaman Sea.²⁴ India has also been conducting bilateral Search and Rescue Operations with Indonesia named Indopura SAREX (Search and rescue exercise). Since 1997, the bilateral SAREX has been converted into a multilateral maritime operation comprising of India, Indonesia, Malaysia and Singapore.²⁵ Indian naval ships have been paying goodwill visits to Indonesian ports. Coordinated patrol with Indonesia called 'INDINDO Corpat' along the International Maritime Boundary Line (IMBL) between India and Indonesia is done twice annually since its inception in 2002.²⁶ The Joint Working Group on terrorism since 1995 and the SAREX operations are illustrations of the deep relationship between the two countries. In times of crises like the tsunami, India assisted Indonesia by sending medicines and food supplies under Operation Gambhir. With Indonesia, and the Indian Navy have been carrying out coordinated patrolling twice a year since 2002 near the International Maritime Boundary Line (IMBL) to keep this vital part of the Indian Ocean region safe and secure for commercial shipping and international trade. The aim of the co-ordinated exercise is to enhance mutual understanding and inter-operability between the navies, prosecute vessels engaged in unlawful activities, conduct SAR and take measures against sea pollution.

The 27th edition of India Indonesia Coordinated Patrol (Corpat) conducted from April 29 till May 19, 2016 in the Andaman Sea was designed to keep this vital part of the Indian Ocean region safe and secure for commercial shipping and international trade.²⁷ The Indonesian Navy was represented by the ship KRI Imam Bonjol and Maritime Patrol Aircraft CN 235 while *INS Karmuk* and one naval Dornier aircraft represented the Indian Navy.

Thick friends

Vietnam has been one of the special friends of India in the ASEAN group. The growing intensification of bilateral relationship is often

punctuated with the souring of ties between this small southeastern country and the giant China. In its quest for energy security, India-Vietnam relations assume significance as India received offshore exploration license in the South China Sea area for gas and oil. The right to explore has recently been extended. Defence relations between the two countries have also been strengthened. India is already training Vietnamese sailors on the Russian-origin Kilo-class submarines, while a similar programme on the Sukhoi-30MKI fighters of the IAF is also going to get underway soon.²⁸ In a first, India plans to sell the supersonic Brahmos missile to Vietnam.²⁹ Vietnam has also offered permission for Indian naval ships to drop anchor at the Na Thrang port in the South China Sea³⁰. This will definitely be seen as a way of maintaining the Asian balance of power.³¹ India is also providing satellite tracking facility to Vietnam.³²

With an aim to prevent piracy and arms smuggling, India signed a MoU with Thailand in 2005.³³ The Royal Thai Navy also conducted coordinated patrols from 2005.³⁴ India and Thailand now have a joint task force that seeks to deepen maritime and defence cooperation which covers a range of issues, including ocean safety, disaster management and anti-terror drills. India and Thailand now hold naval exercises in the Andaman Seas. That apart, both sides agreed to fast track the ongoing trilateral land corridor project connecting Thailand-Myanmar and India. India has also joined the largest multinational military exercise of Asia held in Thailand every year called COBRA GOLD.³⁵ It is an amphibious exercise aimed at humanitarian assistance and disaster relief. *INS Satpura* and *INS Kirch* have been on a four day port visit to Vietnam's Cam Rahn Bay area in June 2016.³⁶

Thailand

With the aim of preventing the use of Thai waters to transport weapons, Thailand and India held a joint naval exercise to boost cooperation in curbing arms smuggling. Maitree counter insurgency joint army combat exercise between Indian and Thai armies has also been conducted.³⁷ An elite group of the Indian army even carried out counter insurgency raids along the Indo-Myanmar border on the other side to target camps being run by NSCN(K) and KYKL,³⁸ in retaliation for an earlier deadly attack on Indian soldiers. Two more ships Sayadhri and Shakti earlier visited Subic Bay in Philippines³⁹ The South China Sea has also been another area the ASEAN and East Asian countries wish to cooperate for joint naval exercises.⁴⁰ Navies of India and Myanmar are conducting bilateral IMCOR along the Maritime boundary since 2013 as part of

the ongoing India-Myanmar defence relations.⁴¹ Malaysia showed the newly procured Scorpene submarine to India en route its maiden journey to Malaysia.^{42, 43} In a first India has begun conducting naval exercises with South Korea since 2014.⁴⁴

In addition, India is closely monitoring the activities of the other countries that are organizing joint surveillance; and entering into comprehensive security agreements that ensure safety of the area and increase regional cohesion. India has also initiated actions with other maritime partners similar to the comprehensive cooperation efforts between India and the US for a secure maritime domain.⁴⁵

Japan

This is one other country that India has intensified ties with including the MALABAR exercise with Japan and US to be conducted in Okinawa this month.⁴⁶ The Coast Guards of the two countries are also conducting joint exercises called *Sahyog-Kaijin* held once in two years alternatively in Japan and India. In January this year, it was held off the Chennai coast.⁴⁷

Indian Ocean Naval Symposium

Regional cooperative security frameworks are the most suitable forms or mechanisms since the 'local' element in problems and their solutions can be incorporated. Use of imported models that do not consider the cultural and geo-strategic uniqueness of the Indian Ocean region can only serve to be counterproductive. Some recent efforts like the IONS initiative incorporate these features. Conceived as a "non-hegemonic, consultative, cooperative and inclusive regional forum"⁴⁸, IONS was inaugurated on 14 February 2008 in New Delhi. As a regional forum that brings together Chiefs of various Indian Ocean Navies, IONS aims to facilitate "flow of information and opinion"⁴⁹ that would lead to appropriate response to present and future challenges. A naval symposium is a working model that would form "the lowest possible level for a security regime"⁵⁰ As it is not a political forum and does not require intense institutionalisation or complicated legal obligations it might prove useful.

India-ASEAN Summit

In an effort to further cement ties with ASEAN countries India has been convening India-ASEAN Summit annually since 2002. At the Second

summit in Bali, Indonesia in 2003 India acceded to the Treaty of Amity and Cooperation in Southeast Asia (TAC) and also signed a Joint Declaration for Cooperation in Combating International Terrorism, with the aim of strengthening cooperation in the fight against terrorism. India has now appointed an Ambassador to ASEAN. However we are yet to open a mission for the multilateral organization. China has already done so. India held a commemorative Summit in 2012 to mark the 20th anniversary of India-ASEAN dialogue relations. An Eminent persons Group has also been established to review the 20 year relations, think of ways to deepen the relations by taking into account the various steps that have already been taken through formal agreement and documents. In the third summit in Vientiane 2004, the ASEAN-India Partnership for Peace, Progress and Shared Prosperity was signed.⁵¹ A plan of action to implement this was also drawn for 2004-2009 and one for 2010 - 2015 too. A third plan of action is now being implemented that takes a comprehensive look at various aspects of international relations that needs added attention that include not only security but even education and environment. A dedicated mission to ASEAN was inaugurated by Sushma Swaraj in April 2015.⁵² This illustrates the importance India has accorded to this successful grouping in its engagement with vital areas of the world.

ADMM +

The first ASEAN Defence Ministers' + meeting with ASEAN countries plus the US, China, Russia, Japan, India, South Korea, Australia and New Zealand, was held in Hanoi on October 12, 2011. It would meet once in three years and discuss non-traditional security agenda. There are now separate working groups to deal with for maritime security, humanitarian assistance and relief, counter terrorism, military medicine and peace keeping operations⁵³. The focus on 'non-traditional security' issues is to attract consensus and agreement⁵⁴. Though it is unlikely that ADMM Plus would address bilateral conflicts among member states it could emerge as an institution "promoting practical cooperation"⁵⁵ among armed forces of different states. While India is a member of this group India's role has to be more active. A recent extension to the plan of action for years 2010-2015 for the ASEAN-India Partnership for Peace, Progress and Shared Prosperity looks at promoting the ADMM+ as "as a useful platform for dialogue and security cooperation, in particular for forging practical cooperation to address the security challenges facing the region".⁵⁶ This document also specifically mentions maritime safety and search and rescue by mutual sharing of experience,

cooperating in the technological areas and exchange visits of concerned authorities.

This forum gains added impetus with the ASEAN Community becoming a reality soon. India could also look to utilize other mechanisms that have been recently created like the ASEAN Peacekeeping centres network and the Network of ASEAN Defence and Security institutions. With the wide experience in peacekeeping that India has, she could offer.

Under the ASEAN and ADMM+ framework, recently India hosted the 18 nation field training exercise called Exercise Force 18 denoting the 18 countries that are participating including The 10 ASEAN member States (Brunei, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam), Australia, China, India, Japan, New Zealand, Russia, Republic of Korea, and the US. The exercise has added substance to India's Act East Policy. India's soft as well as hard power capabilities are projected well in the exercise as India possesses one of the strongest militaries in the world.⁵⁷ Earlier at the 10th East Asia Summit, a statement for enhancement of maritime cooperation was signed.⁵⁸

Conclusion

India which is seeking to expand its footprint on the world strategic map, and hence widening the scope of relations with Southeast Asia is mandatory. This is reflected in the maritime area too. Ever since becoming a full-dialogue partner of ASEAN in 1995, India has gradually increased the manner of naval engagement. While it might be strong at the individual bilateral level, that with ASEAN is yet to reach full fruition. India has continued to engage the Southeast Asian region in the maritime realm. The tailor-made naval exercises like the coordinated patrol exercises with Indonesia, or the deep ties nurtured with the constant friend in Singapore signify the range of activities India has been engaging in. The periodic conduct of exercises in the South China Sea considered an area of possible future conflict can be seen as a test of India's power projection capabilities. There are also new initiatives with countries like Burma. India's humanitarian assistance through its naval assets especially during the tsunami and such other natural calamities has also cemented ties.

The India-ASEAN Summit and the ADMM+ are steps in the right direction in creating greater scope for widening nature of engagement

in areas including the maritime sector. Being an adjacent region with no apparent conflict over maritime boundaries and convergence of interests in maintenance of maritime security, ASEAN offers immense opportunities at strengthening relationship.

Maintaining safety of sea lanes including the prevention or at least control of maritime terrorism as well as keenly watching China's engagement with the ASEAN region means that India should enhance cooperation in the vital field of maritime security. The Narendra Modi government's Act East Policy exhibits this intent amply and must build on the hopes and aspirations it has announced and strive to achieve the same.

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