

CHAPTER IV

INDIA'S ACT EAST FOREIGN POLICY

In order to accomplish a greater role in global stage, India changed its foreign policy from 'Look East' policy to 'Act East' policy. Currently the focus of the policy is creating influence in immediate neighborhood and it contains China's power in Indian Ocean littoral countries and Asia Pacific nations.

A. The significance of the Indian Ocean Region

The focus of this paragraph is the significances of Indian Ocean which 90 percent of global trade is transported by sea (United Nation Environmentak Program, International Trade Center, and International Centre for Trade and Sustainable Development, 2012). The Indian Ocean is viewed as more active and popular than Atlantic and Pacific Ocean. The Indian Ocean was known as a trade busy ocean as, nearly 100.000 ships transited annually. As maritime security challenge was getting higher, yet, there was no designated authority to secure maritime realm. Naturally, it became the two strongest country in Asia Pacific to compete providing security. These countries included China and India (Brewster, 2010). India, as one of big contender in the Indian Ocean Region, had the capability to govern the waters and other littorals state. Proven by India's initiative to start Indian Ocean Naval Symposium (IONS) and the Indian Ocean Rim Association (IORA) could be used to overcome maritime security while maintaining good order and cooperation on the sea (Gujar, Ghosh, & Yan, 2014, pp. 123-125).

Having 70 percent of oil and gas energy traded and imported through Indian Ocean, India required to have free access to sea routes to ensure its economic development. With the increased presence and influence of Chinese naval military in the Indian Ocean, India needed to secure its interest and profile in the region. According to K.M Panikkar, a pioneer Indian geopolitics, more than 60years ago, Indian Ocean must remain truly for Indian since India's trading activity depended on Indian Ocean. Earlier, in 16th century, a Portuguese Governor Alfonso Albuquerque stated that strategic coke points extended along the Indian Ocean. It was started at the Horn of Africa to the Malacca Strait (Ministry of Defence, 2007). From these facts, India believed that Indian Ocean must be protected because the region is important for India. Since then, India's economic activity became more dynamic around the water. In the Cold War era, India limited its influence in the Indian water and its littoral countries. The country isolated herself from its neighbor in defense condition. However, in 1991, India took different approach and adapted a new policy to compete with rising China. Then, India opened up its political and diplomatic circle along with economic reform by implementing economic liberalization. Improving its foreign policy into neighborhood centrist, India had three main points where regional integration centered. There are culture, commerce and connectivity. India shared famous historical relations with South Asia countries in terms of culture and commerce. However, connectivity became a crucial point in shaping regional relationship. From this, India is trying to alter the role of a regional leader and global actor. India pursued a greater regional integration through trade, and investment that covered energy, education, and disaster management.

Therefore, many approach has been done by India government to enhance connectivity and cooperation in diverse areas. Thus, India needed to improve connectivity through cultural ties, technology and transportation (Mathur, 2014).

Meanwhile the security blue print in South Asia and India Ocean region due to the rising China power has become major concern for India. After years of cooperation and mutual engagement done by India, the country has improved its international affairs. The present government of India has improved the country's foreign policy in numerous perspectives. During the Indian-ASEAN Summit in Myanmar in November 2014, Prime Minister Narendra Modi initiated a new foreign policy that focused within India's neighborhood countries (Bhaumik, 2014, p. 18) . As India Foreign Minister stated that : "With the objective of a peaceful, stable and prosperous neighborhood, India continues to attach the highest priority to close and good political, economic and cultural relations with its neighbors...on the basis of sovereign equality and mutual respect (Ministry of External Affairs Government of India, 2008)." From this statement, India showed that relation with neighborhood countries became a top priority.

Geographically, the country shares land and water border with eight countries. They are Bangladesh, Bhutan, The Maldives, Myanmar, Nepal, Pakistan and Sri Lanka. They shared close borders, they also have close historical, religious, economic and languages. Because of the geographical closeness, they often did not succeed on maintaining peace and regional stability. In fact, they faced many frictions among neighbors.

However, to become a regional leader, India is trying to promote more advanced relation with her neighborhood. The reason why India claimed South Asia as her backyard is because South Asian countries share collaborative languages cultures, religions, and ethics. Thus, India considers those regions as its backyard. Also, the country underwent a policy change that focused on economy and geography strategy that was implemented in the South Asia region and Indian Ocean littoral countries since Indian Ocean was considered India's backyard, so India must take care of them.

Regardless India's claim upon the importance of the all Indian Ocean region, historically and economically, India's concerns are around the Arabian Sea, the Bay of Bengal, the Andaman Sea, and the part of Northern Indian Ocean (NIOA) that lie around 50 kilometers. The NIOA is important for India because it connects the waters of the Arabian Sea and the Bay of Bengal which becomes the key economic success (India Ministry of Defence, 2009). According to the United States Department of Energy, in the region, there are oil back-up and fisheries underneath the NIOA. Annually, India produces 3.93 million tons of fish, also the region was significant for India because it can produce 5.7 billion barrels of oil (Energy Information Association, 2011, pp. 2-4).



Figure 4.3 India's Backyard

Source: India's 'Look East' – 'Act East' Policy, 2017. Finnish Institute of International Affair

The location shown at figure above is important region for India especially in economic development. More than 100.000 ships pass through this location annually. The trading shipping lanes are facilitated by more than 187 minor ports. From 1986 to 2006, statistic shows that imports situation rocketed to 2.900 percent. Through this region, India imports 75 percent of oil and 16 percent of the gas (Krueger, 2008, p. 273). From these facts, it is evident that Indian Ocean is significant to India. Thus, with several countries located in Indian Ocean's littoral, India decides to make a great sphere influence in that region.

It is apparent that, India is an important geopolitical player in the region. It has 12 major ports and 200 non-major ports extending from the East and

West coast of its island. Therefore, India is very dependent and ambitious toward Indian Ocean Region. Through the region, India runs its activity such as export and imported of important cargo, oil, gas, and energy. Then, India's maritime interest is to secure its shipping lines. Despite China's growing naval presence in Indian Ocean, India had overcome the problem regarding to her security. Within the Act East policy, India transformed the Indian Navy from a coastal force to a distant operation from the Indian Ocean and beyond. India planned to spend US\$61 billion in next 12 years to expand its naval assets. In addition, the country also added more than 100 new warship and planned to add six nuclear ballistic missile submarines (Albert, 2016) .

Due to rising China's strategy and expansion, New Delhi seek to develop its security concern in South Asia because China's growing economy and military size. China's relation with India's neighborhood countries are not limited to with Pakistan, but also to Myanmar, Bangladesh, Sri Lanka and Nepal which also becomes the concern of India government. This assertiveness of China government leads New Delhi to change her foreign policy which focuses on development of conventional security, economic globalization and rebuilding long existent relationship within South Asia Countries with a practical foreign policy. As the most powerful country in South Asia, India take a massive role as a leader in that region. As stated in the general debate of the 69th session of the United Nations General Assembly, prime minister Narendra Modi marked, "A nation's destiny is linked to its neighborhood. That is why my government has placed the highest priority on advancing friendship and cooperation with its

neighbors”. From Modi’s explanation, to become a credible power on the global stage, India should be able to manage its immediate neighborhood. To achieve that goal, India must live peacefully with its neighbor. Moreover, by rebuilding relationship with South Asian countries by increasing security, political stability economic cooperation, were India’s only way to implement its Foreign Policy. Within “Act East” foreign policy agenda, India aimed to intensify its relation with the South Asia countries and India Ocean to the far extent Australia and New Zealand, extending from military exercise to high level visits. From these actions taken by India government, it shows that India not satisfied by becoming regional power in South Asia. Instead, over the few years India shows the willingness to play a greater strategic role the global stage (Burns, 2016).

Moreover, China’s “string of pearls” strategy, “One Belt One Road” initiatives, and naval presence in India Ocean threaten New Delhi’s ambition to create sphere of Influence in the region. To counter the threats possessed by China, India with Iran underwent finalization of the Chabahar Agreement to lessen Chinese influence in Indian Ocean through the Gwadar port in Pakistan. Additionally, to contain China’s aggressiveness in India’s neighborhood, India on the other hand, developed strong military relationship with Maldives. The development included having two helicopters permanently basing in the Maldives to increase its surveillance capability. India also set-up naval radars along Maldives’ entire coastline that would detect approaching vessels and aircraft. These radars would be

controlled by Indian Coastal Command (Shrivastava, 2014)

Barry Buzan in his book explained that states, territory, and society security are essential part of international security. Thus, India as a rational actor justified any extraordinary measure if there was any security threat (Buzan, Waever, & Wilder, 1998, pp. 24-25). From these strategies, India saw China's assertive as threat that surrounded India from its 'backyard' which was the Indian Ocean and India was aware of that development.

However, the importance of Indian Ocean pulled India to define its strategic implication or according to Buzan, India took an extraordinary measure toward threats. Through 'Act East' strategy that was initiated by Prime Minister Narendra Modi, India became more focused in Asia-pacific region that primarily included South Asia and Indian Ocean where the places became the focus of strategic international sea lines of communication and maritime resource. India's focuses toward Asia-Pacific emphasized in India's proactive roles as a stable peacebuilder, political and economic partner within the whole Asia Pacific region including Australia and New Zealand (Panda, 2016). Using this new foreign policy, New Delhi had to reform essential aspects including politic, security, ideology, national identity in order to influence in international politics and ease the securitization move.

B. The Importance of The South Asia Nations

India's relation with all South Asia countries were not always in a good condition. One of the instances of

this was, India-Pakistan border dispute. India considered Pakistan as a threat, although China has been giving aid to Pakistan related to major infrastructure development. India has not only had historical and border dispute with Pakistan, but also with other Asia countries, such as Maldives, Bangladesh, Nepal, Afghanistan and Myanmar (Gaens & Ruohomaki, 2017). Knowing India's relation with its neighborhood countries, China has been actively approaching that region. At the same time, China through his military and economy aid, were welcomed by that region, considering the fact that China barely had historical and border dispute with South Asia countries.

Considering that India was a securitization actor, India was likely to emphasize sovereignty and power, emphasize wealth, emphasize offensive and defensive strategy, emphasize interest to achieve sustainability, and emphasize national ideology to justify its actions (Buzan, Waeber, & Wilder, 1998, pp. 22-23). To make India and its neighborhood countries in a positive condition, there were several approaches done by India, such as economic, diplomatic, and security approaches. These approaches were likely succeeding if applied in regional organization. Realizing Prime Minister Narendra Modi's vision to rebuild neighborhood relation in the South Asia region, he invited the leaders of government of the South Asian Association for Regional Cooperation (SAARC) to participate in his inauguration ceremony on 26th May 2014. This action indicated Modi's priority and seriousness towards neighborhood countries.

Because of territorial dispute and security issue around the South Asia countries, it led India's toward an alienation and bitterness relation with the region.

Moreover, the existence of SAARC has been achieving far below expectation. In fact, for more than ten years, India has showed unwillingness to become an active participant of the regional organization, even the country asked the rest of the neighborhood countries to continue a regional group without India. However, SAARC was established in 1985. Yet the regional organization have not gotten any progress and achievement in its early years of establishment and even failed to unite the member states from political conflict. At the same stage of its existence, for more than 30 years, SAARC missed 12 of its annual summits due to disagreement among its members. The organization was only contributed around 2 percent of the region's global trade. Almost 600.000.000 of South Asian people lived below the poverty line. The people nearly earned US\$1.25 although the presence of SAARC was supposed to remove poverty in the region (Muni, Narendra Modi's Foreign Policy: Rebuild South Asian Neighbourhood, 2015, pp. 23-25). Nevertheless, India's unwillingness to participate with SAARC started to fade away.

To fulfill India's agenda in creating a good profile as a part of Act East policy in South Asia region. India should have worked in convincing its neighborhood that India was an opportunity and it was not a threat. Among South Asian countries, India was the largest country and had the strongest economy. She had a responsibility to lead SAARC to grow its domestic market. In its open market, India already joint Sri Lanka, Nepal, and Bhutan. They agreed to invest and to upgrade cross-border infrastructure. To accomplish the foreign policy, for instance, Modi visited Bhutan and Nepal, meanwhile his Foreign Minister Sushma Swaraj visited Nepal. By

visiting these countries, it showed that India put high priority to its neighborhood country. Modi left a clear message that India respected Nepal that proven by India's willingness to aid Nepal's development agenda. India offered a loan of US\$100 billion to please Nepal government. From this effort, Modi hoped that the action could bridge the communication gap for the past few years (Muni, Modi's Neighbourhood Initiative, 2014).

C. India's recent strategy as an agenda from Act East policy to contain China's influence

Having China as threats of security but also a potential economic partner, India initiated sub region group consisting of Bangladesh, China, India, and Myanmar that focused on regional commercial hub connecting India and China. In order to integrate countries in the South Asia, India initiated a new sub regional development like Bay of Bengal Initiative for Multi Sectoral Technical and Economic Cooperation (BIMSTEC). Additionally, to become a security provider in the Indian Ocean, India tried to strengthen its naval capabilities by participating in the Rim of the Pacific Exercise (RIMPAC), the world's largest international maritime warfare exercise (Ashraf, 2015). Furthermore, India initiated annual naval exercise called "Malabar" exercise.

According to Waever, securitization means state's declaration to an urgent or emergency condition. Thus, claiming a right to use whatever means are necessary to block a threatening development (Waever, Buzan, & Wilde, 1988, p. 26). To do securitization move, the government needs to allocate resource to present an existential threat to justify action taken by the

government. However, then, the most important thing to understand securitization action is that it is an intersubjective approach. Most of the time, it is not easy to judge or refer an issue which becomes a threat or not. Different states and nations have different stance and opinion to define the existence of threat. For instance, the action taken by India to change its foreign policy from ‘Look East’ to ‘Act East’ focusing more on military, security and economic partnership around the Indian Ocean. India felt the presence of China military power in the Indian Ocean and its littoral states. But some of the states did not feel that way toward China’s presence, such as Pakistan. Pakistan welcomed China’s presence because China supported infrastructure development. More importantly, Pakistan got military aid to back-up the Kashmir border issue between India and Pakistan. However, India still believed its ability to counter China’s power in Indian Ocean and its littoral countries by conducting immediate military joint exercise whose member of this exercise were countries that also experienced China’s assertiveness in their territorial.

To prove India’s seriousness in perceiving Chinese power and activity in Indian Ocean, the country worked hard on pushing and strengthening security relationship with Indian Ocean’s littoral countries. By increasing security capacity to these small countries, India expected to have her national interest fulfilled and supported by these small powers. In early 2015, Prime Minister Modi published all his tours in Indian Ocean littoral countries such as Mauritius, the Seychelles, Maldives, and Sri Lanka. These high visits stimulated India’s five ways of security arrangement such as strengthening maritime capabilities, training, and sharing

maritime awareness among these five states (Brewter, 2015). India did not merely focus on its neighborhood countries, but also far countries on the Indian Ocean rim especially Australia, Indonesia, Malaysia, and Singapore (Fruhling, Goldrick, & Medcalf, 2014). These countries shared similar concern with India upon China's long-term purpose and proposition in Indian Ocean.

Traditionally, in recent years, India has been actively seeking for security and military partnership with Asia Pacific major power countries. India initiated a regular joint naval exercise, known as Malabar exercise between Japan, South Korea, Indonesia, Singapore and Australia. The exercise ranged from maritime combat operation from aircraft carriers to maritime operation exercises. With China's rising with both military and economic strategies, the country has been developing naval facilities in Myanmar, Bangladesh, Sri Lanka, Maldives and Pakistan.

According to the United States Department of Defense, it said that, "Maintaining a shared vision on maritime security issues; upgrading the bilateral maritime security partnership; and collaborating to both build regional partner capacity and improve regional maritime domain awareness (Department of Defence, 2015)". From this statement, it became India's motivation to contain China's growing expansion in the Indian Ocean Region. Also, it could be interpreted that India is working on enhancing its military capabilities as security provider in the region.

. Act East Policy focused on Economy and diplomacy including high level visits and military exercises. For instances, the country added more military

command areas in the form of naval presence and it was used to utilize navy as a main instrument of diplomacy. The country was success in establishing a Special Strategic Partnership with Japan, South Korean and Philippines to conduct joint military drills. Considering that China had naval bases in Djibouti, Sri Lanka, the Maldives, Bangladesh, Myanmar and Pakistan. India also had a counter plan to reduce China's influence by building naval facility in Seychelles. Also, India increased its naval assets in the Bay of Bengal to balance China's project with Pakistan knows as the China Pakistan Economy Corridor (CPEC) (Karim, 2017, pp. 80-82).

D. The Northeastern approach

Not only did India focus on Indian Ocean region maritime security, but also this country focused on The Northern approach was considered as key element success of 'Act East' policy. There were several reasons why India intended to conduct and success the Act East policy. Geographically, India was considered as a strategic region that could become a game changer in achieving policies. Located between China, Bhutan, Bangladesh, and Myanmar in which the border stretched up to 4,500 km. This region would like to be used by India as an opportunity to bridge India and Southeast Asia. Historically, many people traded and travelled through the Southeast Asia region and Yunnan through the old Silk Road. They traded salt, handicraft, silk, spices, and other goods in Himalaya. This region was the place for people to pass for migration from Southeast Asia to Yunnan to Assam (Myint-U, 2011). Moreover, India's first prime minister already recognized the potential of the region. He proposed to build the Asian

Highway and Asian Railway Link and natural gas pipeline. For the Asian Highway, this project was supposed to be started at the Imphal in India to Tamu and Myanmar, then the road was continued to Mandalay in Myanmar beside that, India also supported the railway building to connect India and Singapore through Kuala Lumpur, Hi Chi Minh City, Phnom Pen, Bangkok, Vientiane, Yangon, Mandalay, Klemyo, Tamu, Dhaka, and Kolkata. The road construction has started from Tamu to Kalemyo in Myanmar. There was a plan to construct a 1.360 km highway from Moren in India to Mae Sot in Thailand through Bagan in Myanmar (Goswami N. , Looking Easr through India's North East, 2009, p. 30). According to Moreh Chief Minister Ibobi



Singh, “Moreh is the most strategic international trading point in the region” (Lee, 2007). The picture below shows India’s project to connect India to Myanmar through Bhutan. Thus, made Bhutan was a strategic partner for India.

Figure 4.4 India-Myanmar-Thailand Highway Project

Source: Japan Forward, 2017, The India-Myanmar-Thailand Trilateral Highway. Japan Forward.

From those facts, it could be seen that India to recognized the significances of Northeast region that became the consideration of Act East policy. Prime Minister Narendra Modi highlighted the importance of northeast region to become India's door to Asia in the 21st century. He intended to make this region to be developed through economic corridor and called the region as NEZ or Natural Economic Zone. The projects developed the region into developments including scholarships, a national sport university, agricultural colleges, digital connectivity and new railway lines. With US\$10 billion budget allocation for northeastern region, Prime Minister Modi focused on infrastructure that linked region of India to Myanmar. Moreover, he emphasized his vision in the 12th Association of Asian Nation-India Summit on November 12th 2014 that centered on economic prosperity through project like the Kaladan-Multi Modal Transit Transport Facility and many more. The transport facility was aimed to establish connectivity between Indian ports to the eastern side and Sittwe port in Myanmar through a small river corridor and road that providing an alternative trade route to the northeast. (Goswami N. , Act east policy: Northeast India as a Strategic Catalyst, 2015, pp. 70-72) .



Figure 4.5 Kaladan-Multi Modal Transit Transport Facility Route

Source: Ministry of development of Northeastern Region, 2014. Kaladan-Multi Modal Transit Transport Facility.

Through the Act East foreign policy, India worked to connect the North East Region and mainland India through Bangladesh. Bangladesh was considered as a country holding strategic position in terms of trade and connectivity. Thus, India tried to make a good deal of relationship with Bangladesh for the sake of economic sake. According to a Lead Economist Hindustan, Bangladesh was potentially India's economic partner. Their trade relations rose from US\$ 1 billion in 2002 to over US\$6 billion. Since 2011, India's import rates from Bangladesh has grown 6% per year from 2012 to 2016. Not only did India and Bangladesh cooperated in economic activity, but also in energy cooperation. India exported 600 megawatts of power to Bangladesh. In the near future, the energy trade could link up with the possibility of hydropower export from Bhutan and Nepal to form a subgroup of regional organization called BBIN or Bangladesh, Bhutan, India and Nepal power market.

They also planned to facilitate access to energy supply through natural a pipeline that linking Myanmar to India via Bangladesh. By having a good relationship with Bangladesh, India could advance India' Act East vision. It could give connectivity while reducing time and cost of trading (Kathuria, 2017).

Since 2014, India has tried to establish a peaceful and stable environment in South Asia for India's development. In the first few months after the new foreign policy was launched, India-Nepal Joint commission was established. After 23 years having inactive relation, India reviewed its relationship by rebuilding bilateral agreement. Also, Modi invited the President of Sri Lanka to have state's engagement despite some political party's opposition in another point. However, India continued to maintain a positive relationship with the partner country.

Additionally, Modi signaled to strengthen infrastructure connectivity, creating business friendly environment by reducing non-tariff barriers, increasing regional cooperation and integrating local markets. For instance, he addressed his idea upon trans-Himalaya regionalism during his visit to Bhutan and Nepal. Modi believed that by founding trans-Himalaya regionalism, it could promote Asia culture environmental, political and regional security. This intention was laid on mutual partnership that could rise to a new level of positivity.

Modi expected that creating a friendly neighborhood situation could ease India's Interest in Asia. This was not only for the Northeastern region but also with all neighborhood. India tried to create an appropriate environment to run her foreign policy

without interference from another party. For example, India was working on constructive engagement related to Pakistan's case. India rejected Pakistan's plea upon the Kashmir issue at the United Nations General Assembly. Affirmed that the country was prepared to engage in a serious bilateral dialogue with Pakistan and settle their border conflict without the existence of terrorism (Chaturvedy, 2014). This case showed that India worked on progress toward issues' resolution between two countries.

E. Table of Comparison between “Look East” and “Act East”

This undergraduate thesis showed the focuses of both of India's foreign policies. The author also mentioned the development of each policy, goals of each policies, and reasons why India changed the policy in 2014. Although some scholars stated that “Act East” is the continuation of “Look East”. It means there are not many significant changes in the policy's aims, only just India did add some concerns related to China's presence. Here a table of comparison to understand the difference of “Look East” and “Act East”.

	Look East	Act East
Launched year	1991	2014
Leader's name	Prime Minister Narashima Rao.	Prime Minister Narendra Modi.
Issues	Economic growth and support from The Southeast Asia countries.	Maritime security in Indian Ocean Region.
Purposes	To open up economic relation with The Southeast Asia countries.	To rebuild relationship with India neighborhood countries in South Asia and also Pacific Ocean countries and also united ASEAN countries with North Asia countries through energy and transportation project.
Priorities	Integrating India with The Southeast Asia countries, India's economic growth, and recognition as a rising middle	Balancing China's assertiveness in Indian Ocean littoral countries, neighborhood connectedness and frequent bilateral

	power country.	visits.
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That being said, this chapter shows India's drive to change its foreign policy from 'Look East' to 'Act East'. The former policy was focused on economic development in the Southeast Asia, but then the recent policy focused on developing connectivity in India's neighborhood countries. Also, it has been explained that with China's assertiveness in Indian Ocean lead to India's extraordinary measure to prevent threat developing. This chapter already explained India's extraordinary movement to prevent China's assertiveness in Indian Ocean region.