

ISAS Working Paper

No. 121 – 1 February 2011

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India's 'Look East' Policy: The Strategic Dimension

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Abstract

India's 'Look East' Policy (LEP) did not begin in the 1990s. It has evolved in four different waves over centuries. The first wave of cultural and commercial engagement between India and its extended eastern neighbours lasted until the 12th /13th century. To this was added a strong strategic dimension by the British Empire in India during the second wave. The leaders of independent India, particularly Nehru, took the lead in launching the third wave by focussing on East Asia as an important part of India's policy of Asian resurgence. However, the imperatives of the Cold War, intra-Asian conflict and rivalries, and India's weaknesses on economic and military fronts did not let its Asia policy blossom.

What is identified as India's LEP since the early 1990s constitutes the fourth wave of India's eastward (re)engagement. Under the strategic thrust of this policy, India has not only reinforced its economic and cultural relations with the countries of ASEAN and East Asia, but also firmed

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up strategic relations with them through extensive consultations on regional and global security issues and consistent cooperation in defence sectors involving military supplies and naval exercises. India's strategic vision for the East extends to the whole of Asia-Pacific region as India has manifested both its willingness and capability to play a critical role in the emerging strategic dynamics and architecture for this region.

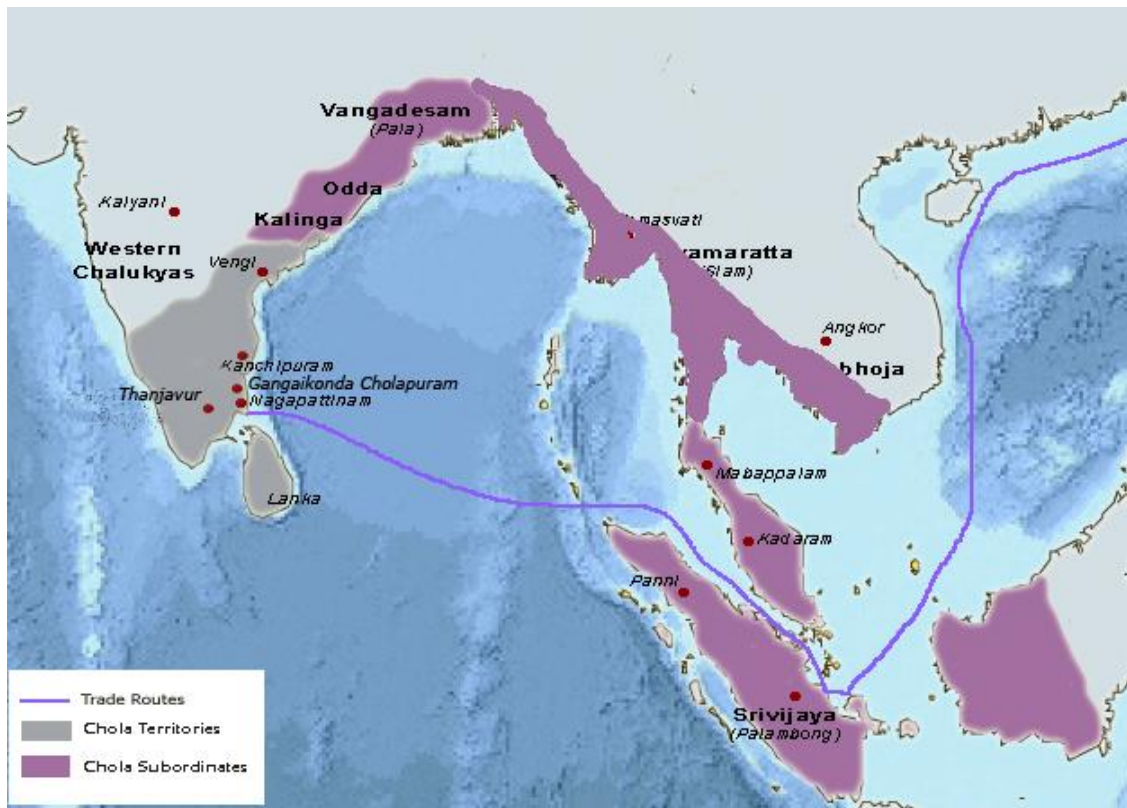
Introduction

India is an old civilisation of sun worshippers. It has, therefore always been looking east. In this respect, it may not be correct to trace India's LEP to the beginning of the nineties, when the Cold War ended as is usually done. For a proper perspective on India's substantial engagement with the east, one can clearly identify four different waves of such engagement namely, historical or pre-colonial, colonial, post-colonial and contemporary.

Historical Evolution

In the pre-colonial period, there is evidence of India's dynamic and extensive relations with its eastern neighbours since the first century. This phase lasted until the 12th century and can be described as the first wave of 'look east' in cultural and commercial engagement. During this period, the first Hindu Empire (in what later became the Indo-China region) flourished based entirely on cultural and philosophical contacts with India. No military missions were launched and no wars took place, save the South Indian emperor Rajendra Chola's periodic encroachments into the Srivijaya Empire in Malaya and Indonesia in the 10th and 11th century, as illustrated in figure one.

Figure 1: The Chola Empire (1050 A.D)



Source: http://3.bp.blogspot.com/_ugQUGr2Qo8/TMCE6hcaChI/AAAAAAAAA-8/Lez9CPZM3vM/s1600/Chola+Empire+Map.png. Accessed on 24 January 2011.

The expansion of Hinduism was followed by the spread of Buddhism to the east. The religious and cultural messages travelled directly from India as well as through China. This led to the emergence of a cultural synthesis of these two major systems of faith and belief, the imprint of which is evident even today. The popularity of the *Ramayana* (with varying nuances from one country to another) in the Buddhist heartland of Southeast Asia may be seen as an unmistakable imprint of this synthesis. It is no wonder that the images of Ganesha, Garuda, Shiva, Parvati, Rama and Sita are adored and worshiped in many parts of Southeast Asia, along with those of Buddha. This imprint is also visible in languages, where Pali and Sanskrit provide the texture and base of many Southeast Asian languages. The cultural synthesis is also reflected in the names of the people and places, lifestyles and festivities, patterns of old architecture and temples like Borobudur in Indonesia, Angkor Wat in Cambodia and Wat Phu in Laos. The Angkor Wat in Cambodia and the Luang Prabang temples in Laos have episodes of the Hindu epics, *Ramayana* and *Mahabharata*, engraved on their walls. It was in this period that Nalanda

University in Bihar, India, emerged as the principal centre of learning based on philosophical and religious (Buddhist) discourses for the whole Southeast and East Asian region. It facilitated the spread of Buddhism in China and Southeast Asia.

In a very significant way, one of the couriers of culture from India to Southeast Asia during this period was commerce. The spice trade route from West Asia and the Persian Gulf stretched over to Indonesia and even beyond, bringing in traders and travellers from one part of Asia to the other. This commercial link also facilitated the spread of Islam in Southeast Asia. In India, Orissa's annual festival of 'Bali Jatra' commemorates the adventures of innumerable traders who braved rough seas across the Bay of Bengal, Straits of Malacca and South China Sea to carry commerce and culture to the eastern shores of the Indian Ocean.²

Colonial Period

The advent of Islam after the 12th century and then the colonial expansion that followed Muslim rule in India disrupted these cultural and commercial links. During the colonial period, the Second World War engulfed East Asia rather extensively. The war added a strategic dimension to India's (then British) links with Southeast Asia. The British grasped the strategic centrality of India in Asia and sustained their colonial presence 'east of the Suez' including in Southeast Asia, on the basis of their Indian empire.³ They built India as the bastion of their power and influence in Asia that protected their colonial holdings as far in the east as possible, up to Hong Kong. This period may be considered as the second wave of India's LEP when strategic interests were brought upfront along with the commercial interests, at the cost of cultural and civilisational links. The legacy of India's colonial sway persists in many subtle and diverse ways. It alerts East Asian countries and interested major powers to project and even exaggerate India's possible 'expansionist' and adventurist intents even when there is no evidence to support such intents. It also imbues Indian policymakers to a wider strategic perspective that enhances the critical significance of the Indian Ocean and the eastern sea board in its security calculus, as was evident in the thought of Nehru and his associates, like Panikkar.

² Lokesh Chandra, *India's Cultural Horizon* (New Delhi: Aditya Prakashan, 1969). Also see, Sarita Dash, 'Roots of India's Cultural Diplomacy in Southeast Asia', MPhil Dissertation, (New Delhi: Jawaharlal Nehru University, 2003).

³ Dieter Braun, *The Indian Ocean: Region of Conflict or Peace Indian Ocean* (C. Hurst: London, 1983).

Post-Independence Period

It was natural for India's historical eastward orientation to reassert itself with the withdrawal of a western colonial presence. The third wave of India's LEP was set in motion with the advent of independence. The eastern neighbours constituted one of the priority areas in India's commitment to work for Asian resurgence. Nehru called the Asian Relations Conference in March 1947 even before the formal beginning of 'India's tryst with destiny.' He, as the philosopher and architect of independent India's foreign policy, in general and its Asia policy, in particular, articulated this commitment while underlining the rationale and significance of Asian resurgence in India's worldview. Speaking at the Asian Relations Conference in New Delhi, Nehru said:

'We are of Asia and the peoples of Asia are nearer and closer to us than others. India is so situated that she is the pivot of Western, Southern and Southeast Asia. In the past her culture flowed to all these countries and they came to her in many ways. Those contacts are being renewed and the future is bound to see a closer union between India and Southeast Asia on the one side and Afghanistan, Iran and the Arab world on the west. To the furtherance of that close association of free countries, we must devote ourselves. India has followed with anxious interest the struggle of Indonesians for freedom and to them we send our good wishes.'⁴

Nehru's vision of a 'closer union' with the East was shaped by the strength of India's geographical proximity, similarity of historical experiences, cultural identity, economic interests and common strategic concerns in relation to the countries of the East. The vast stretch of Indian Ocean and its economic and strategic significance in links with eastern neighbours was not lost on Nehru and his associates.⁵

The emphasis on geography and culture in Nehru's early eastward policy was aimed at building Asian solidarity. He took into account the aspirations of a new, independent and resurgent Asia. Accordingly, he put India in the forefront of mobilising international support on issues ranging from Indonesia's freedom struggle and Burma's internal security and stability, to that of peace and freedom of Indo-China states. Delhi served as a host, in 1947 and 1949, to the conferences on Asian Relations and Indonesia. Indian policymakers and diplomats forcefully articulated the cause of decolonisation and development of Asian countries in all possible international forums.

⁴ Asian Relations, Report of the Proceedings and Documentations of the First Asian Relations Conference, New Delhi, March 1947. Jawaharlal Nehru, *Speeches, Vol.1 (1946-49) and Vol.2 (1949-53)*, Publications Division, Government of India (Delhi: Government of India, 1949 and 1953).

⁵ See, K.M. Panikkar, *The Strategic Problems of the Indian Ocean* (Allahabad, 1944); K.M. Panikkar, *India and the Indian Ocean: An Essay on the influence of Sea Power on Indian History* (London: George Allen & Unwin, 1945); and Werner Levi, *Free India in Asia* (Minneapolis: University of Minneapolis Press, 1952).

The first Afro-Asian Conference held in Bandung, Indonesia, in 1955, was the culmination of these early Indian initiatives and efforts to promote Asian resurgence. India strongly pleaded for China's integration into the international community in the interest of Asian solidarity and pleaded that China should be treated more as a nationalist country than a communist revolutionary force.

The characteristic feature of the third wave of India's LEP was decolonisation and Asian resurgence. Both of these aspects were primarily emotional and ideological in content. The Nehruvian vision had a strong political content to back them but was bereft of much tangible substance; of commerce, culture and economy, as was evident during the first wave period. Nor was much attention paid, save rhetorical recognition, to the security imperatives of the developments in Indian Ocean, except during the late sixties and early seventies when India encouraged and backed the proposals for reducing the great powers' arms race in the Indian Ocean by getting it recognised as a 'Zone of Peace'. Therefore, India's efforts and initiatives with regard to Asian resurgence and Asian solidarity, though appreciated, could not be sustained as desired. The Bandung Conference was the first and last of its type. No Asian Relations Organisation, as envisioned in the Asian Relations Conference, could take shape. The Cold War powers suspected any move towards Asian solidarity as contrary to their strategic moves and interests, and ensured that such moves did not succeed. In fact the whole of Asia got divided along the Cold War lines. The Asian leaders failed to forge a common front to emerge as a powerful balancing force in the global divide due to their economic dependence on the former colonial powers and their inherent political and military vulnerabilities. There were also internal conflicts and insurgencies that became proxy wars in the Cold War ideological divide. The unfolding Asian conflicts, some of which were the continuation of the colonial control in different forms such as in the Indo-China region and others that proved to be persistent (also involving India with Pakistan and China) facilitated the machinations of all those who worked to keep Asia divided.

But India did not completely give up on its eastward orientation. It played a very constructive role, in working for peace and stability in the Indo-China region, under the UN (United Nations) auspices and as Chairman of the International Control Commission, following the Geneva Agreement of 1954. This difficult assignment delivered by India with passion and perseverance for peace is still appreciated and fondly remembered in Vietnam, Kampuchea (then Cambodia) and Laos. The goodwill earned by India in this region is and can be harnessed even today. Prior to this, India was also involved in the Korean Armistice in 1953 and played a constructive role between China and the West.⁶ Very few people know or remember that India under Indira Gandhi also associated itself with the process of the formation of ASEAN (Association of

⁶ For details of India's role see, Eric Gonsalves, Oral History, 'Resolving the Korean Crisis', *Indian Foreign Affairs Journal*, Vol.2, No.2 (New Delhi: Cambridge University Press-India, April-June 2007).

Southeast Asian Nations) during 1966-67. It worked intensely for evolving a broad-based regional organisation of cooperation, which did not identify itself with any of the superpowers' strategic and Cold War oriented interests. This however, was not acceptable to the powers involved in establishing ASEAN against a strategic backdrop of the messy Vietnam War. The result was an ASEAN representing an ideologically and strategically divided Southeast Asia in which India had no place.⁷

India missed its second chance with the ASEAN in 1980. In May 1980, following a meeting between Indian and ASEAN officials in Kuala Lumpur, a framework for 'step-by-step' cooperation between India and 'ASEAN as a group' was agreed on, covering economic areas, specifically trade, international economic cooperation, industrial cooperation and scientific and technological cooperation.⁸ However, the pursuance of this agreement was vitiated when India, ignoring ASEAN's collective position on Kampuchea, recognised the Hang Samrin regime that was seen as a protégé of Vietnam. This recognition was announced soon after Indira Gandhi's return to power in mid-term elections and just weeks before India was scheduled to participate in the ASEAN meeting to firm up its association with this regional grouping. Realising that ASEAN would not approve of this action, India's then foreign minister Narasimha Rao avoided participating in the ASEAN meeting in July 1980. ASEAN also did not bother to invite India subsequently. ASEAN turned cold towards India as a result of its political decision in favour of the Kampuchean regime. But why did the political position of the ASEAN members take precedence in what was proclaimed to be an organisation primarily for economic cooperation? Obviously ASEAN took its collective strategic preference rather seriously. Whether India should have played its cards more cautiously, by delaying the recognition of Hang Samrin regime in order to evolve a balance between its immediate strategic priorities and long-term regional interests in Southeast Asia, would remain a subject of debate among policymakers, analysts and observers. In retrospect, the credibility of India's position on Kampuchea and its stand on ASEAN as an organisation was validated. Not only were the Pol Pot-ist forces then backed by ASEAN, China and the West discredited and defeated, but ASEAN today represents the whole of Southeast Asia. Thus, India's bilateral relations with its eastern neighbours have waned and waxed during all these years.

⁷ Kripa Sridharan, *The ASEAN Region in India's Foreign Policy* (USA: Dartmouth Publishing Co, 1996). Also see 'India-ASEAN Relations: Evolution, Growth and Prospects', in Chandran Jeshurun (ed.), *China, India, Japan and the Security of Southeast Asia* (Singapore: Institute of Southeast Asian Studies, 1993).

⁸ For the Text of Joint Statement issued on this occasion, see, Kripa, *ibid.*

The Current Fourth Wave of the ‘Look East’ Policy

The current and fourth wave of India’s LEP is credited to Prime Minister Narasimha Rao and is said to have been driven by economic and post Cold War imperatives of India’s foreign policy.⁹ But this ignores the initiative taken by Prime Minister Rajiv Gandhi during the late eighties in reviving India’s relations with its eastern extended neighbours. There was a sudden spurt in diplomatic exchanges between India and the countries of Southeast Asia during the five years (1985-89) of Rajiv Gandhi’s rule. The Ministry of External Affairs (MEA) Annual Report for 1985-86 recorded:

‘There were hardly any high level contacts between India and ASEAN over the previous five years, but of late, a definite trend has emerged, which indicates that the ASEAN nations are interested in bringing bilateral relations back to the old level with the re-establishment of political dialogue.’

The next year, while commenting on Rajiv Gandhi’s visit to Indonesia and Thailand in October 1986, the same report said that ‘the visit filled the long felt need to give more attention to this region.’ The mutual desire on the part of these countries to develop closer bilateral relations with India was ‘manifested in the spontaneous and extremely warm reception accorded to [the] Prime Minister...’. During the five years of his rule, Rajiv Gandhi visited, besides Indonesia and Thailand, also Myanmar (Burma), Vietnam and topped these visits by undertaking a ‘ice-breaking’ visit to China in December 1988. Moreover, he tasked his Minister of State for External Affairs, K. Natwar Singh, to travel to the Southeast Asian capitals for facilitating a resolution of the Kampuchean issue through mutual understanding between ASEAN and the Indo-China states. In return, India hosted a number of Southeast Asian leaders like Suharto of Indonesia, Lee Kuan Yew of Singapore, Mahathir Mohammad of Malaysia, Van Linh of Vietnam and Hun Sen of Kampuchea, besides Foreign and other Ministers as well as junior officials from these countries.¹⁰

This initiative of opening up to the east was essentially strategically driven. China, under Deng Xiaoping, had launched itself on a dynamic path of economic recovery and was building cooperation and confidence with its neighbours in the region, by withdrawing China’s support to

⁹ See some of the studies on the subject: Frederic Grare and Amitabh Mattoo (ed), *The Politics of India’s Look East Policy* (New Delhi: Manohar, 2001); Prakash Nanda, *Rediscovering Asia: Evolution of India’s Look East Policy* (New Delhi: Lancer Publications, 2003); Sudhir Devare, *India and Southeast Asia: Towards Security Convergence* (Singapore: Institute of Southeast Asian Studies, 2006); and See Chak Mun, *India’s Strategic Interest in Southeast Asia and Singapore* (New Delhi: Macmillan Publishers India, 2009).

¹⁰ For details, see MEA Annual Reports of 1985-85 to 1989-90. Also *Speeches and Writings of Rajiv Gandhi*, All Volumes (New Delhi: Publications Division, Government of India).

local communist insurgencies and opening economic engagement. India also wanted to change the track of Sino-Indian relations as Rajiv Gandhi's visit opened discussions on the border dispute as well as prospects of bilateral economic cooperation. The message that came out of Rajiv's visit to China was to keep conflicts and disagreements on the back burner and start exploring areas of cooperation and understanding. Then under Gorbachev, there was a strong Soviet desire to normalise relations with China and get out of conflict situations in Afghanistan as well as Kampuchea (through Vietnam). Gorbachev's initiatives eventually also led to the end of the Cold War. India was also concerned regarding suspicion in this region about its naval activities, which called for clarifying things and building mutual confidence. India's naval intentions had been distorted and inflated by media and vested interests in this region as a result of India's proactive role, involving the use of military power, in the internal conflict resolutions in Sri Lanka (1987) and Maldives (1988).

This strategic drive on India's part was not bereft of economic objectives. India maintained a steady growth of around five per cent during Rajiv Gandhi's period and was economically opening up. The idea of 'one window clearance' was introduced to reduce bureaucratic hassle for investment proposals. This was aimed to encourage meaningful economic engagement with the world, particularly the economically dynamic extended eastern neighbours. The political exchanges between India and the Southeast Asian countries during Rajiv Gandhi's period also focused on issues of trade and commerce, avoiding double taxation, the search for energy and cooperation in the field of science and technology. Business delegations led by Federation of Indian Chamber of Commerce and Industry (FICCI) visited ASEAN countries.

After a brief interruption of two to three years due to the changes in governments when the Congress Party lost power and Rajiv Gandhi was assassinated, Narasimha Rao who came to power in June 1991 picked up the threads of Rajiv Gandhi's eastward initiatives. It may be kept in mind that Rao had joined Rajiv Gandhi's government as a foreign minister towards the later years and accompanied Gandhi on his China visit. Other significant changes had also taken place by the time Rao came to power. The government faced a severe balance of payments (BOP) crisis. The Cold War had ended. The uncertainties arising out of the collapse of India's trusted friend and supporter, the Soviet Union and the emergence of a unipolar world dominated by the United States (US) gave a certain jolt to the hitherto prevailing structure of India's foreign policy. India was forced to explore other options, both regionally and globally, in search of preserving and promoting its economic and strategic interests, and there, the eastern neighbours offered a promising area of engagement. The ASEAN, with Japan, Korea and China put together, constituted economically the most dynamic region, not only in Asia but the whole world. Indian policy could not ignore this region particularly under the new situation when India was in dire

need and desperate search for new openings for its 'liberalising economy.'¹¹ India was also looking elsewhere in Asia by the beginning of the 1990s, like towards the newly emerged Central Asian Republics, not only for retaining them as the captive markets of the Soviet period, for its products and services, but also to meet the growing energy needs, as the hitherto prevailing arrangements had been disturbed due to the breakdown of the Soviet Union in 1991. The search of new options had also got India involved in the initiative to build a cooperative structure in the Indian Ocean Rim Region. Southeast and East Asian countries naturally got a priority in this search for Asian partnerships, more so as new economic groupings like Asia Pacific Economic Community (APEC) were taking shape there.

There were other factors as well that strategically triggered India's moves to reactivate its LEP in the post Cold War phase. Two of them may be of particular interest here. One was the developing situation in Myanmar (Burma), where both China and Pakistan were fast expanding their presence and influence with the post-General Ne Win military leadership that assumed power in 1988. On its part, India was isolated from the Myanmarese military regime due to its traditional support for the democratic forces that continued until Rajiv Gandhi's period. The popular forces in Myanmar looked towards India for inspiration and encouragement in their struggle against the military order. China and Pakistan were supportive of Myanmar's new military leadership, which refused to transfer power to the Aung San Suu Kyi-led democratic forces, even after their massive electoral victory in 1989. On China's part, its support for the new junta in Yangon was also a reciprocal gesture for the Myanmar military leadership's endorsement of the Chinese government's position on the Tiananmen Square revolt of 1989. China preferred a non-democratic regime in its close neighbourhood. For Pakistan's military ruler General Pervez Musharraf, Myanmar generals were natural allies. While one can debate the role of ideology and democratic preference in foreign policy pursuit, in Myanmar, the political entrenchment of the military was a fact of life. The long drawn ethnic war in Myanmar and the fragile balance of popular forces between the Burmese and ethnic and tribal communities had tended to provide a certain incentive as well as legitimacy to the military to dominate political space.

A question that arises is whether India's adherence to democratic ideology in strategically sensitive situations is always desirable. Myanmar being India's close and next-door neighbour, should have been dealt with greater resilience and ingenuity, if not utter realism. Later, in 1996, at the ASEAN Ministerial Meeting (AMM) in Indonesia, India was quite impressed by the down to earth practical approach of the ASEAN countries in their discussion of Myanmar's admission into ASEAN, even in the face of strong opposition from the Western powers. There was not much wisdom and justification for the long indifference in India's policy towards Myanmar from

¹¹ K.K. Katyal, 'Looking Eastward for Capital', *The Hindu* (24 January 1994).

the early sixties to the end of the eighties. There were reports of the Chinese listening posts in Myanmar's Indian Ocean islands to monitor developments in India's missile programme. China had also spread its economic and military presence in Myanmar widely and deeply. Pakistan, with the help and support of China, had started supplying military equipments to Myanmar's new military regime.¹² India shuddered at the prospects of Pakistan consolidating its position in Myanmar in view of strong Pakistani links with Bangladesh's security establishment and its propensity to support insurgencies in India's northeast region. India could not afford to ignore Myanmar anymore in the face of these developments. The urgency for a basic shift in India's Myanmar policy was injected by the deteriorating security situation in India's northeast resulting from tribal insurgencies. Some of the insurgent groups were seeking shelter in Myanmar by exploiting ethnic harmonies across the border. Myanmar's military regime could not care less in view of India's explicit support for their democratic adversaries. Thus a cooperative and congenial relationship with Myanmar was also an imperative of India's internal (in the northeast) security concern.

The second factor that prompted India to look towards the east more seriously and determinedly was to answer growing, but wholly untenable and baseless, allegations and suspicions on India's naval expansion and assertive intentions in the Indian Ocean. Such allegations had been triggered during the Rajiv Gandhi period, by sponsored and ill-informed western and regional media reports.¹³ These reports were, perhaps, aimed at camouflaging intense military modernisation programmes of a number of countries in the region including Australia. These developments were also related to the reported reduction of the US military presence in the Asia-Pacific region as the Cold War had ended. India had to monitor these developments on its eastern front in its own long-term strategic interests. It also had to engage with its eastern neighbours strategically and explain its peaceful and non-expansionist disposition towards the region.

Accordingly, India's current LEP has both economic objectives and strategic considerations. What is often not realised is that in a very significant way, Southeast Asia was also inducing India to have greater involvement with the region. This tendency started towards the end of the eighties as witnessed during period of the Rajiv Gandhi administration in India, when a number of ASEAN leaders had consultations with India on the question of resolving the Kampuchean issue. Along with the possibility of a reduction in the US military presence mentioned above, there were also emerging signs of China's growing economic and military presence in the Asia-Pacific region. The ASEAN and other countries have always preferred a multilateral balance of

¹² For more details on this subject, see, S.D. Muni, 'China's Strategic Engagement with the New ASEAN', *IDSS Monograph*, No.2 (Singapore: Institute For Defence and Strategic Studies, 2002).

¹³ Sandy Gordon, 'India and Southeast Asia: A Renaissance In Relations?' in Sandy Gordon and Stephen Henningham (eds.), *India Looks East: An Emerging Power and Its Asia-Pacific Neighbours* (Canberra: Canberra Paper No.111, Strategic and Defence Studies Centre, The Australian National University, 1995).

forces in the region in the interest of greater stability and peace. Many of these countries found India a deserving candidate to be involved in this balance, because India had no record of an aggressive or expansionist approach towards this region in the past.

India's LEP was officially defined and articulated in September 1994, by Prime Minister Narasimha Rao in his Singapore lecture. He had stressed the point that India's historical and cultural relations were very old and strong and there was nothing new in India looking towards reinforcing cooperative linkages with its eastern neighbours. He laid emphasis on building strong economic and security relationship between India and its eastern neighbours.¹⁴ The components of India's thus articulated LEP were reiterated and elaborated upon subsequently by various prime ministers and foreign ministers and senior officials of India.

The LEP has not been pursued by India in a well-planned and structured manner. Rao's Singapore lecture in 1994 was a broad articulation of India's desire and rationale for connecting with its eastern neighbours. Since then the policy has evolved in phases and directions gradually. One can clearly discern a greater engagement with ASEAN during the initial years with an emphasis on economic ties and institutional partnership. After almost a decade, the policy assumed a more pronounced strategic flavour and expanded to the countries other than ASEAN members like Australia, Japan and Korea. India's then Foreign Minister Yashwant Sinha heralded the second phase of the LEP in 2003, by saying:

'The first phase of India's Look East policy was ASEAN-centred and focused primarily on trade and investment linkages. The new phase of this policy is characterised by an expanded definition of 'East', extending from Australia to East Asia, with ASEAN at its core. The new phase also marks a shift from trade to wider economic and security issues including joint efforts to protect the sea lanes and coordinate counter-terrorism activities.'¹⁵

The second phase of the policy was clearly marked by greater confidence on India's part in dealing with China as a number of bilateral confidence building measures had been put in place between the two countries. A positive turn had also taken place in India's relations with the US, and 9/11 had made India as well as other countries in the region, acutely conscious of the menace of terrorism. There have been raging Muslim insurgencies and revolts in Philippines, Thailand, Myanmar and Indonesia. There have also been a large number of initiatives in the field of

¹⁴ Text of Prime Minister Narasimha Rao's speech, Institute of Southeast Asian Studies, Singapore, 1994.

¹⁵ Yashwant Sinha's Speech at Harvard University (Cambridge: 29 September 2003). The full text of the speech is available at www.meaindia.nic.in/. Accessed on 25 January 2011.

defence cooperation with the countries of the region.¹⁶ Now after almost a decade of the second phase, a third phase of the LEP seems to be unfolding under which India's economic and strategic engagement with the region will be expanded and deepened, and India will be more willing and active to play a larger strategic role.¹⁷

India's strategy to rebuild cooperative relations with its eastern neighbours in general and ASEAN in particular has had two dimensions namely, strengthening bilateral relations and getting integrated with the regional cooperative organisations in Southeast Asia.

Strengthening Bilateral Relations

With regard to the first, India tried to reach out to its Southeast and East Asian neighbours in many ways. Through various exchanges of official visits, including at the highest political levels, India tried to explain to the eastern neighbours that India was a modern, peace loving, practical and cooperative country. In bilateral discussions, India's attempt was to enhance political understanding, identify areas of mutual interests and initiate moves to harness these interests. The countries specially chosen for greater cooperation could be seen to fall in three categories, two of them from within ASEAN and the third category of countries from East Asia.

Within ASEAN, India has adopted a differentiated approach between the new ASEAN members, namely Myanmar, Laos, Cambodia and Vietnam and the old ASEAN members. The new members joined ASEAN during the nineties and have been not only economically lagging behind the old ASEAN members, but also had a different strategic background and perspective. They have had centralised political systems, were at odds with the Western block during the Cold War due to their respective struggles of independence, which even led to the war in Vietnam, and were all located in the close neighbourhood of China. China's proximity to the US since 1972 drove these countries towards the Soviet Union, where India shared strategic perspective with them in the context of the Cold War. The end of the Cold War has made such strategic divides irrelevant and at present while India has vastly improved its relations with the US, the new ASEAN countries are also being vigorously courted by the US through economic assistance and defence cooperation. The spurt in US-Vietnam defence cooperation evident since 2008 may be seen as an evidence of it.¹⁸ The new ASEAN members also include the countries of the (former) Indo-China region, where India enjoyed a fund of goodwill and close understanding

¹⁶ For initial comments of the second phase of the LEP, see C. Raja Mohan, 'Look East Policy: Phase Two', *The Hindu* (9 October 2003).

¹⁷ Informal discussions with India's National Security Adviser to the Prime Minister in New Delhi (May 2010).

¹⁸ For a brief outline of major developments in US-Vietnam cooperation, see www.photos.state.gov/libraries/vietnam/8621/pdf-forms/15aniv-DAO-factsheet.pdf. Accessed on 25 January 2011. On the same subject also see, *Christian Science Monitor* (12 August 2010), *New York Times* (23 July 2010).

due to its role in the region under the UN Peace and Supervisory Commission established to overlook the implementation of Geneva Agreement of 1954. The deep roots of historical and cultural contacts between these countries and India have already been mentioned.

As noted above, India also adjusted its policy in relation to Myanmar, by accepting the harsh reality of the military junta being firmly in power there. Its ideological commitment to democratic forces had to be balanced with pressing strategic and security interests. The conferring of the Jawaharlal Nehru Award for International Peace on Myanmar's democracy leader Aung San Suu Kyi in 1995 can be seen as an act of maintaining this balance between ideological commitments and security interests. India also tried to maintain a cautious position on the question of the Monks revolt in Myanmar in 2007.¹⁹ Incidentally, Myanmar was also administratively a part for some years, of the British Indian Empire and there existed close relations between the two countries from 1947 until 1964, when military took over power.²⁰

The special focus on the new ASEAN countries in India's LEP has, over the past years, also led to the creation of a separate administrative unit, the CLMV (Cambodia, Laos, Myanmar and Vietnam) desk, in the Ministry of External Affairs to deal with them. Special programmes of assistance and cooperation in diverse fields are being initiated and executed in CLMV (Cambodia, Laos, Myanmar and Vietnam) countries through this unit.

Among the older ASEAN members, India has laid greater emphasis on the dynamic economies of Singapore, Malaysia, Thailand and Indonesia. Singapore, on its own has been taking initiatives to harnessing the vast potential of economic growth in India. In recent years, India's relations with Philippines, neglected for a long time, are also picking up. Singapore played an important role in facilitating India's institutional linkages with the regional grouping. Singapore may have seen a greater promise and potential in India's growing and liberalising economy. As a result, India's closest relations are with Singapore in the whole of the region, since the launch of the LEP. This is evident in trade, investments as well as defence cooperation areas.

As for East Asia, special attention is paid to countries like China, Japan and the Republic of Korea. China is more to India than just East Asia. The constraints of time and space do not permit us here to go into the details of India's China policy, but the shift in India's approach, particularly since Rajiv Gandhi's visit in December 1988, is clearly evident. The mutual confidence building measures between the two countries enshrined in the Agreements of 1993 and 1996, as well as the beginning of negotiations to resolve the contentious border issue and build economic cooperation through trade and investments, are reflections of the changed stance

¹⁹ S.D. Muni, 'Monks, masses and military', *Frontline*, Vol.24, Issue.20 (6 – 19 October 2007).

²⁰ For India's relations with the democratic regimes and leadership in Myanmar, see S.D. Muni, *India's Foreign Policy: The Democracy Dimension* (New Delhi: Cambridge University Press-India, 2009).

on the sides of both these giant Asian neighbours. Korea has also enhanced its economic cooperation with India – visible in the auto-industry and consumer durable production – over the past decade and more. President Lee Myung Bak of South Korea was invited as chief guest for India’s 61st Republic Day celebrations in January 2010. Political and strategic nuances of Japan’s perceptions and its economic slide did not allow the potential of its bilateral relations with India to be harnessed. However, the situation has radically changed towards a more positive direction in the last few years. India and Japan lobbied together for reforms in the UN and their seats in the Security Council as permanent members in 2005. They established a ‘strategic and global partnership’ in December 2006 during Prime Minister Dr Manmohan Singh’s official visit to Japan and since then the bilateral relations are moving fast on various areas of cooperation including in the defence sector. The first ever Two Plus Two Dialogue at the senior defence and foreign affairs officials level was held between the two countries on 6 July 2010.²¹

Institutional Engagement

Institutionally, India was accepted as a Sectoral Dialogue Partner by ASEAN in January 1992. The sectors identified for partnership were trade, investment and tourism. By comparison, the areas of cooperation agreed to in May 1980 were much broader than these. The Sectoral Dialogue Partner status was granted by ASEAN to both India and Pakistan at the same time. But soon the ASEAN countries realised that Pakistan had no inclination or potential to get economically engaged with the region. India on the other hand, was very serious in pursuing its economic engagement with the regional grouping. As a result, India soon earned the status of a (full) Dialogue Partner by ASEAN at its fifth summit in December 1995. The areas covered for cooperation and dialogue between India and ASEAN include trade and investment, human resources development, science and technology, transport, tourism and infrastructure, health, small and medium scale enterprises and people to people relations involving cultural and professional exchanges. The full dialogue partner status also enabled India to become a member of the then established unique security forum for the region called the ASEAN Regional Forum (ARF). India’s initial apprehensions that it would experience undue pressures within the ARF on account of its conflict with Pakistan and autonomy of its nuclear programme proved to be exaggerated.

From a dialogue partner, India became ASEAN’s Summit partner in 2002.²² ASEAN has instituted the ASEAN + 3 structure of summit level interaction with East Asian countries,

²¹ For details of expanding relations between India and Japan see, Rajiv Sharma, ‘India-Japan Ties Poised for Advance as Both Nations Eye China,’ *The Asia-Pacific Journal: Japan Focus*, www.japanfocus.org/-Rajeev-Sharma/3406. Accessed on 25 January 2011.

²² See the publication brought out on the occasion of the first summit, ‘India-ASEAN: The First ASEAN-India Summit’, Cambodia, November 2002, Embassy of India, Phnom Penh, Cambodia.

namely China, Japan and the Republic of Korea. India preferred to join this group by getting the ASEAN + 3 recast as ASEAN + 4 summit. This was not acceptable to some of the ASEAN as well as Plus Three (+ 3) members. The ASEAN + 3 concept had emerged out of the Malaysian initiative to establish an East Asian economic caucus and it was thought that India did not fit into the initially conceived framework. Perhaps, India was also viewed as a competitor for aid and investments by some of the ASEAN members, also under the influence of some of the Plus Three members like China. To further integrate itself with the regional economic structure, India started working on a Free Trade Agreement (FTA) and concluded the same in August 2009 after considerable delay and difficulties.²³ The Agreement has become operational starting in January 2010. This would be encompassed in a broader structure of the ASEAN-India Regional Trade and Investment Area (RTIA). A Framework Agreement on Comprehensive Economic Cooperation between ASEAN and India was concluded in October 2003 during the Bali ASEAN summit. In pursuance of the thrust of this 'Framework Agreement', the two sides are also busy defining an 'ASEAN-India Vision 2020' to give a firm direction and momentum to their joint endeavour towards 'Shared Prosperity'.²⁴ India was initially kept out of the Asia-Europe Meeting (ASEM) mechanism that started functioning since 1996, but since 2006, India has become a member of this grouping as well.

The institutional integration of India with Southeast Asia has not remained confined to ASEAN alone. In 1997, India along with some of the South and Southeast Asian neighbours, also established a sub-regional grouping called Bay of Bengal Initiative for Multi-sectoral Scientific, Technological and Economic Cooperation (BIMSTEC) to promote rapid economic cooperation in the areas of trade, investment, tourism, fisheries, agriculture, transportation links and human resources development.²⁵ The initiative for BIMSTEC was taken by Thailand in search of expansion of its market and investment opportunities without competition from its strong ASEAN partners like Singapore and Malaysia as well as larger neighbour like China. It has been mentioned earlier that Thailand called this initiative as a reflection of its Look West policy. India spontaneously responded to this Thai initiative to break out of the rigid South Asian constraints where Pakistan was neither helping SAARC (South Asian Association for Regional Cooperation) to grow nor seeking to normalise bilateral relations. Some observers have looked towards India's participation in BIMSTEC as a move to isolate Pakistan in South Asia. This indeed may sound logical since all the SAARC members except Pakistan were members of BIMSTEC with the joining of Nepal and Bhutan in July 2004. Pakistan has not sought the membership of this organisation and now SAARC has also expanded with the inclusion of

²³ For a brief discussion of some of these difficulties see, Shankari Sundaraman, 'India-ASEAN FTA: To be or not to be', *The Asian Age* (New Delhi: 14 April 2009).

²⁴ RIS, New Delhi has prepared a draft for this 'Vision' statement (December 2003).

²⁵ Initially BIMSTEC represented the first letters in the names of all the members, i.e. Bangladesh, India, Myanmar Sri Lanka, Thailand, Economic Cooperation. However, this nomenclature created difficulties when Nepal and Bhutan were asked to join, hence, the change in the name.

Afghanistan as a full member along with a number of observers. The change in name also underlines the growing significance of the Bay of Bengal region where all the original members of the grouping share economic and strategic concerns.

Besides BIMSTEC, India's interaction with its eastern neighbours also take place in the Indian Ocean Rim Association For Regional Cooperation (IOR-ARC), established in 1997, and various forums for Asian cooperation. In 2000, India and the Mekong basin countries of Southeast Asia namely, Thailand, Myanmar, Laos, Kampuchea and Vietnam, established a Mekong-Ganga Cooperation (MGC) Forum with India. Initiative for this forum had also come from Thailand. China is excluded from this group. India is regionally well integrated now with the existing institutional structures to pursue its economic and strategic interests constructively. As and when the Kunming initiative takes a concrete shape, another forum for India to engage with China and other eastern neighbours like Myanmar and Bangladesh for cooperative development would be opened. India may however not be very enthusiastic for this forum as it essentially is driven by China's desire to connect it with the South Asian economies and open prospects for the growth of its landlocked region like Yunnan. Prime Minister Manmohan Singh in continuation of the thrust of 'Look East' policies has also given a call for building an Asian Economic Community.²⁶ There is a section of Indian opinion that seeks full membership of ASEAN or APEC. It may however, be prudent to make an objective and indepth assessment of India's interests and advantages in doing so, before a policy decision is taken in this respect.²⁷

There were initial reservations on India joining the new organisation of the East Asia Summit (EAS), the initiative for which by Malaysia may be traced back to 1991. In the perceptions of Malaysia and some other prospective members of this organisation like China, India did not qualify to be an East Asian country. This was contested by India and other ASEAN members like Singapore and Japan. Eventually, India along with Australia and New Zealand, became its founding member when EAS was established in 2005.²⁸ ASEAN forged another regional organisation called the ASEAN Defence Ministers Meeting (ADMM) in 2007, to cooperate, to begin with, in the areas of humanitarian and disaster relief. This meeting also adopted a concept paper on the expansion of this organisation (ADMM Plus). At its fourth meeting in Singapore in May 2010, the ADMM became ADMM + 8, by including eight other members namely Japan, Korea, China, Australia, New Zealand, India, Russia and the US. The first meeting of the expanded ADMM took place in Vietnam in October 2010.

²⁶ Prime Minister Manmohan Singh said this while inaugurating the third Conference of Indian Association of Southeast Asian Nations on 19 October 2004, www.globalinsight.com/SDA/SDADetail1269.htm. Accessed on 25 January 2011.

²⁷ India's institutional integration with ASEAN was outlined by the Cambodian Foreign Minister, Hor Namhong in his India-ASEAN Lecture in New Delhi on 14 March 2002.

²⁸ S.D. Muni, 'India and the East Asia Summit', Observer Research Foundation, New Delhi, and (Singapore: Institute of South Asian Studies, Unpublished Monograph, 2007).

If one looks closely at India's efforts to integrate itself with the multilateral regional grouping, one can discern an undercurrent of strategic push centred around China. India has welcomed and actively encouraged such regional groupings where China does not figure at all. The examples of BIMSTEC and the GMC may be mentioned here. India has also sought membership and participation where there existed the prospects of China emerging as a major player and using the given organisation to consolidate its presence and influence in Southeast Asia. India's attempts to get the ASEAN + 3 enlarged into 'Plus Four' by its own inclusion were pursued vigorously, though in vain. Subsequently, India keenly lobbied for its inclusion in the EAS in the teeth of opposition from China and Malaysia with the help of Japan and other ASEAN countries as mentioned above. In order to ensure that China does not get to dominate any organisation in the region, India has been supporting the initiatives of the ASEAN and other countries to expand such organisations. The EAS accepting the US and Russia and the expansion of the ADMM to include the US and Russia, besides all other EAS members may be taken note of in this respect. India continues to have strong reservations on the 'Kunming initiative' for instance with proposals that seek to make China a direct participant in South Asian economic activities. India accepted China as an 'Observer' in SAARC after much trepidation and possibly as a bargain for India's acceptance as an 'Observer' in the Shanghai Cooperation Organisation (SCO).

Economic Gains

The biggest benefit of India's LEP has been that India has been re-engaged with its eastern neighbourhood closely and has gradually emerged as a significant player in the strategic dynamics of the region, which is centred around a rising China. In tangible terms, the gains are clearly evident in economic and strategic fields. Economically, India's trade with ASEAN has grown impressively since the pursuance of the LEP – from US\$2.3 billion in 1991-92 to US\$45.34 billion in 2008-09.²⁹ Singapore stands out as India's largest trading partner in ASEAN followed by Malaysia and Indonesia. Growth of trade has however been phenomenal between India and China where all the set targets have been broken time and again. By 2008-09, India-China trade in goods recorded a figure of US\$41.8 billion, but if the trade in services is also included, it goes beyond US\$50 billion.³⁰ Most of India's trade balance with ASEAN and China is negative and there are concerns about a growing deficit. But the Indian economy is less manufacturing and more service sector based as compared to China and the ASEAN countries. It may be hoped that with the increase in trade in services, India will be able to bridge some of its

²⁹ Based on Department of Commerce, Government of India.

³⁰ Archana Pandya and David M. Malone, 'India's Asia Policy: A Late Look East', *Institute for South Asian Studies Special Report*, No.2 (Singapore: Institute of South Asian Studies, 25 August 2010), p.12.

trade gap. India's trade with Japan, Australia and the Republic of Korea is also picking up fast with the increasing momentum in the LEP.

India has also received increasing investments from its East Asian neighbours, reaching a figure of US\$13.15 billion by August 2009. Singapore again tops the list of investors accounting for US\$8.66 billion. Singapore's share of FDI (foreign direct investments) inflows to India is 8.72 per cent of the total.³¹ Singapore is followed by Japan with US\$3.30 billion of FDI into India, which constitutes 3.44 per cent of the total inflows. The Chinese companies seem keen to increase their investments into India but the security stigma attached to their operations creates difficulties. India's investments in turn have also been growing into the Southeast Asian region. The highest Indian Direct Investments of US\$14.23 billion by 2008-09, have gone to Singapore, followed by Australia where India has invested US\$962.3 million by 2008-09. It is interesting to note that India has an investment of US\$911.1 million in China, the third largest in the region compared to China's investments of US\$14.35 million in India.³²

India's economic integration with the East Asian region will grow gradually. While projecting a comprehensive economic partnership framework at the regional level, India has been moving on partnerships at the bilateral level. The Comprehensive Economic Cooperation Agreement (CECA) with Singapore was signed in 2005 and now a similar agreement with Malaysia has also been finalised. Such partnerships will go beyond trade in goods and investments. It will cover the services sector in which India has strength, and may also include areas like science and technology, tourism, etc., to consolidate and expand economic cooperation. The pace of economic reforms in India will also give a further boost to not only India's economic growth but also to its relations with the East Asian neighbours.

Strategic Engagement

The emphasis in the first phase of the LEP was primarily on economic engagement. But the area of cooperation in defence and strategic matters was not completely overlooked.³³ India not only supplied defence equipment to the ASEAN countries but also agreed to help upgrade and repair their major weapon systems like MiG (Mikoyan-Gurevich) fighter aircrafts and offer training to their defence personnel. Important agreements in this respect were signed with Vietnam, Malaysia, Laos and Singapore. Some of those agreements, particularly with Malaysia and Laos could not be fully implemented, partly due to the regional economic crisis and payments

³¹ *Ibid*, p.11.

³² *Ibid*.

³³ S.D. Muni, 'Strategic Engagement of the East', *Indian Defence Review*, Vol.20, No.4 (October-December 2005).

difficulties and partly due to inept handling by the concerned Indian defence organisations.³⁴ Security cooperation was also an important item in the growing India-Myanmar relations. The two countries carried out a joint operation in 1995, code named 'Operation Golden Eagle', to deal with ethnic insurgency on their common border. Myanmar has also started appreciating India's security concerns in relation to the growing presence of China and Pakistan in Myanmar.

However, since the beginning of the second phase in the LEP, the question of strategic engagement and defence cooperation has been stepped up. The parameters of the policy, as noted earlier, have been taken 'beyond ASEAN' and 'beyond economic interests.' There is also renewed and wider (other than ASEAN countries) interest in the region for defence cooperation with India. A typical example of this was evident in the year 2002 when India responded to the US call of escorting its ships in the Straits of Malacca to protect them from sea piracy.³⁵ India's policy of strategic engagement with the eastern neighbours has developed various aspects. There are high-level political and military exchanges of visits where broader regional and global security issues are discussed. At the level of Ministries of External Affairs and Defence, bilateral dialogues and consultations on regular basis have been institutionalised. Then there were Naval and other services (Air Force, Army) visits and exercises. Indian ships have visited and conducted exercises with almost all the countries of the region, going as far as the South China Sea. There are of course differences in the quality and reach of these visits and exercises. India is also supplying defence equipments and servicing and upgrading them in many Southeast Asian countries and setting up training facilities and military academies there. In August 2008, India offered to setup an Air Force Academy in Laos. India is also slowly moving into the area of defence technology exchanges and joint production. With Singapore, India has the closest special security partnership in the region.³⁶ The Kalaikunda Air Force Base in India's West Bengal state was leased in October 2007 to Singapore for five years for training purposes. Next to Singapore, Vietnam, Malaysia and Indonesia may be described as the countries having close defence cooperation with India. With Indonesia there has also been a proposal to establish joint production of military hardware.³⁷

Beyond ASEAN, India has also developed close strategic understanding and cooperation with Japan, Australia, Korea and even China. Strategic partnerships, in different forms have been established with these countries. India, Japan and Australia had joined hands with the US in

³⁴ The author has firsthand knowledge of this in the case of Laos where he served as India's Ambassador from 1997-99.

³⁵ Sudha Ramachandran, 'India Signs on as Southeast Asia watchdog', *Asia Times* (5 April 2002), www.atimes.com/ind-pak/DDO5Dfo1.html. Accessed on 25 January 2011.

³⁶ David Brewster, 'India's security partnership with Singapore', *The Pacific Review*, Vol.22 No.5 (December 2009), pp.597-618.

³⁷ 'India, Indonesia Mull Joint Defense hardware Production', www.india-defence.com/print/3311, Accessed on 30 January 2011.

coordinating rescue and relief operations to deal with the 2004 tsunami in the region. There is a persisting speculation among strategic analysts that these countries may forge some sort of a united front, a kind of 'Asian NATO' to keep China contained in the region.³⁸ But such thinking may be a bit far-fetched and also not conducive to regional peace and stability, as it will make China feel insecure and in turn assertive and aggressive. India has, however, made no secret of its desire and capabilities to play an important role in ensuring Asia's regional security. On 28 November 2005, Foreign Secretary Shyam Saran, speaking at Economic Forum in New Delhi said:

'India and the United States can contribute to much better balance in the region. ...We believe in terms of managing the emerging security scenario in Asia, we need to bring more and more countries with in the discipline of a mutually agreed security paradigm for the region.'

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

'India is one of the important legs of the Asian juggernaut along with China, Japan and Indonesia. In the Asia-Pacific region, India's growing ties with the United States and other countries in North and South America brings with it a commensurate role in the region...India's role is crucial for ensuring and maintaining long-term peace, stable balance of power, economic growth and security in Asia...It straddles the land and maritime space between east and west, and provides potential energy and trade corridors to Central Asia and Indian Ocean region. Responding to the challenges of globalisation is one of the key issues faced by all nations today. As a pluralistic, democratic and English speaking society, India is well place to respond.'³⁹

³⁸ See following; Derek Chollet, 'Time for an Asian NATO', *Security Studies*, (Winter 2001); Frank Crass, 'U.S. and India Consider "Asian NATO"', *NewsMax.com Wires* (29 May 2003); www.archive.newsmx.com/archives/2003/5/29/162032.shtml. Accessed on 25 January 2011; Praful Bidwai, 'Five-Nation Naval Drill Presages "Asian NATO"', *Inter Press Service* (7 September 2007), www.ipsnews.net/print.asp?idnews=39175. Accessed on 25 January 2011; D.S. Rajan, 'Suspicion of an "Asian NATO" in the four-nation dialogue', *China Monitor*, Paper No.9, *South Asia Analysis Group*, Paper No.2103, (21 January 2007); Rick Rozoff, 'U.S. Expands Asian NATO Against China, Russia,' www.rickrozoff.wordpress.com/2009/10/16/. Li Hongmei, 'Insidious, Risky Strategy: U.S. Builds Asian NATO Against China', *Global Research*, *People's Daily Online* (12 August 2010), www.globalresearch.ca/PrintArticle.php?articleId=20593. Accessed on 25 January 2011.

³⁹ Text of the speech (3 June 2006), www.iiss.org/conferences/the-shangri-la-dialogue/shangri-la-dialogue-archive/shangri-la-dialogue-2006/2006-plenary-session-speeches/second-plenary-session--pranab-mukherjee. Accessed on 25 January 2011.

Thus, India's advantages *vis-à-vis* other regional powers like China and Japan, in the region was clearly underlined.

India's capability to play a balancing strategic role in Southeast Asia will be considerably augmented after the completion of the project upgrading of Andaman and Nicobar 'tri-service command' which was established in 2001, into a 'major amphibious warfare hub' by 2020. It will have fully developed facilities for training and deploying sea and land fighting units. It will become a submarine base and an air force base to station Sukhoi 30 and Mirage 2000 fighting aircrafts. It would be possible to undertake Tactical Ariel Reconnaissance missions from this base to keep an eye on the movements in the Indian Ocean and the strategic Straits of Malacca in its eastern flank. Long back, India's strategic thinker, K.M. Panikkar had said that 'the Gulf of Malacca is like the mouth of a crocodile, the Peninsula of Malaya being the upper and the jutting end of Sumatra being the lower jaw. The entry to the Gulf can be controlled by the Nicobars and the narrow end is dominated by the island of Singapore.'⁴⁰ It may be of interest to mention here that India's escort missions for the US ships in 2002 were undertaken by its ships anchored in Singapore. Besides being a full-fledged military base, Andaman and Nicobar will also have major facilities for hosting commercial traffic in the region.⁴¹

Besides building defence cooperation, the LEP has also helped India to get its own security needs better understood in the region. May 1998, when Pokharan-II (the test explosions of five nuclear devices) took place, the Western members of the ARF as well as Japan and Australia expressed strong reservations and disapproval, and imposed sanctions on India. These reservations have since melted away and both Japan and Australia are trying their best to make for the lost time and opportunities in India. The ASEAN countries showed considerable understanding, at least informally through bilateral diplomatic channels, of India's security predicament. A number of ASEAN members are willing to support India's permanent membership of the UN Security Council (UNSC). Understanding has also been shown to India's position during the Kargil conflict and the persisting challenge of cross-border terrorism to India's stability and political harmony. Thanks to the 9/11 events, today India's concern with regard to cross-border terrorism is also better understood and appreciated among its eastern neighbours. The India-ASEAN Joint Declaration For Combating Terrorism, signed in October 2003, brings the two sides closer in this new area of security and commits them to 'counter, prevent, and suppress all forms of terrorist acts.'⁴² Terrorism has since continued to be an important theme in India's discussions with the countries as also in the regional groupings in the Southeast Asian region. It may not be out of place here to mention that the strategic thrust in the

⁴⁰ K.M. Panikkar, *The Strategic Problems of the Indian Ocean* (Allahabad, 1944), p.21.

⁴¹ Ravi Velloor, *The Straits Times* (8 September 2010).

⁴² Text of 'ASEAN-India Joint Declaration For Cooperation To Combat International Terrorism', ASEAN Secretariat, www.aseansec.org/15276.htm. Accessed on 25 January 2011.

second phase of India's LEP was prompted by not only India's declaration as a nuclear weapons state but also its concern for the growing menace of terrorism.

Challenges and Prospects

Any objective assessment of nearly the past two decades of India's LEP would suggest that while notable progress has been made, there is still a long way to go and tremendous potential remains to be harnessed. The East Asian spread is vital for India's economic progress and security needs. It can be a vehicle for India's greater Asian identity and provide a constructive outlet to such of its energy and aspirations that cannot be absorbed in the South Asian neighbourhood alone. This region is also emerging as the key theatre for the intense interplay of the forces of globalisation that will affect the texture and contours not only of Asian, but even of world politics. The security significance of this region has been further reinforced in the context of '9/11 events' and the global war on terrorism, as India is also one of the most seriously affected victims of this menace. Reports about Al-Qaeda and *Jihadi* forces having links in the whole of Southeast Asia surface frequently. With the Islamic rebellions of differing intensity raging in various countries of the region like Indonesia, Philippines, Thailand and Myanmar, the threat of 'global *jihad*' linking up with regional extremists will continue to loom large on the region. The unfolding nexus between Pakistan and North Korea, with the possible connivance of China, in the nuclear and missile field needs to be watched carefully from India's wider security interests in the region. India's Defence Minister A.K. Antony's visit to South Korea in (2-3) September 2010 has given further momentum to defence cooperation between the two countries. It is of interest to note here that while Pakistan has become a member of the ARF, it is excluded, along with North Korea, from the EAS and the ADMM + 8.

The challenge for India's LEP comes from three areas – (1) the rise of China; (2) the fluid strategic triangle of India, China and the US; and (3) the capabilities and drive of the policy establishments at home. The LEP will accordingly be shaped by the way India deals with these challenges. In many subtle and explicit ways, India's LEP has been driven by China's rise. China has much deeper economic engagements with India's eastern neighbours and these engagements are going to get stronger. Many of these neighbours find their engagement with China to be mutually beneficial, notwithstanding occasional reservations. India is not in a position to match this and can never provide alternative support to them. The countries of Southeast Asia want to keep India, and other countries engaged in the region in order to have a comfortable regional balance. The problem would however arise if and when China starts asserting itself on these countries. The instance of China's gradually growing assertion in South Asia and also in the

South China Sea region may be kept in view.⁴³ As this assertion increases, India's presence in the region may come under pressure. It must be kept in mind that while economic cooperation between India and China is growing, the strategic competition and rivalry between the two is also getting sharpened as well.

Asia's most critical strategic triangle is the one constituted by India, the US and China. The strategic relationships between these three major Asian players are in a flux, transiting through the realm of uncertainty and anxiety. These relationships cannot be assumed at any time to be completely free from competition and tensions.⁴⁴ China is particularly worried about any move towards greater strategic understanding between India and the US aimed at constraining China's emerging strategic presence and stake in the region. Accordingly, China will contest and resist any strengthening of the US-India strategic equation, particularly in the context of Southeast Asia. China will, in that case, exploit the vulnerabilities and weaknesses in India's relations with its neighbours in South and Southeast Asia. Indian Prime Minister Dr Manmohan Singh's worries on China's expanding role in South Asia and the Chinese response to reiterate its interest in South Asia may be seen in this context.⁴⁵ Also, as China consolidates its strategic presence in Southeast Asia, it will impinge on the US stakes and influence, which Washington will resist. The sharpening of US-China rivalry for strategic influence will create a dilemma for India in terms of maintaining a proper distance between the two, which seems to be the crux of India's policy at present.

Lastly, the challenge comes from India's own policy front. In order to exploit the full potential of cooperation with the extended eastern neighbourhood, India has to improve its economic performance. The World Bank and other international economic institutions are hopeful of the Asian growth being led by Indian and Chinese economies. But for that, the pace of reform in financial and manufacturing sectors, and bureaucratic procedures has to be streamlined. Inadequate coordination between various concerned departments and ministries, like External Affairs, Commerce, Defence, Finance, etc., has cost India dearly in the past. The Economic Ministries need to develop a strategic perspective in harmony with the broader national strategic profile and interests in different regions of the world. India has to shed whatever hesitation it has on the question of expanding and upgrading transport linkages through air and road with the

⁴³ Also, Joshua Kurlantzick, 'Avoiding a Tempest in the South China Sea,' Expert Brief, *Council on Foreign Relations* (2 September 2010), www.cfr.org/publication/22858/avoiding-a-tempest-in-the-south-china-sea.html. Accessed on 25 January 2011. Also see, Annual Report to Congress, Military and Security Developments Involving the People's Republic of China 2010, Office of the Secretary of State, Department of Defence, United States of America (2010).

⁴⁴ Xiao Xiong Yi, 'Tensions Mount in Asia, as China Rise' (25 August 2010), www.defence.pk/forums/world-affairs/70527-tensions-mount-asia-china-rises.html. Accessed on 25 January 2010.

⁴⁵ Prime Minister Manmohan Singh expressed these concerns in his briefing to the Indian editors on 6 September 2010, and the Chinese response came from the official spokesman on foreign affairs in Beijing, *The Hindustan Times* (7 September 2010).

eastern Asian region. Then Prime Minister Vajpayee's offer during the Bali Summit of October 2003, of a unilateral 'open skies' policy to selected Southeast Asian airlines, India's proposal to have a railway line connecting India's northeast with Vietnam, and the flagging off of a car rally in December 2004 in the region, are firm indications that India is conscious of the challenge of its LEP. In April 2008, India signed the 'Kaladan Multi-Modal Transport Project' to firm up connectivity with Myanmar. Energy and information technologies are emerging as significant areas of cooperation with some of the Southeast Asian countries. India's economic diplomacy will have to gather dynamism and evolve constructive resilience to reap desirable benefits in these areas. This task cannot be accomplished by solely articulating a sound policy, but will also require concerted and focused action at the administrative as well as entrepreneurial levels. For instance, in defence productions and sales, private sector is being gradually involved and procedures are streamlined to ensure that commitments made to the friendly countries are efficiently executed.

There is considerable scope to activate India's cultural diplomacy to provide necessary backup to its economic initiatives and strategic moves in the region. India's rich cultural heritage can ring many sympathetic cords in the region and its multi-religious, secular and democratic ethos, as well as rich music, arts and architecture, theatre and cinema have huge responsive constituencies in all the near and extended eastern neighbours. In fact Bollywood (cinema) and cultural exchanges, like that of the *Ramayana* troupes can work wonders in pursuing cultural diplomacy. Bollywood presence is extensively evident in Southeast Asian countries, but that is mostly commercially motivated and privately provided without any systematic and planned encouragement from the state. These areas have no conflicting edges. A carefully planned and sustained cultural diplomacy can speed up economic engagement and yield impressive results in the field of people to people relations and mutual political understanding. This cultural diplomacy can also be backed up by promoting cooperation in the field of education, science and technology, where India has notable assets and strengths. In many Southeast Asian countries, Indian diplomacy has not adequately reached educational and cultural establishments and ignored mobilising civil societies in pursuance of India's perceived interests. It is hoped that the projects like the revival of Nalanda University in collaboration with East Asian countries, for which Indian Parliament adopted a Bill in August 2010, will fill some of this gap.⁴⁶ Educational links can provide a lasting and powerful stimulus to regional cooperation and integration.

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⁴⁶ S.D. Muni, 'Nalanda: a soft power project', *The Hindu* (31 August 2010).