ACT EAST POLICY - EMERGING CONTOURS

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Ambassador Rajiv Bhatia is a Member Governing Council - Asian Confluence, Distinguished Fellow, Gateway House and Former Director General - India Council for World Affairs. As the Director General of ICWA, he played an important role in strengthening India’s Track-II research. During his 37 years in Indian Foreign Service (IFS), he served as an Ambassador to Myanmar and Mexico and High Commissioner to Kenya and South Africa. He also served as a Joint Secretary in the Ministry of External Affairs, New Delhi. He was responsible for India’s relation with her neighbours; Bangladesh, Maldives, Myanmar and Sri Lanka. He holds a Master’s degree in Political Science from Allahabad University and has keen interest in arts, culture, history and the Indian Diaspora.
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Addressing the India-ASEAN summit for the first time on 12th November 2014, Prime Minister Modi observed that “a new era of economic development” had begun in India; he added: “Externally, India’s ‘Look East Policy’ has become ‘Act East Policy.’” Fourteen months later, an interim assessment of the policy shift may be instructive in appreciating the impact of New Delhi’s responses to a fast-changing strategic environment.

Achievements of the Look East Policy (LEP), conceived in the early 1990s, were appropriately celebrated with some fanfare with a commemorative summit of ASEAN and Indian leaders in December 2012. Yet, a mixture of staleness and inadequacy marked this policy in its later years. LEP came under serious criticism within India and ASEAN. Friendly nations (such as the US) advised India to not only ‘look’ but also ‘act’ and ‘engage’ the Asia-Pacific region. The switch to Act East Policy (AEP) occurred in this backdrop.

Cynics argue that there is no difference between the two policies, except in name. I am afraid they are wrong. A careful scrutiny shows that AEP is the latest edition of the previous policy, but it is characterized by at least five new features.

Firstly, the focus on tangible action and concrete results is inherent in the change from ‘Look’ to ‘Act’. Secondly, while ASEAN continues to be the central pillar or core of the policy, South Block is investing much more (than before) in deepening cooperation with the extended region, comprising in particular US, Japan, Australia and South Korea, in order to cope with a marked increase in China’s assertiveness. Consequently, the third feature is boldness on India’s part in the security, defense and strategic domain.

Fourthly, India might become even more cordial and cooperative with ASEAN, but hard-nosed too. At the first summit itself, the Indian PM called for conducting ‘a review of our free trade agreement.’ A strong push was likely to be given to negotiations for the Regional Comprehensive Economic Partnership (RCEP) with the aim to conclude them
in 2016. Besides, higher dedication was promised for creating “the trident” of commerce, culture and connectivity. Finally, the new government indicated clearly that India’s North Eastern Region (NER) would receive a higher priority in the implementation of AEP.

The switch from LEP to AEP represents a calibrated up-gradation of India’s multi-dimensional relations with East Asia.

Seen from this perspective, key developments of the past year in East Asia confirm that the region has indeed become a top priority for the Indian government. On 1st January 2016, ASEAN re-invented itself as the ASEAN Community covering three different domains – political, economic and socio-cultural. It may not have become fully integrated, but it is heading in that direction gradually. Recognizing the importance of this transition and other changes, PM Modi visited Myanmar, Malaysia and Singapore (where a strategic partnership agreement was signed) as well Australia, Fiji, Japan, China, and South Korea.

President Pranab Mukherjee visited Vietnam, whereas Vice President Hamid Ansari undertook visits to Cambodia, Laos and later Indonesia. External Affairs Minister Sushma Swaraj devoted sustained attention to ASEAN by visiting Myanmar, Vietnam, Thailand, Singapore and Indonesia and hosting her counterpart from the Philippines in Delhi.

The government announced two new initiatives: firstly, the decision to form a project development firm (with $100 billion as initial capital) which, through special purpose vehicles, would set up manufacturing hubs in CLMV countries; and secondly, the announcement on creation of a new $1 billion fund for augmenting connectivity between India and ASEAN member-states.

The change in approach towards the principal players outside ASEAN has been particularly striking. First of all, the frequency and range of interactions as well as political-strategic proximity of India with US as well as its Asia-Pacific allies and partners have gone up. Secondly, greater focus has been placed on increasing strategic coordination, defense cooperation and economic development.
On the issue of peace and security in the region and specifically the South China Sea question, the “US-India Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region” was signed. It presents partnership between the two nations as “indispensable” for the region’s peace, prosperity and stability. India also crafted a joint position on this issue with Japan, which was reflected in the joint statement issued during PM Abe’s visit to India in December 2015. Prior to it, US, India and Japan held the first Ministerial dialogue that was not without significance. Above all, a forthright formulation was included in the Chairman’s statement of the 10th East Asia Summit on 22nd November 2015. This placed the burden of expectations on China’s shoulders for ensuring peace and security in the region, through its call for “expeditious establishment of an effective COC” (Code of Conduct) with ASEAN on the South China Sea.

Separately, observers have noted that the India-Japan relationship stands considerably strengthened thanks to an increased convergence of mutual perspectives. Japan’s commitment of about $35 billion for India’s economic development (including for Shinkansen bullet train), the memorandum of understanding signed on civil nuclear cooperation, the agreement to supply military equipment and technology, and the joint decision on inclusion of Japan in India-US ‘Malabar’ naval exercises are all notable pointers.

Thus, it is reasonable to argue that AEP has started off quite well. The question is how to judge its future trajectory closely and critically. For this purpose, the following fivefold yardstick may be useful:

i. Trade ($76.52 billion in 2014-15) and investment ($71 billion during 2007-15) between India and ASEAN need to increase. Without this, AEP may be unable to claim much success in the future.

ii. India-ASEAN connectivity projects, started long ago, need to be completed at the earliest. Deadlines for completion of the Kaladan multi-modal transport project in Myanmar and the trilateral highway project (linking India, Myanmar and Thailand) are 2016 and 2018 respectively. New Delhi has to do everything possible to avoid further slippages. The two new initiatives mentioned above – for CLMV and for ASEAN – should also be put into effect as soon as possible.
iii. Considering that the Trans Pacific Partnership (TPP) is heading towards fruition, parties to the negotiations for RCEP pact (ie. ASEAN, India and others) can hardly afford more delay in finalizing and signing it. The common objective is to complete this task before the end of 2016. Will this be achieved?

iv. Countries concerned about the situation relating to the South China Sea might just succeed in persuading China not to rock the boat too much. Military conflict or accidents have to be avoided, even if political tensions and arms race might continue. This will bear a close watch.

v. Finally, further chiseling of the East Asia Summit as an influential platform for policy dialogue and coordination would be another important phenomenon to evaluate.

While the Look East Policy is history now, it survives in the form of the Act East Policy with its own orientation, angles and nuances. It is a transformation of policy, reflective of geo-political and geo-economic changes in the region, which are evident in the second decade of the 21st century. AEP entails a conscious endeavour to identify and fulfill mutual expectations of India and her regional partners.

The new policy has begun its journey on a road marked by recognizable milestones. At the year's end, we will be able to measure its progress and emerging contours.

The author is former director general of the Indian Council of World Affairs (ICWA) and former ambassador. He is also a columnist and author of “India-Myanmar Relations: Changing Contours”.