India's Look East Policy and Northeast India

The Look East policy is an important foreign policy initiative of our country in the post-Cold War period. It was launched in the year 1991 by the then Narasimha Rao Government with the aim of developing political contacts, increasing economic integration and forging security cooperation with countries of Southeast Asia. The policy marked a strategic shift in India's perspective of the world. As a result the Look East policy seeks to make India as an important factor in the Asia-Pacific strategic discourse. It is a late recognition of the strategic and economic importance of the region to India's national interests.

The Northeastern region of India is a store-house of mineral resources, bio-diversity and water resources. Yet these natural bounties are yet to be harnessed. The profound economic and political changes that followed in the wake of independence created a sense of unease among the tribal population of the region. Since the development initiatives of the Indian government in this region have been based on its security concerns the state-centric security approach has kept the region isolated and underdeveloped. In recent years the development of this region is being factored into the overall strategy of national development as well as in the conduct of India's relations with the other countries. As a result, in the second phase, the Look East Policy has been given a new dimension wherein India is now looking towards partnership with the ASEAN countries integrally linked to economic and security interests of the Northeastern region. Taking into account of its geographical proximity, its historical and cultural linkage with Southeast Asia and China, it is presumed that vibrant commercial exchanges with Southeast Asia can galvanise growth and development in the Northeast. The policy also has the potential of solving the problem of insurgency, migration and drug trafficking in the region through regional cooperation.

The introductory chapter discusses the trends towards regional integration after the end of Cold War and India's attempt at regional cooperation. The main concepts viz. regional integration and regionalism as they have emerged so far have been discussed in this chapter.

The end of Cold War and the collapse of the Soviet Union resulted in the growing interdependence between countries and economic and trade issues are gaining vital precedence over the political and military ones. Many states began to realise that their own welfare is dependent on the well being of the region in which they are located. As a result, many countries started serious attempts to regional groupings.
Since its inception the United Nations has recognised regional arrangements due to common problems and the experiences gained out of the draw-backs of the larger international organisations or the repeated failure of multilateralism. There has been a new wave of regional economic integration since the mid 1980s. Some of the regional organisations are the North America Free Trade Area (NAFTA), Association of South East Asian Nations (ASEAN) and Mercado Comun del Sur (MERCOSUR).

India's efforts towards regional integration can be traced back to the pre-independence period. The leaders of the Indian independence movement were conscious of the need to develop cooperation among fellow Asian countries. Attempts towards regional cooperation are manifested in the Asian Relations Conference and Conference on Indonesia in 1947 and Bandung Conference 1955. However, these attempts by India failed due to the inter-state disputes, tensions, distrusts and apprehensions among the individual countries.

The South Asian Association for Regional Cooperation (SAARC) was formally established on December 8, 1985 after the proposal for regional cooperation in South Asia came from Bangladesh. However, SAARC has not made any progress mainly due to the Indo-Pak dispute and the domestic political turmoil throughout the region. As India has been not able to forge a successful regional economic cooperation in its own neighbourhood, it felt imperative to look beyond the confines of South Asia for intensive economic cooperation.

During 1990-91 India was unsettled by social unrest, serious political instability and poor economic performance. The East Asian countries witnessed a remarkable record of high and sustained economic growth, faster than all other regions of the world, from 1965 to 1990, and simultaneous reduced poverty and income inequality significantly. The success story of regional organisations gave India the impression that it was in danger of isolation from the global economy. This caused New Delhi to pay more attention to the rapidly growing economies of East and Southeast Asia. As a result the Look East Policy was officially launched in the year 1991 by the then Prime Minister, Narasimha Rao as a means to integrate India's economy with East and Southeast Asian countries.

The main thrust of the research work is to study the evolution of India's Look East policy, continuity and change of India's policy towards the Northeast and in that context examine whether the Look East policy is likely to attain its goals. The research work also tries to examine the feasibility of adopting a policy for economic development by opening up to the East in the face of possible alienation in ethnic terms.
Chapter II entitled “Historical Background of Political Integration in Northeast India” traced the history of political integration in Northeast India and analyse its fallout since independence.

In order to analyse the process of political integration in Northeast India, an analysis of the various theories of political integration and its processes in Asia and Africa has been undertaken. The failure to understand the political history and cultural uniqueness of the region on the part of the Indian ruling class led to acute “democratic deficiency” in the process of integration of Manipur, Tripura, Naga Hills (Nagaland), and Lushai Hills (Mizoram). In most of these processes the Indian state adopted various methods of assimilation to integrate the diverse ethnic groups in the Northeast.

The Maharaja of Manipur was invited to Shillong in September 1949 for talks with regard to integration. An already prepared “Merger Agreement” was placed before the Maharaja whereby Manipur would be merged into the Indian union. The Maharaja was placed under house arrest and under such circumstances the Maharaja was forced to sign the merger agreement with India on September 21, 1949 and Manipur became “Part-C state” of the Indian Union.

The Naga National Council’s autonomy demand, which was mainly restorative, before the Cabinet Mission and the unsatisfactory responses of the British and post-independence Indian government, gave birth to Naga insurgency. The Nagas consider the integration as forcible annexation of their homeland. The Khasis also opposed their inclusion into the Indian state. However, Akbar Hydari, the then Governor of Assam, with an order from central government informed the Khasi chiefs on December 2, 1947 that they should sign the Instrument of Accession, which the Khasi chiefs signed subsequently. The circumstance under which the Queen of Tripura was coerced to sign the Tripura Merger Agreement in September 1947 is always questioned by radical groups.

Thus, the mode of integration of the Northeastern states mainly involved negotiations, promises, baits and force. Some areas like Manipur and Naga Hills refused to merge with India and expressed desire for withdrawal from the union which resulted in secessionist demands and prompted withdrawal declarations from several quarters.

Chapter III entitled “History of Economic Development in Northeast India” examines the historical background of economic development in Northeast India till the 1980s. Modern economic development in the Northeastern region became a priority with the increased interest shown by the East India Company on items like tea, oil and coal available plenty in Assam by the East India Company. Subsequently introduction of tea plantation by the British, the region
got drawn into the world economy. The plantation economy also began to generate a network of secondary economic activities. In order to facilitate plantation, roads and bridges were built by the colonial administration; traders and bankers from other parts of India flocked to Assam and provided the necessary, though exploitative, services of trading and banking. All these factors resulted in the rapid growth of economy as well as the population and expansion of the base of exploitation for British capitals. The tea plantation was developed as an enclave without having any linkages with the hinterland. The plantation revolution was not accompanied by any agricultural revolution for raising the agricultural productivity. The growth of the modern sector did not bring about an increase in the standard of living to the people of the region due to their limited participation in these economic activities. As a result, the region remained untouched by the process of growth and development. Whatever industries were set up by the British rulers were done only to further their own interests.

The hill areas of the region were mostly living on subsistence economy. Shifting cultivation was the predominant form of agriculture though terraced cultivation was practiced by some tribes like the Angamis of Nagaland, Apa Tanis and Monpas of Arunachal Pradesh and the Khasis of Meghalaya. The rice economy was supplemented by food-gathering, hunting and fishing.

With partition of India in 1947 at the time of Independence the newly drawn political boundary produced far reaching consequences for the economy of the Northeastern region as it disrupted the age-old inland water, road and railway communications through erstwhile East Bengal. The Chinese occupation of Tibet and the virtual closure of the border with Burma added to the isolation of the region. The flourishing trade with the plains of adjacent East Bengal, Tibet, Bhutan and Burma came to a halt. It created havoc for the Northeast making it the most regulated, sensitive border region and the most exposed territory.

Even after independence an almost colonial state of economy persists in Northeast India, where it is still looked upon as a place for extracting natural resources. In the 1970s the Indian government began to recognise that the people of Northeast India have been left behind in the economic development. Thereafter, various schemes for the development of infrastructure and economy of the Northeastern region were formulated. The Hill Area Development Programme was launched from the Fifth Five-Year Plan (1974-79), which was followed by several other schemes and the formation of the North Eastern Council (NEC) in 1971. The NEC was set up to bring about balanced socio-economic development in the region. However, critics pointed out that the whole idea of integrated development of specific areas is faulty and the council is regarded as merely a
Chapter IV entitled “Evolution of India’s Look East Policy” discusses the challenges that India faced, both domestic and international, in 1990-91 and the resulting enunciation of the Look East Policy. While examining the evolution of India’s Look East policy the study reveals that the policy has emerged out of the changed international system in the early 1990s and the consequent economic stagnation and political turmoil within the country.

The end of cold war brought about fundamental changes in the international system, which focuses on the economic content of relations and led to the burgeoning of the formation of regional economic organisations. The collapse of Soviet Union is believed to have made the Non-Alignment policy of India redundant and deprived India a valuable partner. It was a big loss for India in political, strategic and economic terms.

Besides, within India there was growing menace of terrorism and insurgency, political instability, economic stagnation, the problems of governance and the financial crisis leading to fundamental changes in the economy. With severe balance of payment crisis, gradual erosion of competitiveness of Indian goods in the global market and recognition of the importance of foreign capital in a country’s economic development, the Indian Government launched an economic liberalisation programme in June 1991 to attract foreign investments and boost exports.

The East Asian countries witness a sustained exemplary growth performance under an outward looking strategy of development. The change in the international system, the success stories of the East Asian Tiger economies and the radical shift in India’s economic and strategic circumstances caused New Delhi to pay more attention to the rapidly growing economies of East and Southeast Asia. After failing to forge meaningful economic cooperation within its own neighbourhood due to recurrent political tension between India and Pakistan, and the possibility of being marginalised in today’s competitive world, India was compelled to look for other regions. During this period India got attracted to the high-performing economies of East Asia. Forced with the economic crisis and the dire need of foreign direct investments for rapid economic development, India enunciated the Look East policy in 1991 and determined to work in the spirit of regional economic cooperation with its eastern neighbours.

Thus, the Look East policy is a reorientation of India’s foreign economic policy that ends the previous pursuit of self-reliant economic development, and the start of an era in which India strived to take advantage of new opportunities from international trade and investment.
Chapter V entitled “Economic Potentials of the Look East Policy” examines the continuity and change of India’s policy towards the Northeast and the economic potentials of the Look East policy.

After independence the Indian government has adopted several policies towards the Northeastern region. The first one and half decade of India’s policy towards the region can be described as “Nehruvian policy framework” where quick administrative expansion along with the revivalist-protectionist approach towards tribal development was followed. As a result there has been recognition of specific tribal and ethnic identities through state policies, but such a policy was not complemented with adequate support of capability building in the region. In the wake of the sudden and unexpected Chinese aggression in 1962 and the rising insurgent movements, the policies for the Northeastern region in the 1960s were saddled with security concerns. The increase in the autonomy and secessionists demands in the early 1970s resulted in the conception that the region required political representation. As a result new states were formed in the region during this period. In the 1980s the Government of India adopted a new policy for the Northeastern region, i.e. a development paradigm, assuming that development will abate the problems of identity, ethnic assertion, etc. Thus, various developmental packages were announced by successive Prime Ministers since Deve Gowda. Such packages resulted in the pumping of huge money for development in the region. However, this developmental approach, in the absence of proper planning, coordination, monitoring and accountability mechanisms failed to achieve the desired objectives and have rather fueled violence and terror through well established structures of extortion and “taxation” by insurgent groups.

Of late there is a wide recognition that the main stumbling block for economic development of the Northeastern region is the disadvantageous geographical location. Thus, it is felt that Northeastern region must integrate politically with the rest of India and economically with East and Southeast Asia as the policy of economic integration with the rest of India did not yield much dividends. With the development of this new policy the Government of India directed its Look East policy towards developing the Northeastern region.

The main thrust of the Look East policy is to take advantage of the historical and cultural contiguities as a foreign policy asset to be exploited in order to facilitate the expansion of regional trade linkage with the economies of East and Southeast Asia. India and ASEAN are natural partners. The geographical proximity between India and ASEAN countries, the presence of a large Indian origin population, the fast growing ASEAN market, their greater openness and a larger role in the global market also provided a rationale for the new policy thrust. From a
Sectoral Dialogue Partner in 1993 India became a Summit Level Partner in 2002. India finally signed the ASEAN-India Free Trade Agreement (AIFTA) with the ten members of ASEAN in August 2009. The main objective of this agreement is to strengthen and enhance trade and investment cooperation so as to bridge the development gap among India and ASEAN countries. With this India has formally set up a clear institutional framework for operationalising economic cooperation between India and these countries.

With an endeavour to reinforce the Look East policy and link the Northeastern region to the dynamic economies of Asia, India also joined several sub-regional groupings such as Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), Mekong Ganga Cooperation (MGC) Project and Bangladesh-China-India-Myanmar Regional Economic Forum (BCIM Forum).

Northeast India has vast potential resources. The region is endowed with rich hydro power potential, coal, forest wealth, fruits and vegetables, flowers, herbs and aromatic plants. Arunachal Pradesh, Assam and Manipur has huge potential to generate hydro electric power (over 40,000 MW) and if fully harnessed the region could become a major power house not only for India but also its neighbouring countries. The region can collaborate with Southeast Asian countries in inland water ways, handloom and handicrafts, agro-horticultural products, natural rubber, etc. Such cooperation with Southeast Asian countries would help the Northeast explore these potentials. And if all these potentials are harvested it will not only generate job opportunities but will also result in economic development of the region. The region’s high literacy and English speaking youths is potentially an advantage for foreign and also domestic corporates.

The sub-region comprising Northeast India, Bangladesh, Myanmar and South West China is a geographically contiguous area and shares historical and cultural ties. There was substantial trade carried between the region with foreign countries and between villagers of both sides of the international borders. As per reports, the volume of informal border trade between Northeast India and the neighbouring countries now exceed several times the official volume of trade which shows that the region has huge export potential to its neighbouring countries if informal trade is legalised through governmental policy.

Chapter VI entitled “Political Impact of the Look East Policy” examines the possible political impact of the Look East policy vis-à-vis the issues of ethnic integration, insurgency, migration and drug trafficking.
Northeast India is a home of numerous ethnic nationalities. The separation of British India and the then Burma in 1937 and the partition of the subcontinent in 1947 by the British alienated numerous ethnic communities in the region. The Partition of British India in 1947 and subsequent political events brought the restriction of old routes of mobility in the Northeastern region forced the ethnic communities to live in different countries. It also disrupted old trade routes and deprived the communities in Northeast India of trading with the other side of international boundary. These have caused discomfort and to a large extend were responsible for the discontentment of such separated ethnic communities.

The ethnic groups of Northeast India perceive that the space of “Indian culture” does not provide accommodation to their distinct cultural identities. Thus, the region suffers from constraints in the political, economic and ethnic integration with the rest of India as well as within the region itself. The hurt feelings of being a “losers”, the mishandling of the aspirations of various ethnic groups in post-independence Northeast India coupled with denial of trade and the non-implementation of developmental schemes resulted in insurgency. The insurgent groups in Northeast India are fighting for recognition, political, and economic rights. The government’s policy towards persisting ethnic and minority problems in Northeast India since independence has been repressive, treating it as purely “law and order” situation. The few political negotiations initiated by government have been largely unproductive.

The Look East policy was launched in recognition of the backwardness that is prevalent in the region and to provide the people with the development of infrastructure to facilitate various economic activities including the widening of the trade. It was also felt that such an opportunity for pulling resources under this policy will be to compensate the existing feelings of marginalisation within the various tribal populations. The Look East policy above all aims at the revival of ancient trade routes. Such recognition and revival of ancient trade has the potential of abating the numerous insurgencies in Northeast India through regional and sub-regional cooperations.

One of the other major issues that the Northeastern region confront is migration. Migration into the region started during the British period as the Britishers wanted larger number of people to work in their estates for more profits. Though migration from different parts of India and from Nepal has abated, migration from Bangladesh continues even after independence. These huge demographic changes have resulted in linguistic, ethnic and religious discords leading to competition over scarce resources. Due to such large-scale migration the bilateral relationship between India and Bangladesh has never been cordial. For a solution to the issue of
migration there has been a wide variety of suggestions ranging from issuing temporary work permits to fencing the borders. The end to this stalemate has been suggested to build cooperation with the source country rather than looking for unilateral solutions. The proponents of economic cooperation argue that economic integration can be promoted even among states in conflict, and can eventually overcome political antagonism. Borders in the subcontinent need to be transformed into zones of economic cooperation among regions that once were part of the same cultural and political space. The proposal for creation of BCIM free trade and the Framework Agreement on BIMSTEC-FTA, as part of the larger Look East policy, is expected to develop closer sub-regional cooperation through the development of transnational trade.

Drug trafficking is another rampant illicit activity prevailing in the Northeastern region. The prevalence of drug trafficking in the region is mainly due to the porous borders, proximity to the Golden Triangle, constant ethnic conflict, unemployment, poverty and proximity to international market. Besides this the insurgent groups active in the region use this to finance their activities. Though it is feared that the problem of drug trafficking in the region might increase with the success of Look East policy, yet it is felt that with the consequent enhancement of the rail and road connectivity improved border management such problem can be grossly tackled.

Ethnicity, insurgency, immigration and drug trafficking in the Northeastern region are interrelated problem and transborder in nature. The transborder nature of these problems can be solved by way of effective regional cooperation. The Look East policy will recede or control these problems to a great extent.

The concluding chapter discusses the major findings based on the study. In the context of the history of political integration in Northeast India, it is found that the integration with the India union politically remained an issue of concern for the people. The attempts at assimilation of the region and its people with the Indian mainstream have resulted in resentments amongst different ethnic communities. The late realisation that such integrationist policy was erroneous has led the government to concede autonomy demands of ethnic groups, which leading to creation of separate states.

The Northeastern region was exposed to international trade during the pre-colonial and colonial period. However, it had negligible impact on the local economy as tea plantation was developed into enclave production without having any linkage with the hinterland. In the post-independence period, the exploitative nature of the British colonial rule remains in the region, with just a change in the stakeholders from British to Indian capitalists. The main component of
the Look East policy is to develop the Northeastern region through increased trade and investment. The proposed development of the Northeastern region through increased trade and investment will engage the people of the region in productive and profitable activities. Otherwise, the people will be left again in the development process thereby alienating them further.

While tracing the evolution of India's Look East policy, it has been found that the policy emerges out of the changed international system in the early 1990s and economic stagnation and political turmoil within the country. The policy is primarily the product of various compulsions in the post-cold war era. The focus on economic content of international relations, the growing trends toward regionalism and India's apprehension of being marginalised and isolated in the post-Cold War international system are the main reasons for paying more attention to the rapidly growing economies of East and Southeast Asia.

The coming of globalisation, regional integration and India's outward looking economy since the early 1990s brought forth the conception that economic integration with the rest of the world would foster political integration of Northeast with the mainland. Thus, the Look East policy was launched to end economic isolation of the Northeastern region.

The main focus of the Look East policy is to bring about economic development of the region through regional cooperation, in order to achieve such cooperation in the Northeastern region the policy rightly focus on solving the problems that plague the region. The political impact of the Look East policy in relation to the four core issues confronting Northeast India viz. insurgency, migration and drug trafficking, is felt to be important in solving the current political impasse in the region. The economic potentials existing in the sub-region can best be exploited with the setting up of trade and communication facilities at the borders in the region. With such improved transport and communication systems illicit activities in the border areas can be controlled to a great extent.

The Look East policy rightly seeks for the creation of an enabling environment so as to end the landlocked situation and isolation of the Northeastern region by opening up the borders and re-integrating the region's economy through improved trade and connectivity between the Northeast India and Southeast Asian countries. However, when we consider the existing ground realities the growth of border trade between the Northeastern region and neighbouring countries is slow and nothing significant happens on the ground. Thus, the Look East policy needs a reorientation and strengthening of the policy with hard action on the ground to suit the developmental interests of the region on the fulfillment of the objectives of this policy.