A country’s foreign policy is shaped by its geopolitical self-perceptions, its image of the world and various domestic compulsions, strengths and weaknesses. Occupying a dominant position at the head of the Indian Ocean, jutting out into the sea for about 3,000 km., India is embedded and terrestrially moored to the surrounding Ocean and its littoral. Large sea frontage running to 7516 kms, its east and west coast has historically facilitated India’s cultural and commercial interaction with the littoral territories. The vastness of size, quantum of natural resources and strategic location has guided its leadership to formulate a foreign policy which is viable and suitable to the country’s national interest.

The formulation of India’s foreign policy can be traced back to 1925, when Indian National Congress established a small foreign department to make overseas contacts and to publicize its freedom struggle. From the late 1920s onwards, Jawaharlal Nehru formulated the Congress stance on international issues. Delineating India’s foreign policy he articulated in the very first broadcast to the nation on 7 September, 1946, that:

“.... We shall take full part in international conference as a free nation with our own policy and not merely as a satellite of another nation. We hope to develop close and direct contacts with other nations and to cooperate with them in the furtherance of world peace and freedom.

We propose as far as possible, to keep away from the power politics of groups, aligned against one another, which have lead in the past to world wars and which may again lead to disasters on an even vaster scale. We believe that peace and freedom are indivisible and the denial of the freedom anywhere must endanger freedom elsewhere and lead to conflict and war. We are particularly interested in the emancipation of colonial and dependent countries and peoples and in the recognition in theory and practice of equal opportunities for all races…. We seek no domination over others and we claim no privileged position over other people.”

Concerned with the need of Asian Unity, Nehru planned to hold an Asian Relation Conference. He wrote to Gandhi in January 1946 explaining the event that, “Almost every country of Asia from the west to east and south, including Arab
countries, Tibet, Mongolia, and the countries of Southeast Asia viz., Burma, Indonesia, Kampuchea, Malaya (modern Malaysia), the Philippines and, Siam will be represented by leading men.” At the inaugural speech of the conference on 23 March 1947, Nehru declared:

“We have no designs against any body; ours is the great design of promoting peace and progress all over the world. Far too long have we of Asia been petitioners in Western courts and chancelleries. That story must now belong to the past. We propose to stand on our legs and to cooperate with all others who are prepared to cooperate with us. We do not intend to be the playthings of others.”

Historical, geographical, economic and political factors had moved Nehru, to opt for non-alignment as the basis of India’s foreign policy as early as 1946. Non-alignment, as Nehru conceived it, meant non-entry and opposition to military alliances and power blocs -Western led by USA, and Eastern or Communist led by the USSR. It also stood for acting according to the best judgment of individual country, an independent approach to the foreign policy and not being tied down to any preconceived or externally dictated line of action or policy. Speaking in the Constituent Assembly on 4th December 1947, Nehru declared:

“We have proclaimed during this past we will not attach ourselves to any particular group. That has nothing to do with neutrality or passivity or anything else. If there is a big war, there is no particular reason we should jump into it...”

Elaborating non-alignment he explained on 9 December 1958 in the Lok Sabha:

“... When we say our policy is one of non-alignment, obviously, it means non-alignment with military blocs. You cannot have a negative policy. The policy is a positive one, and I hope, a dynamic one, but in so far as the military blocs today and the Cold War are concerned, we do not align ourselves with either bloc. That in itself is not a policy,... one has to lay stress on the fact that we are no parties to the Cold War and we are not members of, or attached to any military bloc.

The policy itself can be a policy of acting according to our best judgment, and furthering the principal objective and ideals that we have....”

India’s independence movement had been a stimulant to the anti-colonial struggle in Southeast Asia. Leaders, such as Sukarno, Norodom Sihanouk, Aung San, and Ho Chi Minh admired Indian personalities like Mahatma Gandhi, Rabindranath Tagore, and Jawaharlal Nehru. Many leaders from Southeast Asia had attended the sessions of the Indian National Congress and met Indian leaders during the freedom movement. It is then the Indian leaders had mooted the concept of Asianism and emphasized the spiritualism of Asia over materialistic West. They called upon a
common Asian identity in opposition to the West. After India gained independence in 1947, it pursued a dynamic policy towards Southeast Asia.

To fully enunciate the tenants of non-alignment Nehru chose Bandung (Indonesia) where the Second Asian Relations Conference was held from 18th to 24th April 1955. While speaking to the Bandung Conference Political Committee, he said, “…I belong to neither [bloc] and I propose to belong to neither whatever happens in the world. If we have to stand alone, we will stand by ourselves, whatever happens and propose to face all consequences....”

Nehru’s interest in the region was visible when he offered to serve as a mediator during the Korean War (June 1950 to July 1953) and French-Indochina War (1946-1954), supported communist China’s claim to a seat at the United Nations, expressed pride in Japan's victory in the Russo-Japanese War of 1905 and opposed punishing Japan at the post-World War II Tokyo trials. India vehemently opposed Dutch action in Indonesia and did not allow the refueling of Dutch planes which were being used to quell the freedom movement there.

India and Southeast Asia During the Cold War

India’s response to the unfolding post Second World War II international politics was a firm denial to enter into military alliances headed by the United States and Soviet Union. To strengthen its stance India tried to broaden its base as a leader of a ‘third front’, also referred to as non-alignment. Most of the policy decisions taken during this period as regards to Southeast Asia can be seen in that context. The organization of Asian Relations Conference in 1947 in New Delhi, Conference on Indonesia (1949), taking interest in organizing the Bandung Conference in 1955 are only a few of many efforts. India made to create economic, political and other ties with the region as a whole.

The occupation of Indo-China (presently, the Laos, Cambodia and Vietnam) by France; Indonesia by the Dutch East India Company and later Netherlands; Timor by the Portuguese and the Dutch; Philippines by Spain and later United States; Straits Settlements of Penang, Singapore and Malacca by the British, had a long lasting impact on the domestic life, culture, languages and economy of all these countries. It had also linked these lands with their colonial masters in myriad ways. So it was difficult for India to wash away this influence in a single stroke or penetrate into their vision of the world.
However, all the efforts made by India to befriend the countries of Southeast Asia did not bring desired results. The policy lost its momentum after the Sino-Indian border conflict of September 1962. The conflict severely jolted the idealism of Nehru and put to question his vision and authority as an unchallenged master of India’s foreign policy. Nehru lived for another two years only to be a mute and mum witness to the criticism of his handling the India’s foreign policy. But Nehru’s idealism went on unrelented. On 14 November, 1962 Nehru said in Lok Sabha:

“We have nothing against the Chinese people. We regret things that their government has done. We think that their government has acted infamously toward us. We regret many things that their government has done in their country, we can not help them. But we must always distinguish between the people of a country – much more so of a great country, great in size, great in history -- and its government and not transfer somehow our anger and bitterness as what has been done by the government to the people….”

“… If this aggression is tolerated and acquiesced in today, it will continue to be threat not only to India but also to other countries in Asia. What China has done is an insult to the conscience of the world. We will hope that our peaceful and reasonable approaches will be agreed to....”

After Nehru passed away, India and Southeast Asia could not maintain the same rhythm and efforts for close ties. Under the leadership of Indira Gandhi, the country re-assessed its priorities in the changing geopolitical environment of the world. Southeast Asia became a low priority area and focus became more pronounced towards immediate neighbourhood, the two Super Powers -- the US and USSR-- and the Western Europe. Because of its age old relationship, West Asia was another important priority of India’s foreign policy. Not only India was dependent on West Asian oil to meet its growing domestic energy requirements, it also wanted to counter Pakistan’s influence in the Muslim world. Close ties with West Asia were an imperative to maintain India’s secular credentials intact with the huge Muslim minority in the country.

On the other hand, the countries of Southeast Asia too were not very keen to keep India on their priority list as far their foreign policy was concerned. They were more inclined to develop economic ties with Japan, and Korea. The presence of a large number of Chinese populations in many of these countries and its dominating presence kept them diplomatically engaged with China. Philippines and Thailand became part of US sponsored military alliance called South East Asian Treaty
Organization (SEATO) and part of Western alliance system. To augment their mutual relations, Thailand, Philippines, Indonesia, Malaysia, and Singapore, formed ASEAN (Association of Southeast Asian Nations) on 8th August, 1967, with an aim to mutually develop economic, social, educational, cultural, scientific, and technical relations. The organization has played a significant role in galvanizing these countries. India’s growing rift with China in the aftermath of 1962 conflict had an impact on its relations with Southeast Asia. While this area continued to be an important priority in US foreign policy, the dominant ideologies in the countries of this region remained anti-communist and pro West. However, Indo-Soviet Peace and Friendship Treaty of 1971 made these countries—especially Indonesia and Malaysia—skeptical of India’s commitment to the policy of non-alignment. The nuclear tests conducted by India in 1974, launching of a new Joint Service Command, based in Andaman and Nicobar Islands, and other measures of defence preparedness by India also created suspicion in the minds of many leaders in Southeast Asia. Politically, certain Indian moves in regard to its recognition of Vietnamese installed Kampuchean regime of Heng Samrin made India unpopular with the countries of Southeast Asia. A perceptive scholar on the subject remarks:

“For much of the 1980s, India’s image in the ASEAN region was negative and the reason for this was not any perceived direct threat, but an indirect one. Given ASEAN’S passionate disapproval of Vietnam’s regional conduct, the latter’s close ties with the Soviet Union and India’s friendly endorsement of the actions of both these states towards their neighbours, it was inconceivable that there could be any scope for a positive view of India within the region ...”

In mid 1980s, India realized that its unstinted endorsement to Vietnamese position on Kampuchea had created a schism with Southeast Asian nations and had brought China closer to the Region. To correct this approach, India re-designed its Indo-China strategy and decided to project itself as an honest broker rather than a party to the dispute. Incidentally, some of the foreign policy moves mooted by India under Rajiv Gandhi continued the see-saw relations with the region. Notably, Rajiv Gandhi’s decision to send Indian Peace Keeping Force to Sri Lanka and India’s restricting of entry points to Nepal over the dispute of Indo-Nepalese Trade and Transit treaty was seen by many in Southeast Asia as if India wanted to become a regional bully. Thus during the Cold War period, India and the countries of Southeast Asia could not build a desired rapport that was otherwise important for two
great neighbouring geographical regions with a long history of multi layered and multi-faceted relationship.33

**Strategy and Compulsions of India’s Look East Policy**

The Cold War had engulfed the entire world after the Second World War. As such, no analysis of international politics was complete without taking the cognizance of various nuances and trepidations emanating from the prevailing Super Power rivalry. The events took a turn in 1980s and early 90s that pushed the Cold War to its end in 1990-91. Beginning with domino fall of many Communist regimes in Eastern Europe and followed by easing of ideological tensions in Europe owing to the policies of Glasnost34 and Perestroika35 initiated by Gorbachev in 1985 made the resistance to anti-communist movements weak.36 The end to the Cold War came with the opening of the Berlin Wall in November 1989 and the signing of September 12, 1990 treaty between the four victorious powers of World War II. This paved the way for German reunification.37 Russian support to the US-led UN alliance forces during the Gulf War (1990-1991) marked the end of Cold War.38

The qualitative and structural changes brought about by the end of the Cold War led to new orientations in the foreign policies of India and the countries of Southeast Asia. On the one hand, India started moving toward Southeast Asia to build strong economic, strategic and political ties, and on the other, Southeast Asian countries, leaving all their past inhibitions, began moving closer to India. These moves between them can be seen in the context of numerous politico-strategic and economic realizations brought about by the end of the Cold War in international relations.39

The open door policy adopted by China during 1980s had given it a quantum jump making it an emerging economic giant in Asia.40 In contrast, India still followed Fabian Socialist policies of Nehru era. China regarded this region as its natural sphere of influence and had started asserting political, economic and military influence there. Under the force of circumstances -domestic and international- India had to liberalize its economy to compete with China and other international market forces in the region.41

With the collapse of the bipolar world order the trends towards the growth of regionalism began to emerge in the global politics.42 The regional concerns, associated mainly with economic cooperation could be seen in converting European
Economic Community (EEC) into European Union (EU) with the primary aim of more economic integration. North American Free Trade Agreement (NAFTA) was created in January 1994 with the aim of removing tariffs and promoting free trade among the countries of North America.\textsuperscript{31} The ASEAN also changed track to include other countries of Southeast Asia such as Brunei in 1984, Vietnam in 1995, Laos and Myanmar in 1997 and Cambodia in 1999. The Asia-Pacific Economic Cooperation (APEC)\textsuperscript{44} was created in November 1989 with the aim of achieving economic integration and free trade. Similarly, the Organization of African Union (OAU) was replaced in May 2001 with African Union (AU) with the aim to create economic and political integration across Africa.\textsuperscript{45}

As the nations were preparing themselves for a new world order,\textsuperscript{46} India was going through the worst balance of payment crises in its independent history. In the absence of a strong political party governing the country it was facing frequent change of governments which lacked vision and will to formulate long term policies. India’s economy was in doldrums. Rising inflation, government subsidies, high interest rates, and a concomitant decline in overseas remittances during the latter half of the 1980s contributed to overall decline in India’s economy. There was a substantial rise in non-productive expenditure. For example, defence expenditure rose from 15.9 percent in 1980-81 to 19 percent in 1990-91. Subsidies grew from 8.5 percent in 1980-81 to 11.4 percent in 1989-90.\textsuperscript{47} The percentage of trade in relation to Gross National Product (GNP) fell from 12.4 percent in 1984-85 to 11 percent in 1988-89. The low level of trade disallowed any flexibility in terms of India’s growing demand for petroleum and petroleum products to fuel its industry. The rise in oil prices following the Gulf War of 1990-91 also caused a 21.9 percent rise in the import bill.\textsuperscript{48} These moves compelled India to open up to the world economy.

The economic ascendance of East Asia and China had made India to carefully watch and emulate its Southeast Asian neighbours. Economist like Manmohan Singh, who became Finance Minister and the architect of the Indian Economic Reforms, had been Secretary General of the South Commission of the UN in Geneva from 1987 to 1990. He had often repeated that Korea and India had the same GDP per capita in the 1950s and that South Korea could be emulated.\textsuperscript{49} In September 1995, he declared, "the economic policies of India take into account the dynamism of this region (Asia-Pacific), which shall soon be the tiger-economy of the world. We want to be participant in this process".\textsuperscript{50} Gautam S. Kaji, one of the Managing Directors of the
World Bank had also expressed in April 1995 that, “Certainly, the East Asian nations are still grappling with some of the same problems as India, albeit on a lesser scale. But they have demonstrated that with the right commitment, it is possible to move very far. With the same kind of commitment, I am convinced that there can be an “Indian Miracle”. India, therefore, desired to draw inspiration from the East Asian path of development and become more closely associated with this region in economic terms. This desire was officially expressed by Narsimha Rao, the Prime Minister of India in 1994 during his visit to Singapore. He said:

“The Asia Pacific could be the springboard for our leap into the global market place...I am happy to have had this opportunity to enunciate my belief in this vision of a new relationship between India and the Asia-Pacific from Singapore, which I consider the geographic and symbolic centre of the Asia-Pacific. I trust this vision will be realized... and that the next century will be a century of partnership for us all”.

Compulsions for Look East Policy

India launched Look East policy simultaneously with its economic reforms. Evaluating the new situation after the end of the Cold War Narsimha Rao led Congress Government had to initiate the new ideas in its foreign policy and it was aimed to resume India’s traditional ties with Southeast Asian nations. As the era of globalization ushered in, India closely examined the evolving international economic situation and took initiative to fine tune its policies to reap optimum dividends. India also realized that the aspiration to become a permanent member of the UN Security Council might not materialize without the support of the countries of the Asian region and that it would be necessary to focus on the countries of the Southeast and East Asia by strengthening India’s linkages with them.

The Look East policy was a compulsion as under the unfolding new economic order India had less economic interests in the Middle East. Although India possesses business interests in that region and provides labour, and professionals to the Middle East, the relationship has been more of a dependence on the oil and remittances. Despite the fact that the politics of Islam, exploited by Pakistan through the Organization of Islamic Conference (OIC), have tended to work against India’s interests. Moreover, geo-political instability and the lately emerging threat of terrorism also dissuaded India from undertaking worthwhile financial investments
there. The region was politically more stable than the West Asia and had a common stand and concern about the lethal and negative impact of growing terrorist networks, many of which had emanated from the Middle East. The economies of Southeast Asia – due to their rapid growth– were an attractive and better option for India. It was thus natural for India to have an alternative which Southeast Asia provided.

Strategically, India had to devise a policy to create good relations with its immediate eastern neighbours. China and Northern Myanmar was emerging as an important rear base for the activities of insurgent groups of India’s northeast. A nexus was visible with active Chinese economic and military cooperation with Myanmar. Thailand and the Philippines were also reported to be the possible basis for the activities of the Northeast insurgent groups. Underground arms market of Cambodia was becoming an important source of arms and ammunitions for these insurgent groups. These reported developments compelled India to take care of its national security which could be threatened from the East. Therefore it was absolutely necessary to seek the cooperation of governments of these countries in dealing with such threats.

India, being a trading nation could ill afford to tolerate unsafe Sea Lanes of Communications (SLOCs) around its shores. With the rise in trade and commerce dependence on shipping overwhelmingly increased and it became essential to make maritime trade routes safe. Human smuggling, pollution, accidents, mines, closure of choke points, territorial disputes, arms and narcotics trade and piracy in the high seas also needed to be collectively tackled. As a matter of fact, contraband trade of arms and ammunitions from Cambodia and heroine from Thailand and illegal immigration from Bangladesh, Myanmar and Sri Lanka in Andaman and Nicobar have been major concerns for India. There are also apprehensions of the ISI and LTTE infiltrating these groups for subversive activities. It was also apprehended that such elements may use, sparsely inhabited islands of the Andaman and Nicobar for their illegal activities. This underlined the need for closer naval and military ties with the countries of Indonesia, Malaysia, Thailand and Singapore. The same could be if India had a long term policy towards the region. The creation of Joint Service Command in October 2001 was due to these tactical and strategic reasons. The Command is to be used to monitor the movement of vessels in India’s territorial seas and ensure the safety of its far flung islands from unwanted intrusions.
The role of China’s increased strategic expansion in the countries of Southeast Asia is a compelling reason for India to have a policy towards the East. Over the years, China helped Pakistan to sustain its military strength vis-à-vis India. It has also attempted to use some islands of Myanmar as a strategic observatory and has successfully gained economic and military foothold in Nepal, Bangladesh, and Sri Lanka. With Chinese cooperation and support, the strength of Myanmar’s armed forces has increased from 1, 86,000 in 1988 to around 3,00,000 in 1992. In November 1994, Myanmar signed a defence contract with China worth US $400 million for the supply of helicopters, armoured vehicles, field guns, assault rifles and petrol boats. China has secured access to naval facilities at the mouth of Bassein River in Myanmar, has built a naval base at Hainggyi Island of Myanmar in the Bay of Bengal. China is also developing the existing naval bases at strategically located island and seaport of Sittwe near Bangladesh border and seaport of Mergui facing the Andaman Sea. This is indicative of the military diplomacy, being pursued by China in South and Southeast Asia which compelled India to augment its military strength in Andamans and arrange joint military exercises with Singapore and Malaysia as a part of its Look East policy.

India had high hopes to develop multi-layered relationship among the countries of South Asia through South Asian Association for the Regional Cooperation (SAARC) since its inception. However, the disappointing pace of its development as a regional organization due to usually strained relations between India and Pakistan and the obstructionist attitude of the latter always hindered its smooth evolution. In contrast, ASEAN and the APEC were proving a big success in economic cooperation. Birth of the Asia-Europe Summit (ASEM) --a mechanism to develop economic cooperation between this region and the European Union (EU) was another reason for India to feel compelled to find new economic partners beyond the narrow confines of South Asia. These were some of the important reasons for India to formalize its Look East policy.

**Launching of the Look East Policy**

At the end of the Cold War India realized the need for a different approach to security and economic cooperation with Southeast Asia. It also realized that the focus
of world affairs in the twenty-first century would be the Asia Pacific region of which Southeast Asia is an integral part. This region will have the world’s most successful economies, high agriculture production, energy and mineral supplies. In the early 1990s, the Congress government led by P.V. Narshimah Rao, fully cognizant of the tremendous global changes occurring at that time, formulated the Look East policy, which constituted a fundamental shift in India’s foreign policy. Until then Southeast Asia had barely figured on India’s foreign-policy priorities. \(^{72}\) Since the initiation of the policy, this region has become more prominent in India’s foreign-policy.

The Look East policy marked a strategic shift in India’s perspective. It coincided with the beginning of economic reforms and was seen as an opportunity to enlarge its economic engagement. \(^{73}\) It was also an effort to renew and revitalize the traditional linkages with the countries of Southeast Asia. The beginning of looking towards the East began in 1991 when Japan was identified as an important source of both investment and technology by the Government of India. As a response to the Indian economic reforms, Japan sent its large business delegation to India in December 1991. \(^{74}\) The delegation however, expressed its reservations for investment and submitted a 21-point memorandum proposing further reforms to make India an attractive destination for investment. Visit by Indian Prime Minister Narsimha Rao in 1992 to Japan also proved fruitless. That was probably the reason for India’s increased interest in Southeast Asia. \(^{75}\)

Though, diplomatic and economic efforts were made by India to join ASEAN since 1987, but these countries expressed reservations due to India’s support to the Heng Samrin regime. \(^{76}\) Moreover, they were apprehensive that Pakistan would also follow suit and they may bring in their bilateral tensions which will have a destabilizing effect. Nonetheless, they became convinced of the veracity of economic reforms of 1991 and in 1992 granted India the status of “sectoral dialogue partner” for tourism, commerce, investments, and science and technology. \(^{77}\) The Look East policy started gaining ground in 1991 during the tenure of Prime Minister Narasimha Rao. It was actually launched in 1992. \(^{78}\) In the second half of 1992 Foreign Secretary was made direct in charge of Eastern region. In October 1995 a member of the Secretariat for Economic Affairs in the Ministry of External Affairs declared that ASEAN is at the heart of our reworked strategy. \(^{79}\) Due to continuous efforts India was given the status of a “full dialogue partner” of ASEAN in 1995. \(^{80}\)
The defeat of Indian National Congress in 1996 General Elections and coming of a new government with H.D Dewe Gowda as Prime Minister did not distract India’s approach and focus on the region. In July 1996, Inder Kumar Gujral, the then Minister of External Affairs attended an ASEAN conference in Indonesia for the first time. Expressing the Indian government’s approval of this new relationship, he said:

“We see the full dialogue partnership with ASEAN as manifestation of our Look East destiny. This is because geographically inseparable, culturally conjoined and now more than even before, economically and strategically interdependent and complementary. … What the Look East policy really is that an outward looking India is gathering all forces of dynamism –domestic and regional– and is directly focusing on establishing synergies with a fast consolidating and progressive neighbourhood to its east in the mother continent of Asia … [India] would work with ASEAN as a full dialogue partner to give real meaning and content to the prophecy and promise of the ‘Asian Century’ that is about to draw upon us”. 81

The mutual trust and relationship began to build up as the subsequent event show. The diplomatic measures taken by India to be an economic partner of ASEAN also led to the strategic partnership. India has held joint naval exercises with Indonesia and Malaysia since 1991. In 1993 a joint naval exercise was undertaken with Singapore.82 India held such joint exercises with other Southeast Asian countries like Thailand, Myanmar, Philippines and Vietnam. India’s annual naval exercise ‘Milan’83 symbolizes regular interaction and cooperation between the navies of India and Southeast Asian countries.84 In 1993 Malaysia signed a memorandum of understanding with India on defence cooperation, provide training to MiG-29 fighter pilots, supply spare parts and service these air crafts.85 Singapore concluded an agreement with India in 1996 on military cooperation which included anti-submarine warfare exercises and allowed Singapore to test certain missiles at its naval installations.86 India has also forged similar links with Vietnam where it has sent troops for training in jungle warfare and has trained Vietnamese nuclear scientists.87

Atal Bihari Vajpayee, the Prime Minister of India, explained the scope and substance of India’s Look East policy which covered much of ASEAN, China, Japan, Australia and New Zealand. The first phase of the Look East policy focussed on developing commercial relations and institutional links with Asia. In the second phase of the Look East policy, India has aimed at political partnership, physical connectivity through road and rail links, free trade arrangements, and defence cooperation.88
From 1992 onwards, successive Indian Prime Ministers have visited these countries regularly accompanied by large business delegations. In 1992 Narsimha Rao visited Indonesia and in 1993 to Singapore, Thailand, Malaysia, Vietnam and South Korea. Prime Minister again visited Singapore in 1994 and Malaysia in 1995. These visits provided many opportunities to interact with policy makers in the countries of Southeast Asia. India participated for the first time at the Post Ministerial Conference (PMC) of ASEAN in Jakarta in July 1996 and ASEAN Regional Forum (ARF) which deliberates on the security and political concerns of the Asia Pacific. India tried after 1999 for a summit level relationship with ASEAN. At the 7th ASEAN Summit, held in November, 2001, at Darussalam (Brunei), the organization decided to upgrade its relations with India to Summit level, which culminated in the first ASEAN-India summit. Under the Look East policy, India initiated many programmes to develop closer cooperation with Southeast Asia. The Mekong-Ganga Cooperation Project and BIMSTEC deserve a mention in this regard.

The Mekong-Ganga Cooperation Project

The Indo-China region, lying between the peninsular region of India and China includes the countries of Myanmar, Thailand, Malaya Peninsula, Cambodia, Laos and Vietnam. In the narrower sense it refers only to Cambodia, Laos and Vietnam which were politically united under the name French Indo-China between 1893 and 1954. After engaging in conflicts and strife for decades, these countries were accepted into the ASEAN to draw common regional development plans for rebuilding. Unification of Vietnam, peace settlement in Cambodia, end of Cold War and adoption of open economies by these countries brought in a new environment of cooperation in the region. As Vietnam joined ASEAN in 1995, Laos and Myanmar in 1997, and Cambodia in 1999, the Southeast Asia emerged as a unified region with the mainland and maritime countries combined into a single bloc. This unified region touched the boundaries of India and China adding a new dimension to the Southeast Asian geopolitics.

The shared histories and geographical contiguity of these Mekong Basin countries with India accord a new strategic value to the Mekong region. For India Mekong countries provide a strategic accessibility to reach the heartland of Asia-Pacific. These countries are relatively poor and underdeveloped than other countries.
of Southeast Asia. As Indian economy was registering better growth, its entrepreneurs had fairly good chances of profitable investment and economic cooperation there. In a reaffirmation of its Look East policy, India floated a new cooperative forum with five of its eastern neighbours—Myanmar, Thailand, Laos, Cambodia and Vietnam—the Mekong-Ganga Cooperation (MGC) forum.  

The Mekong-Ganga Cooperation was announced at the ASEAN Ministerial Meeting at Bangkok in July 2000 and was formally launched on November 10, 2000 in Vientiane (Laos) to increase cooperation in tourism, culture and education, transportation and communication. India and five Southeast Asian nations namely Thailand, Vietnam, Laos, Cambodia and Myanmar were signatories to the declaration. The initiative was designed to redefine regions in the new global economy, while keeping their native identity and character intact. The six countries also undertook to develop transportation networks including the East-West Corridor project and the trans-Asian highway. This is India's major cooperative venture in its Southeast Asian neighborhood which offers immense scope to create linkages with the Mekong countries by connecting them to the Indian Northeast. The Real benefits of the organization might not be its content but the counterbalance it can provide to the Southeast Asian states against the increasing influence of China in the region. The working mechanism for this cooperation consists of annual ministerial meeting (along with the ASEAN ministerial meeting) the senior official meeting, and five working groups in which India has to be in lead role in Working Group on Education (HRD).

The MGC had so far four Ministerial meetings. At the second meeting held in Hanoi on 28 July 2001, the member countries reaffirmed their commitment to cooperate in four areas of cooperation and adopted “Hanoi Programme of Action”. This Programme has 6 years timeframe from 2001 to 2007 and the progress of its implementation was to be reviewed every two years. Third MGC Ministerial Meeting was held in Phnom Penh on 20 June 2003, the member countries adopted the “Phnom Penh Road Map” as a plan to accelerate the implementation of all MGC projects and activities. No meeting could be held in 2002 and 2004. The last MGC meeting was held on 12 January 2007 in Cebu (Philippines). The Mekong-Ganga Cooperation offers immense scope for India to create “linkages” with the Southeastern region and help to extend its footprints into the ASEAN. By exploiting the historically driven natural connectivity, India has added powerful cultural dimension to its economic
diplomacy by encouraging business contacts between the people residing on the banks of Mekong and Ganga. 104

The Vientiane Declaration had called for efforts to promote new linkages in knowledge-based sectors as well as in old economy areas like transport corridors and infrastructure development. The linkages between India and the countries of Indo-China over-land has the potential to give it an opportunity to speed up economic development of its Northeast region. One of the projects called the Asian highway project is expected to link up Singapore with New Delhi via Kuala Lumpur (Malaysia), Ho Chin Minh City (formerly Saigon), Phnom Penh (Cambodia), Bangkok (Thailand), Vientiane (Laos), Chiang Mai (Thailand), Yangon and Mandalay Kalmyo (Myanmar), Tamu, Dhaka and Calcutta (India). India has already taken the first step in this direction and is involved in building the road linking Tamu (Manipur) to Kalmyo, a key communication junction in the center of Myanmar. 105 This connectivity will prove fruitful in promoting border trade between India’s Northeast with the adjoining Myanmar and the Mekong region countries. 106

In its first phase of Look East policy in early 1990s, India was primarily engaged with the richer and the bigger members of ASEAN. Starting from mid-1990s India accelerated the pace of cooperation with Singapore, Myanmar, Vietnam and Cambodia providing a positive atmosphere. Thailand was the first to take lead to build a comprehensive economic and security partnership with India. 107 In October 2003 both signed a Framework Agreement to establish a free trade area. As a result India-Thailand trade has increased from 1.1 billion to 3.4 billion US dollars during 2001-06 and India’s share in Thailand’s foreign trade has increased from 0.85 to 1.06 per cent during this period. 108 In the more recent years, Indian trade with them has improved. 109

There was interest to cooperate with India in the Mekong basin development covering issues such as irrigation and watershed. 110 The people-to-people contact has also increased since 2000. For example, during 2005, 13,300 Indians visited Vietnam and a million Indians now travel to Singapore, Malaysia and Thailand annually. The Mekong Ganga Cooperation Initiative has become a pillar of India’s Look East policy and one which has facilitated a ‘strategic shift’ in India’s vision of the world, “for engaging in trade with India’s civilizational neighbours”. 111 It is therefore amply demonstrated that Look East policy has met with success albeit limited and it has enthused its eastern neighbours to reciprocate the new strategies of cooperation. 112
The BIST-EC to BIMSTEC, the Bay of Bengal Community

The Bay of Bengal occupies an area of 2,172,000 sq km. An arm of the Indian Ocean, it lies between India on the west and Myanmar (Burma) and the Malay Peninsula on the east. Many large rivers, like the Ganges and the Brahmaputra on the north; the Irrawaddy on the east; Mahanadi, the Godavari, Krishna, and Cauvery on the west, flow into it. The Bay of Bengal has many good ports and harbours such as Sittwe, Moulmein, and Tavoy in Myanmar; Bombay, Kandla, Chennai, Tuticorin, Mangalore and Cochin in India; Trincomalee and Colombo in Sri Lanka; Chittagong and Dhaka in Bangladesh. Nicobar group of islands are scattered in its waters. Historically, the communities and nations around Bay of Bengal had interacted and established multifarious strands of relationships. The waters of Bay of Bengal have played a catalyst in spreading indigenous ideas, cultures, languages, religions, along with trade and commerce throughout the last millennium. In tune with many other initiatives; a new sub-regional grouping was formed on 6 June 1997 in Bangkok called BIST-EC –Bangladesh, India, Sri Lanka, Thailand-Economic Cooperation. The main areas of cooperation identified by BIST-EC included cooperation in trade, investment, industry, transportation, infrastructure, science and technology, human resources development, energy, fisheries, agriculture, natural resources, and tourism. In the Bangkok Ministerial Meeting held in August 1998, it was agreed to delegate the responsibility to look after the initially agreed sectors to the member countries individually. In this way, Bangladesh has been vested with the responsibility of trade and investment, India with technology, Myanmar with energy, Sri Lanka with tourism and fisheries and Thailand with transport and communication.

To be part of this upcoming regional group, Myanmar was elevated from the status of observer to a full member on 22 December 1997. The name of the grouping was changed to BIMST-EC –Bangladesh, India, Myanmar, Sri Lanka, Thailand-Economic Cooperation. Again this name was re-christened to be BIMSTEC i.e., The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation at the first Summit conference of the group held in Bangkok in July 2004. This organization assumes importance as it is first ever regional arrangement which clubbed partial components of South and Southeast Asia thereby symbolizing the growing need of economic cooperation between naturally contiguous areas. It is also a symbol of consolidation of Bay of Bengal Community (BOBCOM).
BIMSTEC has indirectly met the aspirations of some of the smaller countries of South Asia which have been clamouring for a large economic and political space in a world of rapid global integration. This can be seen another Indian effort to link itself with the heart of ASEAN through Myanmar and Thailand. The BIMSTEC brings together 1.3 billion people comprising 21 percent of the world population, a combined GDP of 750 billion US dollars and has the potential of 43 to 59 billion dollar trade annually.\(^{119}\)

At the conclusion of the first BIMSTEC Summit in Bangkok on 31 July 2004, while elaborating policy, objectives, and areas of cooperation its members, felt:

"**Convinced,** that the geographical location of our countries and our rich natural and human resources provide a sound basis for mutually beneficial cooperation;

**Recognized,** that the pluralist nature of our societies, our shared cultural heritage and the rich diversity of languages, arts, crafts and traditions provide ample opportunity for multi-dimensional cooperation within our region;

**Resolved,** to foster a sense of community that will lead to the economic and social, development of the entire region."\(^{120}\)

**Agreed,** to explore the expansion of BIMSTEC cooperation into the areas of culture, education, public health, protection of biodiversity and traditional knowledge, rural community development, small and medium scale enterprise, construction, environment, information and communications technology, biotechnology, weather & climate research, natural disaster mitigation & management. Agreed, “to create a BIMSTEC free trade area, year-long Plan of Action on tourism, establishment of BIMSTEC Chamber of Commerce…”\(^{121}\)

It also agreed to focus on specific areas of cooperation, including trade and investment, transport and communications, tourism, energy, human resource development, agriculture fisheries, science and technology and people to people contact. The BIMSTEC covers 13 priority sectors looked by member countries in a voluntary manner.\(^{122}\)

Bay of Bengal is a peaceful area and India has settled maritime boundaries with all the Southeastern neighbours.\(^{123}\) India has played a leading role in developing the concept of Bay of Bengal Community and can benefit from the evolving cooperation under the aegis of BIMSTEC. As China and Pakistan do not belong to the Bay of Bengal Community, India is in a more comfortable position to play...
unchallenged leader of this formation. The BIMSTEC initiative is another pang of Look East policy and potentially beneficial for the member countries.

Relevance of the Look East Policy

India’s foreign policy has undergone a sea change in the post-Cold War period. Country’s relations with Southeast Asia during the Cold War were shaped by considerations of East-West conflict, its differences of perception with the countries of the region and preoccupations elsewhere. Look East policy is an attempt to rectify this neglect. After initiating economic reforms in early 1990s, Indian economy has grown in strength and size and has diversified to be part of the global economy. India had an annual growth rate of 6 per cent per annum during 1992 to 2004, and it is expected to grow at a slightly higher rate over the next decade. In PPP (Purchasing Power Parity) terms, India’s Gross National Income (GNI) at US $ 2.8 trillion in 2002 makes it the 4th largest economy in the world.124 Even on conservative estimates, at current exchange rates, India’s GDP is set to exceed US $ 1 trillion by the end of this decade.125 The Look East policy is entirely relevant if India wants to keep the pace of its economic development intact. The Policy is an indication that India is alive to the changing economic world order in which the role of nation-state is shrinking and market forces are emerging as the true decision makers. The post-Cold War economic boom and integration including the creation of World Trade Organization (WTO) has placed India at an important place in the process of Asian economic integration.

The relevance of this policy can be viewed from different dimensions. At the global level, India can not afford to remain a mere spectator to the fast changing and globalizing economic order. As India has few options open, the only viable proposition under the situation is to explore new avenues, and the eastern economies can meet that. As the Asia-Pacific is emerging an important economic hub, India can use its Look East approach to reach there through Southeast Asia. The growing regionalism and micro level economic integration also makes this policy relevant. The emergence of European Union, North America Free Trade Agreement, African Union, Asia-Pacific Economic Cooperation etc. has been a big inspiration for India to integrate into the regional economic organizations like ASEAN. This is all the more relevant in the wake of India’s disappointment at slow economic integration of the SAARC countries.
From security perspective, too the policy is quite important and relevant. One of the reasons India adopted non-alignment was its geo-political location. Similarly, its Look East policy too has been driven by economic and its strategic concerns. With the growth of trade after 1991, India required free and secure sea lanes and security environment around its maritime borders. That was not possible without the active support and involvement with the countries of Southeast Asia. Therefore, India expanded military cooperation with Singapore, Malaysia, and Indonesia. The establishment of Joint Command at Andaman and Nicobar islands in the Bay of Bengal shows how relevant is the Look East Policy. India has not set up such a command on any of its island in the Arabian Sea.

China, as an economic and military power is fast building bridges in India’s northeastern neighbourhood. Its involvement in Myanmar to exploit natural resources and establish military bases on some of its ports and islands can not be overlooked by India. More so, China’s expanding communication and infrastructure network in Pakistan, Tibet, Bangladesh, Sri Lanka and Nepal needs to be countered by India. To check this growing strategic concern, Look East policy becomes entirely relevant.

China and other outside powers like Japan, Korea, United States and Australia are reaping the economic benefits from the region. They have already established many joint ventures and their multinational companies have substantially invested in this region. India could not lag behind afford to lag behind in this regard. Under the Look East programme India entered into various bilateral and institutional economic agreements with the countries of region. This mutually beneficial arrangement will be taken up at appropriate place in this essay. India’s recent postures and policies as regards to BIMSTEC and Mekong-Ganga initiatives only speak of increasing relevance of its Look East policy.

To quote Prime Minister Manmohan Singh “Look East policy was a strategic shift in India’s vision of the world and India’s place in the evolving global economy.” The qualitative and structural changes brought about by the end of the Cold War led to the new orientations in the foreign policies of India and the countries of Southeast Asia. On the one hand, India started moving toward Southeast Asia to build strong economic, strategic and political ties and on the other hand, Southeast Asian countries decided to leave behind the old mindset to come closer to India. This
convergence between them has been due to numerous politico-strategic and economic realizations brought about by the end of the Cold War and the beginning of a new world order in which economics determines the foreign policy more than any thing else.  

Addressing the North East Council on 12 April 2005 in New Delhi, The Prime Minister Manmohan Singh emphasized the relevance of the region in the success of Country’s Look East policy. He said that, “Full advantage may be taken of the Look East policy of the Government of India. ASEAN markets provide big opportunities for NER, particularly in areas such as promotion of horticulture, floriculture and medicinal herbs. Affinity in the cultural background will make our products acceptable and saleable once the land connectivity is improved. Air connectivity could also be considered when the need arises. Potential Sectors in this regard are IT, tourism, mine & minerals, gas, oil, downstream industries, education and health services, etc. The NEC is in the best position to take a holistic view at the regional level and catalyzes the implementation of Government policies in liaison with the concerned Ministries”.

The Look East policy has the potential to contribute to India’s growth and dynamism, ensure development and stability to its turbulent and strategically sensitive North-East. Underlining this linkage, Prime Minister Vajpayee once said: “When I look at the North-East, I also naturally look at India’s extended neighbourhood in South-East Asia. This is a region where truly historic socio-economic transformations are taking place. Because of its proximity to the South-East Asian markets, India’s North-Eastern region enjoys locational advantages of great importance....India is working actively to promote regional and sub-regional trade and economic cooperation. Our North-Eastern states can become our economic bridgehead to South-East Asia. Equally vibrant commercial exchanges with South East Asia can galvanize growth and development in the North-East. I, therefore, urge all the eight states in the region together to prepare the ground to participate vigorously in the emerging opportunities with our South-East Asian neighborhood. This also includes tourism, where I see a major synergy between the North-East and ASEAN countries”.

Therefore, Cooperation between India and these countries seems to be a necessary prerequisite to make 21st century as the century of Asia.
Constraints and Limitations

The Look East policy aimed to reorient India’s cold relationship with Southeast Asia. Development of regionalism and regional economic integration was another decisive element in formulating this policy. Through ASEAN mechanism, India sought to integrate its economy into the Asia-Pacific. In the Asian security structure, it intended to play the role of a global power and not to remain confined to the Indian Ocean. All these and more objectives have not been entirely fulfilled due to certain constraints and limitations, within and beyond India’s reach. After one and a half decade, the policy has not shown desired results. It may be due to the non- compatibility of their varying perceptions about the unfolding post-Cold War world order.

India currently has limited economic cooperation with Southeast Asia and has yet to become a significant market for East Asian economies. For instance, it accounted for less than 1% of Thailand’s and 2.5 percent of Singapore’s international trade in 2004. Countries of Southeast Asia perceive that India has yet to go a long way in opening up its economy. The bureaucratic mindset is slow in accepting the changing economic realities and is a hurdle of sorts to fully exploit India’s commitment to deal with East Asia. The ASEAN countries have found that India’s bureaucrats have yet to implement the policy wholeheartedly. India’s economy is not as open as that of these countries. Insistence or expectation of Indian negotiators – especially bureaucrats-- for commercial reciprocity from ASEAN member countries can not become a reality unless India is well integrated into the global economy.

Mutual engagement of India with Southeast Asian continues to be below its full potential. For example, despite the rhetoric of India and Japan forming an "arc of freedom and prosperity," bilateral engagement remains low. Japanese investment in India was approximately US$ 2 billion in 2006, far less than the $57 billion in China. Sino-Japanese trade was more than $207 billion in 2006, and Japan-India trade, was only $7 billion. India makes up only 0.67 percent of Taiwan's total trade and Taiwanese investment in India totals $116 million as compared to over $100 billion in China. In Southeast Asia, it seems, India remains much behind the Chinese growing presence. China's trade with Southeast Asia exceeded $160 billion in 2006, while India's trade with the region is less than $30 billion.

India has its concerns about two flashpoints--Taiwan Strait and Korean Peninsula. India had played a neutral role during the Korean War in 1950-51,
supported China for the restoration of its UN membership. Despite that, India has no place in the currently formed six-party --or the larger ten-party-- framework on the North Korean nuclear issue. Many in India think that the clandestine nuclear proliferation (ostensibly with the help of Pakistan) by North Korea has directly affected India’s case of entering the nuclear club. Despite India's changed approach in dealing with Myanmar, it is not clear if it has made any significant gains. For instance, while Indian energy companies Oil & Natural Gas Company Videsh Ltd. and Gas Authority of India Limited have a 30 percent stake in Myanmar's A1 and A3 blocks in the Shwe field in the Bay of Bengal, a proposed natural gas pipeline to India has been jeopardized by an agreement between Rangoon and PetroChina to supply China with 6.5 trillion cubic feet (TcF) of natural gas via a pipeline from the A1 block to Kunming in China's Yunnan province.

There has been ambiguity and some times improper handling of the issues of the North East by the Union Government. Since India launched the Policy in 1992, it had coalition governments ruling at the centre most of the times. There has been frequent change of governments with an exception of NDA rule under Atal Bihari Vajpayee (1999-2004) and the present UPA government. The short-term regimes could not make long-term policies and put required thrust on the Look East policy. More so, the emergent coaltional arrangements were dependent on the regional political parties who have no foreign policy perceptions of their own. Presence of a strong left on the Indian political scene has also hindered India’s adoption of economic reforms which are very significant if India wants to deal with East Asian economies. Some of the Indian leaders, unmindful of policy implications have been airing their opposition to the policy. The investors are further scared of opposition coming from political and business quarters to the establishment of multinational industries, and opposition to new marketing strategies adopted by the foreign industry in India. Differences in their economic structures and degree of openness have also affected their economic engagement. The ASEAN economies are more open, relying heavily on imports of raw materials and capital as production input, while the Indian economy relies more on domestic inputs. Ever mounting pressure from Indian business sectors for protection has also tied the hand of the trade negotiators.
To date, foreign direct investment from Southeast Asia has not played as significant a role in India’s economic development as it has in China. East Asia has been an important source of such investment in China. India’s policy on foreign direct investment has been restrictive and such investment to India tends to concentrate in the service and IT sectors, which are often less capital intensive than the manufacturing sector. India’s trade with these countries can be enhanced if they create a compatible tariff structure. India is still considered a protected market with higher tariff rates. In his recent visit to India in January 2000, the Singaporean Prime Minister expressed that efforts should be made to create an ‘Asian Free Trade Area’ and India should play a lead role in such attempts.

India is a democratic country and has to deal with different kind of political systems prevalent in the countries of Southeast Asia. The differences in the systems of governance sometimes create hic-ups in smooth flow of ideas between the leadership of India and the countries of Southeast Asia. For Example, Thailand and Myanmar, with whom India shares land and maritime frontiers, play a crucial role in India’s Look East policy. Thailand has periodically faced military coups. Continuous military rule in Myanmar, Thailand and the ongoing pro-democracy and movement there puts India in a tight spot as it should prefer its national interest or support the pro-democracy movement there. The Look East policy has also faced a slow down as the East Asian economies have yet not fully recovered from the economic crises of late 1990s and are in the process of rebuilding themselves.

India closely monitors the ship movements around its sea shores since long. It had to build up naval base in Andaman which has become a subject of considerable concern and debate among the countries of Southeast Asia. Indonesia and Malaysia have particularly shown their concern about a naval base at Grand Nicobar. Malaysia has also questioned the rationale behind India’s expansion, of Joint Service Command. Similarly, when India tested its nuclear weapons at Pokhran in 1998 there were strong reactions from the countries of the region. Differing perceptions on the regional and global strategy have constrained bilateral relations thwarting the integration process between India and these countries.

If it is relevant in present context, it suffers form certain constraints also. Undoubtedly, the Look East policy is emerging as an important aspect of India’s foreign policy. Close relations with East Asian region are full of opportunities.
However, the policy has not the same vigour, and density with all the countries of Southeast Asia. It is neither viable, nor possible to discuss India’s approach towards each one of the Southeastern countries in the context of the Policy. For the purpose of this essay, we now take up India’s reach and expanse of the Look East policy vis-à-vis Indonesia, Malaysia, Singapore, Thailand and Myanmar.

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4. From Nehru’s Inaugural Address at the Asian Relations Conference, New Delhi, 23 March 1947, cited in Nehru, India’s Foreign Policy, op. cit., p. 251.
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12. The Communiqué released by Press Information Bureau on 23 December said that in view of the military action taken by the Dutch Government against the Republic of Indonesia, the Government of India has decided to suspend the right of KLM in or across India...No fuel will be issued to KLM aircrafts at Indian airports with affect from 1a.m. (IST), 24 December 1948. Cited in Poplai, S. L: India 1947-50: External Affairs, OUP, 1959, p. 10.

Mishra: India-Southeast Asian Relations, op. cit., p. 7.


Ibid., p. 254.


Nanda, op. cit., p. 212.


South East Asia Treaty Organization (SEATO), provided defence and economic co-operation in South East Asia and the South Pacific area. The alliance was founded on September 8, 1954, to prevent the spread of Communism in Southeast Asia. The founding members of SEATO were Australia, France, Great Britain, New Zealand, Pakistan, the Philippines, Thailand, and the United States. After the withdrawal of the US from Vietnam and victory of Communists in Indo-China in 1975, it lost its relevance. By mutual consent, SEATO, was disbanded in June 1977. For more detail see, Leifer, Micheal: ASEAN and the Security of South-East Asia, Routledge, London, 1989, p. 28.

Association of South East Asian Nations (ASEAN), regional alliance of five independent countries of South East Asia. ASEAN was founded in Bangkok in August 1967 by Indonesia, Malaysia, the Philippines, Singapore, and Thailand. Principal objectives of the organization, outlined in the Bangkok Declaration (1967), were to accelerate economic growth and promote regional peace and stability, as well as to collaborate on economic, social, and cultural issues of mutual concern. Brunei became a member after attaining independence in 1984; Vietnam - the Association’s first Communist partner - joined in 1995; Laos and Myanmar were admitted in 1997, and Cambodia in 1999. See, Nagi, R: ASEAN – 20 Years, Lancers Books, New Delhi, 1989, pp. 17-22; Wong, John: ASEAN's Experience in Regional Economic Cooperation, Asian Development Review, Vol. 3, No. 1, January 1985, pp. 79-98; also see, Naik, S. D: India and ASEAN: Towards Enhancing Economic Partnership, Business Line, 16 October, 2002.

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30 Sridharan, Kripa: Regional Perception of India, in Grare and Mattoo (eds), op. cit., p. 75.

31 Singh, Swaran: China’s Factor in India’s Ties with South-East Asia, in Grare and Mattoo (eds.), op. cit., p. 197.


33 Singh, Swaran: China’s Factor in India’s Ties with South-East Asia, in Grare, and Mattoo, (eds.), op. cit., p. 196.

34 Glasnost, denoted “openness”, a key aspect of the policies introduced by Soviet President Mikhail Gorbachev in 1985 to change and revitalize the Soviet system. Generally coupled with the economic and political reforms, glasnost summarized Gorbachev’s efforts to allow and stimulate more open discussion and criticism in political and cultural life. The term had both a symbolic and practical significance. Carrying the meaning of “speaking out” or “giving voice to”, glasnost was evident in the more open debate and discussion that existed in the final years of the Union of Soviet Socialist Republics. See, Stephen, White: After Gorbachev, OUP, London, 1993, pp. 74-101.

35 Perestroika, stood for, “restructuring”, a key element of the campaign initiated by Soviet President Mikhail Gorbachev to reform and revitalize the Soviet system. First mentioned by Gorbachev in a speech at a meeting of the Central Committee of the Communist Party in April.
1985, perestroika came to encompass a wide variety of political and economic policies. It was implemented along with Gorbachev’s policy of glasnost, which facilitated public debate of controversial issues. Perestroika at first mainly referred to efforts to reform the ailing Soviet economy by reducing the power of central authorities and introducing elements of a market-based system. A major part of the reforms involved expanding private ownership, which had long been shunned by the regime for ideological reasons. Perestroika also came to mean changes in other aspects of the Soviet system, including the bureaucracy and political life.


44 The Asia Pacific Economic Cooperation became operational in 1996 following Subic Bay Summit. Initially the APEC was a group of 18 countries, namely, Brunei, Indonesia, Malaysia, Philippines, Singapore, Thailand, USA, Canada, Mexico, Australia, New Zealand, Papua
New Guinea, China, Hong Kong, Taiwan, South Korea, Japan, and Chile. In the fifth APEC Summit in 1998, the group was expanded by admitting Vietnam, Peru, and Russia. Presently, there is a moratorium on the expansion of APEC otherwise since its formation India made several attempts to get inducted into the forum. About 4.2% of the world’s total trade is transacted among the member countries. See, Prakash, Vinita Ray; Ambatkar, Sanjay (eds.): India and ASEAN: Economic Partnership in the 1990s and Future Prospects, Gyan Publishers, New Delhi, 1996 pp. 13-18.

45 On 9 July 2002, in Durban (South Africa), 53 African leaders inaugurated the African Union (AU), a continental institution to replace the Organization of African Unity (OAU). The AU, which was formally created on 26 May 2001, is designed to achieve three broad goals. First, it is intended to bring together the plethora of sub-regional institutions in Africa in order to pursue continent-wide co-operation and integration amongst African states. Second, it aims at creating the conditions for African states to engage in social, economic, and political relations in a way that will make war between them unlikely. That is, it aims at creating a kind of ‘Concert of Africa’. Third, it attempts to design an institutional framework for African states to participate more effectively in the international market and in international negotiations on trade, finance and debt, among other things. See, Tieku, Thomas Kwaasi: Explaining the Clash and Accommodation of Interests of Major Actors in the Creation of the African Union, African Affairs, Vol. 103, No. 411, April 2004, pp. 249–267; Magliveras, Konstantinos D. and Naldi, Gino J: The African Union: a New Dawn for Africa, International and Comparative Law Quarterly, Vol. 51, No. 2, 2002, pp. 415–425; Parker, Corinne A. A. and Rukare, Donald: The New African Union and its Constitutive Act, American Journal of International Law, Vol. 96, No. 2, 2002, pp. 365–378.


47 Nanda Prakash, op. cit., pp 67-68.


51 Address to a gathering of Indian Finances in Bombay, see, Kaji, G. S: What East Asia has Achieved, India too can Emulate, The Times of India, 13 April, 1995.


53 Following the economic crisis of 1991, India has been forced to adopt the model of liberalization, privatization and globalization (PG) policy as economic reforms. See, Nair, K Ramachandran: India and the Challenge of Globalization in Harshe and Seethi, op. cit., p. 41.

54 Nanda, op. cit. p. 273.

The Chinese support to insurgents in the northeast came early in the 1960s and continued through the 1970s. It was in Yunnan that the Naga fighters were trained in arms and guerrilla tactics and they were also taught Maoism. With the Chinese support the Naga insurgency became stronger and more intense with better tactics and modern weapons. Apart from the Nagas, the Chinese also extended moral and material support to the Mizo and Meiti insurgents by arranging for their training in guerrilla warfare and subversion in training centers in Yunnan province of mainland China and Lhasa in Tibet. See, Sarin, V. K: India's North-East in Flames Vikas Publishing House, New Delhi, 1980, p. 105; Datta, Sreeradha: Security of India's Northeast: External linkages, Strategic Analysis, Vol. 24, No. 8, November 2000, pp. 1495-1516; Nardi, Dominic J: Cross-Border Chaos: A critique of India’s Attempts to Secure its Northeast Tribal Areas Through Cooperation with Myanmar, SAIS Review, Vol. XCXVIII, No.1, Winter-Spring 2008, pp. 161-171; Jafa, Vijendra Singh: Insurgencies in North-East India: Dimensions of Discord and Containment, in Muni, S. D (ed.): Responding to Terrorism in South Asia, Regional Center for Strategic Studies, Colombo, 2006; Sinha, S. P.: Lost Opportunities: 50 Years of Insurgency in the North-East and India’s Response, Lancer Publishers, New Delhi, 2007.

About 95 per cent of India’s trade is by sea, and sea lanes are of vital importance to India for unimpeded flow of its merchandise trade. Presently, India’s trade interactions in the East may be lesser relative to those with the West, but is growing at a very rapid pace. The trade with China has increased from US$ 1 billion in 1998 to 13.6 billion in 2004 and is expected to reach US$ 20 billion by 2007. Indo-ASEAN trade grew from US$ 7 billion in 1997 to US$ 13 billion in 2004 and is expected to be US$ 30 billion by 2007. See, Kundu, Swati Lodh: Asian Surge in India Trade, Asia Times, 28 May, 2005; Kuppuswamy, C. S: ASEAN Economy-Dominated by China? South Asia Analysis Group, Paper 1184, December 10, 2004.
The South Asia Association for Regional Cooperation comprised of seven countries of South Asia, i.e., Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. It was established in December 1985 with the objectives to promote peace, freedom, social justice and economic prosperity by fostering mutual understanding, good neighbourly relations and meaningful cooperation among the member states. Twelve technical committees bring together experts in various disciplines to implement, coordinate, and monitor projects in their particular areas: agriculture; rural development; telecommunications; meteorology; health and population; transport; postal services; science and technology; sports, art and culture; women development; prevention of drug trafficking and drug dependence and education. Five study groups, each coordinated by a different country, have a specific area of responsibility: agriculture (Bangladesh); rural development (Sri Lanka); meteorology (India); telecommunications (Pakistan); health and population (Nepal). Action committees, with representatives from at least two member countries, help to implement projects. See, Goel, O. P: India and SAARC Engagements, Vol. I, Isha Books, Delhi, 2004, p. 1.

Apart from Pakistan’s stiff attitude, a number of other key factors have impeded the development of South Asian intraregional trade. These factors included identical comparative advantage in the type of goods produced, shortage of exportable surpluses, lack of communication links such as roads and communications, restrictive trade policies, shortage of financing. There are also structural impediments to greater trade such as insufficient and underdeveloped manufacturing capacity to absorb the materials produced in the region. See, Kemal, A.R (et. al.): A Plan to Strengthen Regional Trade Cooperation in South Asia, in Srinivasan, T. N (ed.): Trade, Finance and Investment in South Asia, Social Science Press, New Delhi, 2002, p. 261; Bhuyan, A. R: Outlook and Prospects under SAPTA: The Bangladesh Perspective, in Kalam, A (ed.): Bangladesh Internal Dynamics and External Linkages, University Press Limited, Dhaka, 1996, pp. 339–341; Brar, Bhupinder: SAARC Functionalism Has Failed, Will Realism Work?, South Asian Survey, Vol. 10, No. 1, January-June 2003, pp. 31-41.

The economic reforms undertaken by India during the 1991-94 included: 1) Devaluation of the rupee by 30 percent against the US dollar; 2) raising the ceiling of foreign ownership to 51 per cent and higher in some instances, with partial repatriation of capital at market rates on a 60:40 basis; 3) removal of restrictive controls on the import of most items and lowering g
the tariffs; VI) abolition of the internal licensing system in all but 18 industries; V) preparation for sale in principle of up to 49 per cent of the government’s share in state enterprises; VI) floating of the rupee on trade account in 1993; VII) reduction of excise duty; VIII) reform of the financial sectors; IX) a substantial reduction in the rate company taxation in 1994. See, Gordon, Sandy: India’s Rise to Power in the Twentieth Century and Beyond, St. Martin Press, New York, 1995, p. 121; Mukherji, Rahul: India’s Economic Transition: The Politics of Reforms, OUP, New Delhi, 2007; Mezard, Isabelle Saint: The Look East Policy: An Economic Perspective, in Grare, and Mattoo, (eds.), op. cit., p. 23.

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89 Thomas, op. cit., p. 301.
91 Thomas, op. cit., p. 302.
98 The inaugural formal MGCI Ministerial Meeting was held in Vientiane on 10 November 2000. This MGCI Ministerial Meeting concluded with ‘the Vientiane Declaration’, underlining their common heritage and desire to enhance friendship. The Declaration outlined MGCI objectives in four specific sectors of: a) Tourism, b) Culture, c) Education and d) Transport and Communications. This meeting proposed to launch the Mekong-Ganga Tourism Investment Guide, promoting famous cultural, religious and eco-tourism sites. It aimed to preserve old manuscripts, heritage sites and artifacts, provide scholarships and translate classics and develop road, rail and air links. Declaration committed the member to strengthen their cooperation in the development of Information Technology (IT) infrastructure in which India has strong credentials to contribute. It also laid emphasis on promoting joint research in the fields like dance, music and theatrical forms and organizes round-tables for journalists, writers and experts in literature, performing arts, women's empowerment, health and nutrition and the conservation, preservation and protection of heritage sites and artifacts. For detail see at, http://www.mfa.go.th/web/882.php; Sekhar: Forging Ties with Southeast Asia, The Pioneer, 12 December, 2000; Jayant V: The Mekong Ganga Initiative, The Hindu, 28 November, 2000 and Mohan, C. Raja: Looking East: Phase Two, The Hindu, 11 April 2002.
100 Babatyal, op. cit., p. 189.
101 Unyal, Mahesh: India’s Look East Policy Hits Play Dirt in the Southeast Asia, Asia Times Online, 21 November 2000.
102 Nanda, op. cit., p. 472.
103 The member-States reviewed the progress of Ha Noi Programme of Action and “noted that the progress was slow and much remain to be done to translate idea to be reality.” The Ministers, however, supported the trilateral road linkages among India-Myanmar-Thailand linking Tamu (India) and Thaton (Thailand). And finally, Ministers agreed to strengthen their institutional network and expressed their agreement to give leading role to chairing country, designate


105 India had upgraded the 160 km long Tamu-Kalewa-Kalemyo highway in 2001 and intended to maintain it for the next six years. There is an ongoing project for construction of a trilateral highway from Moreh in India to Mae Sot in Thailand to Bagan in Myanmar, the progress of which is being reviewed regularly by the foreign ministers of the three nations. See, Kuppuswamy, C. S: India’s Look-East Policy: More Aggressive, Better Dividends, South Asia Analysis Group. Paper No.1663. 3 January, 2006, see at, http://www.saag.org/paper17/paper1663html.  


109 India’s exports to Laos in 2005-06 grew by 106.55% to be at $5.47 million, while its imports from that country were only $0.10 million. India’s exports to Vietnam in 2006-07 grew by 42.27% to be at $982.60 million, while its imports from that country was only $167.65 million. In 2006-07, India’s exports to Cambodia grew by 115.63% to be at $52.16 million, while its imports from that country was only $1.58 million. See, Sharma, Ashok B: India is choosy about Eastern Neighbours, The Financial Express, 4 December, 2007.  


114 To increase trade among the BIMSTEC members except Bangladesh, signed a Free Trade Framework Agreement at a Ministerial meeting in Phuket, Thailand in February 2004. However, Bangladesh later joined the agreement in June 2004. New BIMSTEC members Bhutan and Nepal also acceded to the free trade agreement. Under the BIMSTEC framework agreement, tariffs will be reduced to zero by 2012 for both India and Thailand and by 2017 for the other members. Reported in, Herald Sun, 9 February, 2004; The India Express, 8 February, 2004.


119 BIMSTEC in Brief, BIMSTEC Newsletter, Vol. 1, No. 1, Dec 2006, p. 1

120 BIMST-EC Summit Declaration, World Focus, Vol. 25, No. 9, September 2004, p. 23.


122 BIMST-EC Summit Declaration, op. cit., p. 23.

123 These agreements were signed with Indonesia in 1974 and 1977, with Thailand in 1978 and with Myanmar in 1987. Its maritime boundaries with Sri Lanka were demarcated in 1974 and 1976. Only unsettled maritime border of India is with Bangladesh where the New Moore Island is subject of territorial dispute. See, Suryanaryan, op. cit., Varghese, B.G: For an Ocean Outlook, The Hindu, 25 November, 2005.

124 India has become the fourth largest economy in the world after the U.S., China and Japan. The U.S. accounts for 21.1 per cent of the world GDP, China 12.6 per cent, Japan 7 per cent and India 5.7 per cent. See, India Fourth Largest Economy, The Hindu, 30 December, 2004.

125 Young, Ong Keng: Advancing the ASEAN-India Partnership in the New Millennium, RIS Discussion Paper No. 96, Research and Information Systems for the Non-Aligned and Developing Countries (RIS), New Delhi, May 2005, p. 2.

126 The Straits Times (Singapore), 15 November 2000.

127 Since the 1990s, the Indian Navy has conducted large number of bilateral and multilateral naval exercises with various ASEAN countries with the largest number being conducted with the Singapore Navy. Other exercises have been conducted with Myanmar, Thailand, Indonesia, Malaysia, Vietnam and the Philippines. In April-May 2007, India conducted bilateral naval exercises with Vietnam, the Philippines, Malaysia, Singapore, and Indonesia. See, Bhattacharyya, Anushree: India's Joint Naval Exercises in the ASEAN Region, Institute of Peace and Conflict Studies, Article No. 2345, 3 August, 2007.

128 Batabyal, op. cit., p. 185.

129 China has provided about U.S.$1.4 billion in conventional weapons to Myanmar. The package included ground-based radars, anti-aircraft guns, small arms, 24 F-6 and F-7 fighter aircraft,
100 T-69 II main battle tanks, 100 T-63 light tanks, 150 T-85 armored personnel carriers, 144 air-to-air missiles, and four patrol boats. In addition, China has also helped Burma to build up a naval base on Hainggyi Island as well as setting up intelligence gathering posts on the Coco Islands. See, China, Singapore to Boost Military Cooperation, People's Daily (China), April 14, 2006; Michael, Richardson: China-Burma Ties Upset Neighbors, International Herald Tribune, April 7, 1995.; Pant, Harsh V: India’s Achilles’ Heel: Lack of a China’s Policy, South Asia Analysis Group, Paper No. 1293, 18 March 2005.


The average Indian civil servant still sees himself primarily as a regulator and not as a facilitator. The average Indian bureaucrat has not yet accepted that it is not a sin to make profits and become rich. The average Indian bureaucrat has little trust in India's business community. They view Indian businessmen as money grabbing opportunists who do not have the welfare of the country at heart; and all the more so if they are foreign businessmen. See, Speech by Minister Mentor Lee Kuan Yew at the 37th Jawaharlal Nehru Memorial Lecture: India in an Asian Renaissance, New Delhi, 21 November, 2005. Accessed from, http://app.mfa.gov.sg/2006/press/view_press.asp?post_id=1523.

Ram, Historical Perspective, op. cit., p. 61-87.
FDI is not permitted in Retail trade (except Single Brand product retailing); Lottery; Gambling and Atomic Energy. Government of India could not take a decision on the proposal to raise the existing limits on FDI in a number of sectors such as telecom, petroleum refining and marketing. Caught between the xenophobes and unthinking liberalizers, the policy on FDI has been lurching in the wrong direction. It has been obsessed with what can only be called the dollar and China syndrome. India is still receiving less than $4 billion of FDI every year.


India's high duty on sensitive items like palm oil, tea, and pepper has emerged as one of the main obstacles. Palm oil is the most crucial with India having a clash of interests here with Malaysia and Indonesia. Palm oil accounts for 20 per cent of India's imports from ASEAN and around 99 per cent of this oil comes from Malaysia and Indonesia. Domestic production in India is much less than the demand. India levies high duties on this commodity. See, Singh, Yoginder: India ASEAN FTA: Problems and Prospects, Institute of Peace and Conflict Study, Article No. 2216, 23 February 2007.

Interview of Mr. Goh Chok Tong, The Singaporean Prime Minister, on his Visit to India, The Hindu, 22 January 2000.


Except Vietnam, all other ASEAN countries disapproved of India’s nuclear test. For more detail see, Ghosh, Suchita: India Goes Nuclear: Response of Southeast Asia and Japan, in Majumdar, Anindyo J (ed.): Nuclear India Into New Millennium, Lancer Books, Delhi, 2000, pp. 259-70.