Act East Policy And India-China Relations

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The Act East policy is aimed to put East in centrality in terms of economic activity and political presence to counter the expansionist neighborhood. This in turn will enlarge the domain of the east and strengthen India’s place in global economy which is a win-win situation for India. It involves the Northeast on the national policy agenda and on international agenda could manage China to its advantage with the help of ASEAN countries and the other friends. China has been following its string of pearls policy against India for more than a decade, but the dynamics has started to change. India’s relationship with South East Asian nations is based on dynamic military to military partnership with all significant nations in that region along with increased economic engagement. India has made tactical arrangements for armed collaborations in the region with Japan, Australia and USA (popularly known as Quad) to safeguard its territorial and sovereign integrity. India intends to expedite the connectivity projects like India–Myanmar–Thailand Trilateral Highway and Kaladan Multi-Modal Transit Transport Project to increase economic benefits to the region as a whole. This strategy by not being aggressive but increased activity is in consonance with international principles. The Act East Policy (AEP) characterizes feasibility as the most noteworthy side of the nation’s foreign policy as a whole.

Relations between India and Southeast Asia span through many millennia. For eras, commerce and emigration traversed the Bay of Bengal and the Indian Ocean which connected Southeast Asia and the Indian subcontinent through trade, beliefs, and community. In ancient times, the most of the archipelago of Southeast Asia came under profound Indian effects. The British colonialism braced these networks by bringing it under the colonial domain of influence by trade. The first prime minister of independent India Jawaharlal Nehru considered Southeast Asia as a very close ally of India. One could see the glimpse of Look East policy in 1955 Bandung Conference, where 29 Asian and African states discussed their future international political agendas.

Once they became independent by 1960s, their political agenda changed under the unavoidable forces of the two major groups of Cold War. The South East Asian Countries signed SEATO (Southeast Asia Treaty Organization) with America and came under capitalist influence. China always had geographical edge over other South and South East Asian countries so out of apprehension the ASEAN members felt it imperative to have American presence in South Asian Sea to keep China under control. These countries formed the Association of ten Southeast Asian Nations (ASEAN) in 1967 to promote political and economic cooperation and regional stability. Despite India’s declaration to be nonaligned, Indo-Soviet Treaty of Friendship of 1971 created tension among ASEAN members as they were suspicious of Soviet intentions in their regions. ASEAN’s closeness to America and Japan drew them further apart from India. According to some political analysts during the Cold War India was regarded by the ASEAN countries as politically suspect, economically unimportant and, at times, even militarily threatening. The relationship became little cordial during the time of Rajiv Gandhi when he tried to resolve Cambodian Problems one of the ASEANs but the relationship between ASEAN and India remained uncertain and negligible throughout the 1980s. It was in 1990s when India realized the potential of its eastern countries and the term look east came into existence. The look east policy refers to the
policy to look east. It was started by former Prime Minister I.K. Gujral. In the past it was neglected because of various reasons like, first, South East Asia was not an attractive business partner as compared to other partners, second India’s economic condition was insular and protective, third, in those days, the political leaders had colonial mindset and so they never paid attention on regional linkage. But in later years it was realized that this perception was flawed and warped. The 1990s saw some positive development in South East Asian countries during Narasimha Rao’s globalization, privatization and liberalization program in India. In 1993 and 1994, Rao led economic missions to Thailand, Vietnam, and Singapore. In 1995, India was made a full dialogue partner of ASEAN and made its maiden appearance in the Jakarta ASEAN Regional Forum (ARF) and the Post-Ministerial Conference (PMC) which gave India a significant leap forward in relationship with ASEAN countries. This amicable relationship was developed through Look East approach. But again, the procurement of aircraft carriers and nuclear submarines and the inaugural of FORTAN (Fortress Andaman and Nicobar) joint services base at Port Blair Islands caused further anxiety for ASEAN states in the Indian Ocean perimeter. The situation further got exacerbated on security ground because of India’s actions in Sri Lanka, the Maldives and Nepal in the 1980s. The situation improved when India opened its facilities at Port Blair and allowed regional military attaches to start naval exercises separately with Indonesia, Singapore, Australia, Malaysia, and Thailand. By virtue of its extent and location, India was strategically significant for ASEAN because the trade routes that pass through the heart of Southeast Asia also pass through the Indian Ocean and countries like Malaysia, Thailand and Indonesia were also Indian Ocean countries with Indian Ocean interests. In 1990’s Prime Minister Narashimha Rao made it clear that Indian security depended more on economics than on men and arms. The bilateral trade between India and ASEAN turned out to be very rewarding. It accounted for over 80 percent of India’s imports from ASEAN countries, and more than 60 percent of India’s exports to ASEAN countries. It got a position of full dialogue partner before China in 1995. The relationship became stronger after signing the Treaty of Amity and Cooperation in 2003 during Prime-minister, Atal Bihari Bajpayee. During this period, trade between India and Singapore grew up by more than 60 percent. During his regime, there were various cogent factors to develop closer relationships with the ASEAN countries. First, there was an emergence of Islamic fundamentalism and extremist groups in Southeast Asia. Second, India was concerned that Pakistan should not capitalize on the rise of Islamic consciousness and use Bangladesh as a conduit to send terrorist groups like Pakistan-based Lashkar-e-Toiba (LeT) and Bangladesh-based Harkat-ul-Jihad Islami (HuJI) and Jama’atulMujahideen (JuM) into India’s troubled northeast. With the changing condition in contemporary international relations as well as domestic politics in India, it was imperative to establish close relationship with regional powers especially ASEAN. In 2012 the relationship was raised to the Summit level partnership and culminated in the India-ASEAN Strategic Partnership Agreement. This was further buttressed by India’s engagement with the Bay of Bengal Initiative for Multi-Sectorial Technical and Economic Cooperation (BIMSTEC), the Ganga-Mekong Initiative, the Council for Security Cooperation in the Asia Pacific (CSCAP), the East Asia Summit (EAS) and the ASEAN Defense Ministers’ Meeting Plus interactions. The National Democratic Alliance (NDA) government in India, outlined the Act East Policy in November 2014 within six months of assuming power. This article explores the shift from the Look East policy to the Act East policy. It focused on Northeast and China.

From Look East to Act East
Prime Minister Narendra Modi explicitly stated the conversion of LEP into AEP at the India-ASEAN Summit in Naypyitaw in November 2014. This expression was not used for the
first time as earlier it had been used by Sushma Swaraj External Affairs Minister. Analysts are of the opinion that US Secretary of State Hillary Clinton had advised India to switch from look east to act east. The critics of the Modi government claim that there is minute difference between these policies but another school of thought accentuates the novelty and originality of AEP. The statistic says that AEP is a conscious up gradation of LEP. It is a calibrated reply to the changing situation in the region. The transcendence of AEP from LEP has led to rise in tremendous trade growth and deeper involvement with our ASEAN neighbors. The Look East policy of 1990s concentrated on the relationship of Southeast Asian Nations (ASEAN) countries and focused on Economic Integration. At that time the trade with ASEAN was $2 billion and later on by signing the Free Trade Agreement in 2010 with ASEAN, the trade grew up to $72 billion by 2017-18.\(^1\) India’s political relation with these countries also evolved. By 1996 India was just the dialogue partner, then by 2002 became the summit level partner in 2002 and by 2012 it upgraded itself to a Strategic partner. In 2014 when India initiated Act East Policy, it focused apart from economic integration on security dimension along with 4C’s i.e. Culture, Commerce, Connectivity and Capacity building. India’s aims of switching its policies from Look East to AEP were as follows:

a. To develop northeastern states of India economically by linking it with ASEAN nations through trade routes to enable it to counter insurgencies and terrorism.

b. To strengthened its relationship with its closest regional strategic partners like Vietnam.

c. To develop strategic/economic relations with major powers including USA, China, Japan, and Australia.

d. To check regional internal insecurity and threat of China in the South sea region and its expansionist policy through String of Pearls.

e. To construct the contours of its maritime policy which would be applicable to Indian Ocean strategic interests without neglecting the Pacific? India advocates an inclusive, balanced, transparent and open regional architecture for security and cooperation in the Asia-Pacific. The AEP embraces a broader terrestrial expanse. Unlike a few other nations, India sticks to the principle of the centrality of ASEAN in East Asian affairs. It is hoped that ASEAN will appreciate the need for its own unity, solidarity and integration. India has taken the question of security, with extreme urgency. Its views on South China Sea have been voiced regularly with clarity and consistency. India wants that all countries around South China Sea, Indian Ocean and Pacific Ocean should follow ceiling, international law and norms, self-determination of navigation and security of sea-lanes. The political analysts feel that ASEAN centrality is susceptible to threat; because of China’s assertive approach. ASEAN countries trust India as it has been following Code of Conduct (COC), and previous Declaration on Code of Conduct (DOC).

The Modi government has announced two new initiatives first is a Project Development Fund with a considerable amount of Rs. 500 crores which is around $75 million to develop manufacturing hubs in CLMV (Cambodia, Laos, Myanmar and Vietnam) countries, and a new Line of Credit of $1 billion to promote projects that would upkeep physical and digital connectivity between India and ASEAN.\(^2\) Now even leaders of these countries are agreeing that ASEAN and India are moving in the direction of functional and invigorated relationship.

In order to check China's aggressiveness in the South China Sea and the Indian Ocean the President of the United States bolstered the term Indo-pacific at East Asia summit, 2017. The Word Indo-pacific is being used in its place of Asia-Pacific to give India more prominence. As per the summit multilateral military exercises would be there among India, Japan and the US. The US, Japan, India and Australia to check China's expansionist policy have signed Quad (Quadrilateral Security Dialogue).\(^3\) This conference will emphasize on collaboration in the Indo-Pacific region and consolidation of security ties between New Delhi and Canberra. The long-pending Mutual
Logistics Support Agreement (MLSA) is concluded to elevate the strategic partnership.

The AEP is not that stress-free. It has lots of challenges. The analysts are apprehending that lack of coordination among ASEAN members could reduce India's role in the region which in turn would give extra advantage to China to set the regional agenda. The second challenge is absence of fast track of defense indigenization program. The hurdle is India's trade deficit which is significantly huge i.e. around $180 billion. China is enclosing India through the string of pearls and creating tension by constructing China Pakistan Economic Corridor through disputed territory between India & Pakistan. Beijing has been constantly corroding Indian influence in buffer states like Nepal and Bhutan aiming to keep India thumped in South Asia. Despite these shortcomings, India is considered as a benevolent power by the Southeast Asian nations, and they welcome New Delhi's efforts to balance Beijing, whose existence in South Asia is suspected of having suspicious motives.

China's String of pearls, OBOR and South China Sea creating flutter in political sphere

China's One Belt One Road (OBOR or Belt and Road Initiative, BRI) with the ASEAN States have weakened ASEAN centrality. Beijing has planned to spend $110 billion and aimed to complete it by 2025. China's second coveted place is South China Sea which is one of the busy channels and most of the China's trade takes place through this sea. Though it is 2,000km from the Chinese mainland but China claimed it on the basis of nine-dash line geographical marker published by the Kuomintang Government in 1947. As per United Nations Convention on the law of the Sea (UNCLOS, 1982) any county can exploit up-to 200 nautical miles as exclusive economic zone. China is not ready to accept that and continued to assert its claim as it is a key commercial access connecting Asia with Europe and Africa, and its seabed opulence in terms of natural resources like 22 billion barrels of oil, 290 trillion cubic feet of gas and 10 per cent of the world’s fisheries. It holds an important position from shipping point of view as one third of global shipping, or a total of US$3.37 trillion of international trade passes through this route and 80 per cent of China's oil imports sail across this route. Apart from China Vietnam, the Philippines, Taiwan, Malaysia and Brunei on various accounts of history and geography claim on various islands in South China Sea. Vietnam claims sovereignty over various small islands including a part of Paracel Islands and the Spratly Islands. Philippines asserts ownership of another side of Spratly archipelago and the Scarborough Shoal, while Brunei and Malaysia have claimed sovereignty over southern parts of the sea and some of Spratly Islands but China does not agree to that and claims its right over these islands. In 2014, the deployment of a Chinese drilling rig in waters near the Paracel Islands led to several confrontations between Vietnamese and Chinese ships and provoked protests in Vietnam. That same year, Beijing began land reclamation operations in some areas of archipelago for military installations on them.

In July 2016, on the complaint of some ASEAN nations, international tribunal in Hague passed a notice saying that China has no historic rights but Beijing defied the ruling and continued its expansionist policy in South China Sea. The question arises that why China is claiming its rights over these small islands and newly constructed artificial islands around seven reefs. According to various analysts by claiming the rights over these islands automatically China would have power around 200 nautical miles of each island and that would make China to bring the whole South China Sea under its control. The way to control the Indian Ocean by China was the String of Pearls. China has developed a blue-water navy and developed a number of military and civilian seaports in the Indian Ocean region, which has given her advantage to increased maritime influence on the sea lines of communication (SLOCs) within and through the region. This strategy, of developing a series of ports accessible by its navy, has been referred to by Western security commentators as the geopolitical theory of String of Pearls. The sea
lines run through several major maritime plug points such as the Strait of Mandeb, the Strait of Malacca, the Strait of Hormuz, and the Lombok Strait as well as other strategic maritime centers in Pakistan (Gawadar) Sri Lanka (Hambantota), Bangladesh (Chittagong) the Maldives (Feydhoo), Djibouti (Doraleh).

Steps to counter China in its expansionist policy
India's relationship with South East Asian nations is based on dynamic military to military partnership with all significant nations in that region. Important military and strategic agreements have been made with Vietnam, South Korea, Japan, Philippines, Indonesia, Thailand and Singapore. China has been following its string of pearls policy against India for more than a decade, but the dynamics has started to change. The Modi government is driving its own reverse string of pearls policy by trying to snatch one pearl at a time and wants to leave China with mere string.  

Myanmar is geostrategically important to India due to China factor, the Indian Ocean, India's Northeast insurgency and development, and the energy factor. Myanmar is a vital tactical partner, since it is the only ASEAN nation with which India shares both land and maritime borders. As a gateway to South East Asia, Myanmar is also, energetic in terms of economic development for India's North East Region (NER). The trade relationship between India and Myanmar in 2015 shifted from barter trade to normal trade. The relationship got further cemented when India agreed to develop Myanmar's Sittwe port. India has also developed strategic naval relationship with Myanmar by promoting and training its navy which has given India an amplified impression in the area and could keep an eye on the expansionist policy of any country. In 2016 the Vietnam one of the countries of ASEAN signed an agreement with India to strengthened Strategic Partnership. One year before it the two nations had already issued a Joint Vision Statement on India-Vietnam Defense Relations for the period 2015-2020. PM Modi had averred that Vietnam is a crucial support to India's AEP. Vietnam backs India's bid for UNSC membership. There are numerous areas of cooperation between India and Vietnam.

Both India and Vietnam are apprehensive of Chinese rise in the South China Sea and so want to have various activities in the Indian Ocean Region such as Indian cooperation in oil exploration in the dubious Vietnamese areas in 2018. India decided not to withdraw, the Vietnamese oil block in the South China Sea region under Chinese pressure and continues to recognize the dubious island as part of Vietnamese territory. Both the countries collaborated at various regional platforms such as Association of South East Asian Nations (ASEAN), East Asia Summit, ASEAN Defense Ministers Meeting (ADMM)- Plus, Mekong Ganga Cooperation and Asia Europe Meeting (ASEM) besides UN and WTO. India has withdrawn itself from RCEP i.e. Regional Comprehensive Economic Partnership to improve its economy through make up India and stand up India as the present terms of trade were not favorable to our economy.

India has also developed mutual military affiliations with vital countries in Indian Ocean region which include Australia, Indonesia and Gulf Cooperation Council countries. India has worked on good relations with IOR countries like Maldives, Mauritius, and Seychelles and is making efforts to fortify these ties further. India has aided Maldives government with several battleships and Helicopters. India is in talks with Seychelles to create an Indian military base on one of its Islands. India already has a military base in Madagascar which overlooks Mozambique Channel. The US has wide-ranging security commitments in East Asia, and is allied with several of the countries bordering the South China Sea, such as the Philippines, Singapore and Vietnam. Furthermore, the South China Sea is a vital trade route in the global supply chain, used by American companies who produce goods in the region. Although the US does not officially align with any of the claimants, it has conducted Freedom of Navigation operations, designed to challenge
what Washington considers excessive claims and grant the free passage of commercial ships in its waters. During the summer of 2018, British and French forces conducted similar operations in the disputed waters. India has made tactical contracts for armed collaboration in the region with Japan, Australia and USA. The four countries that are known as QUAD move out joint military exercises in the IOR region. Turkmenistan, Uzbekistan, Kyrgyzstan, Kazakhstan and Mongolia all these countries share borders with China and therefore, India has entered into diplomatic and cordial relation with them. The Act East Policy gives prominence on increasing infrastructure in the East Asian countries and have project named Mawsam to strengthen and revive cultural ties of the past. The success of India’s Act East Policy, will depend upon connectivity projects in India’s North East region. Therefore, India should expedite the connectivity projects like India–Myanmar–Thailand Trilateral Highway and Kaladan Multi-Modal Transit Transport Project. India must work on its basic advantage i.e. cultural and civilizational. These cultural and civilizational linkages are dated from ancient times (spread of Buddhism and Hinduism). India’s freedom struggle further extended this connection, as many of India’s freedom fighters had links with Southeast and East Asian countries. The Indian diaspora will forge a strong people to people relations, which in turn will enhance India’s cultural and civilizational linkages with these ASEAN nations.

Conclusion

The Act East policy is aimed to put East in centrality in terms of economic activity and political presence to counter the expansionist neighborhood. This in turn will enlarge the domain of the east and strengthen India’s place in global economy which is a win-win situation for India. It’s a win-win situation for India. It involves the Northeast on the national policy agenda and on international agenda could manage China to its advantage with the help of ASEAN countries and the other friends. This strategy by not being aggressive will help in achieving international legitimacy. The Act East Policy (AEP) characterizes feasibility as the most noteworthy side of the nation’s foreign policy as a whole. It has been portrayed as the cornerstone of India’s external relations. It encompasses all aspects of interactions such as strategic, political, security, socio-economic and cultural ties with numerous countries stretching from Myanmar to other ASEAN countries, to China, Japan, South Korea, Australia, the Pacific island-states, Russia and the U.S. This policy would assist India in safeguarding and promoting its national interests. The rise of an economically powerful and stable India, with close ties to the US, Russia and many countries at large has enabled her to have confidence in its dealings with China which in turn would provide stability of the region. Southeast Asia stands to be transformed to prosperity by the rise of China and India, and this strategic triangular relationship is set to determine the future of the Asia-Pacific region.

Endnotes