

# Chapter 10

## Evaluating the Future Possibilities of India–ASEAN Economic Relations: A Critical Assessment

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### **ABSTRACT**

*Foreign trade relations are due to the measures of foreign policy adopted and applied by a nation. The Indian foreign policy was majorly West focused and has been substituted with a more nuanced and inclusive policy that promotes the enhancement of security, diplomatic, and trade ties with the Eastern nations. The “Look East” Policy was executed in 1991 and it was substituted as “Act East” in 2014 by Prime Minister Narendra Modi who provided a modern push to the Indian regional diplomacy by concentration on Southeast Asian neighbours. This policy is known as a multi-faceted technique to create strategic connections with numerous individual nations as well as build a lasting relation with Association of Southeast Asian Nations (ASEAN). In this regard, this chapter evaluates the role and responsibility of border states in revitalizing regional socio, cultural, and economic ties with the neighbouring countries. This chapter evaluates how the participation of Northeastern Indian States provides opportunities for New Delhi in ensuring a tremendous regional diplomacy with ASEAN.*

### **INTRODUCTION**

Among the Prominent and significant foreign policy ideology that the India Government has taken and applied in Post Cold War is the Look East Policy (Kalita, 2018). This policy and initiative was applied in the early 1990’s against the severe shaking of the economy of India including the immediate end of the Cold War. This Policy or initiative was due to the concerted and joint efforts to extend and widen the strategic alliances with the South East Asian Nations. The Policy was intended to enhance political,

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economical and strategic links and connections with the Individual Nations including with the Association of the South East Asian Nations (ASEAN) (Kalita, 2018).

The “Look East” Initiative that was inaugurated and allowed in the early 1990s was the part of the motive to re-engage and re-involve with the South East Asia. This Policy has been attributed by majority of the Policy Makers and of the India Scholars as it evolved through numerous “stages” with a process of interaction and accelerated pace in migrating from a phase to another phase; this policy was intended to extend the involvement of India’s with the South East Asia Region, the Policy has gone beyond its initial and primary geographical concentration in South East Asia to cover and entail the broader East-Asian and presently Indo-Pacific region that has expanded and widened to its earlier or initial “Economic Interaction” to defense, political and strategic interactions. Currently, this “Look East” Initiative has culminated into modern “phase” under the Prime Minister-ship of Modi Narendra that rebranded and transformed the policy as “Act East” so as to depict a tremendous shift (movement) towards a more action oriented and pro active technique towards the region to promote links and connections in every sphere.

Although, something significant has transformed by the rebranding or repackaging of “Look East” Policy, it is a significant and major question that pertains every scholars and policy makers. One may argue and debate that the different stages of the “Look East” initiative are indepthed in the domestic political rhetoric’s rather than foreign policy migrations (shifts) as current government has intended to categorize and distinguish it’s foreign policy making from its predecessors. The First and Primary Phase or Stage of the Policy starts with the Congress Government of Prime Minister Rao Narshima; whereas the second stage or phase was linked and connected with the Bhartiya Janta Party (BJP) Prime Minister Vajpayee’s Bihari Atal Government in the early 2000’s and it continued to remain under the Congress Government of Prime Minister Singh Manmohan in 2004. Lastly, Final Phase of revitalized “Act East” Policy transpired under the Government of Modi Narendra in 2014 (Bajpae, 2017).

It is essential to emphasize here that the Vaj Payee’s Government India articulated the “Neighborhood First” Initiative were the Government aimed to take and apply a more “holistic and integrated” approach and technique to its regional involvements. Since the inception and beginning of this policy, all the Government during this era intended to enhance ties with the Asia-Pacific region since this is the swiftest growing region of the globe to its unparallel development in political, demographic, economic and security terms. Encouraging ties or alliances with the Asian neighbors through Association of the South East Asian Nations (ASEAN) has bridged and widened the gap as well as maximized the connectivity and linkages to wider Asia-Pacific Region. This Paper examines and evaluates how the economic relations or connectivity between ASEAN and India, particularly in the aspect of investments and trade have transformed overtime. However, ASEAN and India share a dynamic connection which goes well or perfectly beyond economics, the easy and simplest migration of services, goods and capital across borders remains the major and utmost concern for both. It is thus essential to evaluate the value chain connectivity between them that enables greater and much economic cooperation or alliance provided adequate or necessary connectivity’s. There are less challenges or impediments in regards to Institutional, Physical including People-to-People connectivity which could jeopardize and affect the economic growth of these both regions. These barriers demand urgent consideration by decision and policy makers. Also, this policy depicts a positive development effect and implication on the North Eastern Region (Kalita, 2018)

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