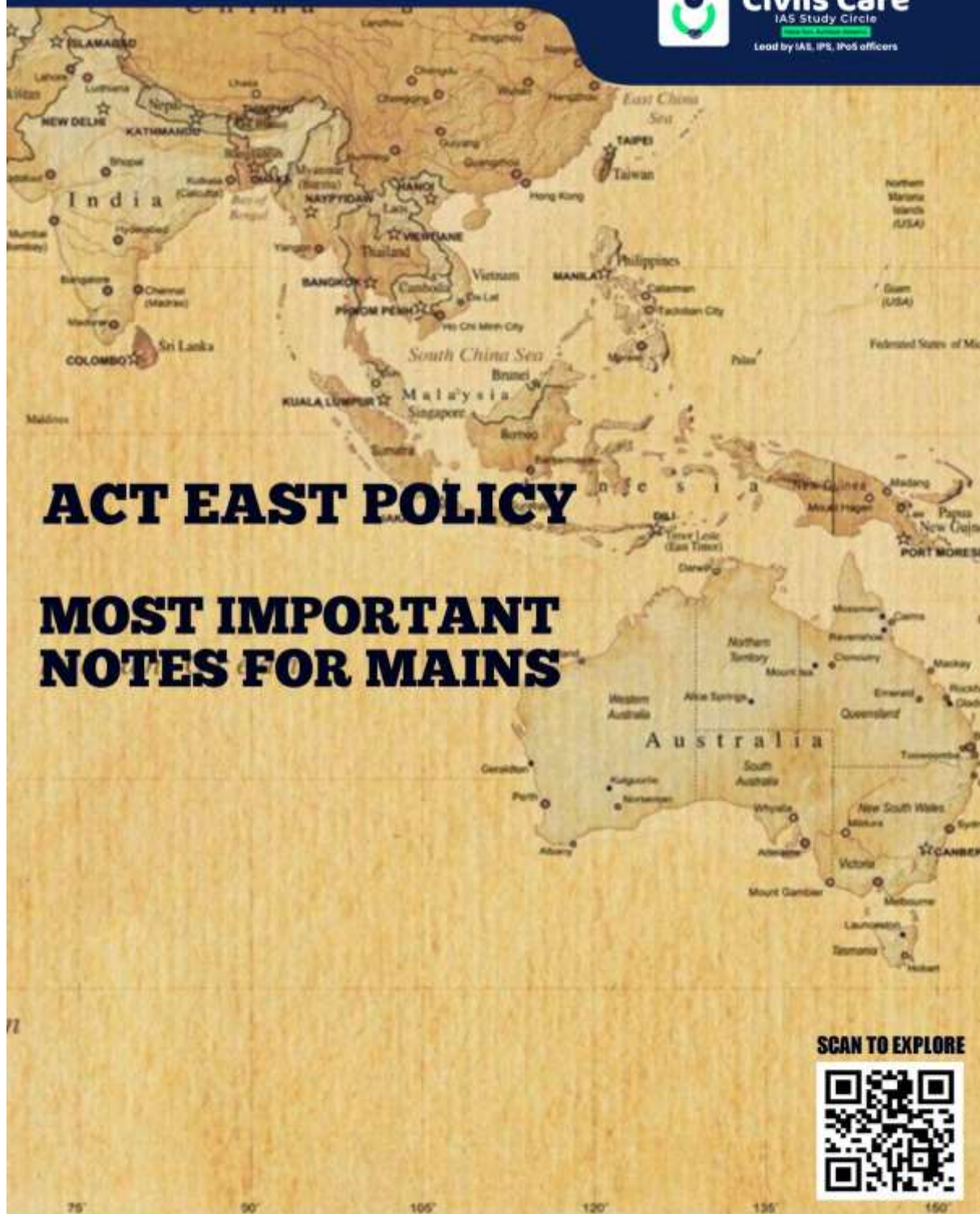




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ACT EAST POLICY

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GS 2 -INTERNATIONAL RELATIONS

ACT EAST POLICY





India's 'Act East' policy is a diplomatic initiative to promote economic, strategic and cultural relations with the vast Asia-Pacific region at different levels. The country's eastward drive since 1992 has underscored the importance of this region in its contemporary international relations. 'Act East' and its early avatar, 'Look East' are not different; rather, they are two sides of the same coin, representing two different, but continuing phases in the evolution of India's policy towards the Asia-Pacific region. When India

launched the Look East policy in 1991, its own economic strength, its global status and the external environment were not what they are at present.

ACT EAST POLICY : BACKGROUND

- Post cold war economic and political scenario compelled many Asian countries to rethink their foreign policy stance, India was no exception, as a result of this India launched '**The Look East Policy**' in 1992 to adapt to the change.
- The policy aimed at better integration with the region and other US allies after the end of the Cold War era.
- This policy was upgraded to '**Act East Policy**' in 2014 for cultivating extensive economic and strategic relations with the nations of Southeast Asia.

ACT EAST POLICY: ABOUT



- It was launched at the 12th ASEAN-India Summit in 2014 held in Myanmar. The policy is **based on 4 C's** – Culture, Commerce, Connectivity, and Capacity Building.
- It is an effort of India to cultivate extensive economic and strategic relations with the nations of Southeast Asia and further strengthen its relationship with the Indo-Pacific.
- India's focus under Act East remains on
 - Enhancing economic relations with ASEAN
 - Ensuring greater infrastructural connectivity and foreign direct investment
 - Augmenting regional development in northeastern India

LOOK EAST POLICY VS ACT EAST POLICY

	<u>LOOK EAST POLICY</u>	<u>ACT EAST POLICY</u>
1. <u>SCOPE</u>	<ul style="list-style-type: none"> Economic relations with ASEAN Countries 	<ul style="list-style-type: none"> Expanded scope: boosting economic co-operation, building infrastructure for greater connectivity, improving strategic & security ties.
2. <u>AIM</u>	<ul style="list-style-type: none"> to boost trade and investment relations with Southeast Asian countries. alternate options for sustaining its economic growth after the fall of the USSR. 	<ul style="list-style-type: none"> to tackle the changing Geo-political scenario curtailing Chinese dominance in the South China Sea and its rising influence over the Indian Ocean Region.
3. <u>FOCUS AREA</u>	<ul style="list-style-type: none"> No much focus given to development of North-east India 	<ul style="list-style-type: none"> alternate options for sustaining its economic growth.

<p>4. <u>COOPERATION</u></p>	<ul style="list-style-type: none"> • Economic in nature 	<ul style="list-style-type: none"> • historical,cultural, linguistic,and religious ties through more people-to-people exchanges.
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ACT EAST POLICY: DEVELOPMENTS SO FAR

- India is now the 4th largest trading partner of ASEAN. Southeast Asian countries favour India's increased involvement to counter China's expansionist policies in the region. India has allocated \$1 billion for promoting connectivity at the India-ASEAN Summit.
- India is steering a number of sub-regional programmes and projects such as the BBIN corridor, Myanmar-Thailand Trilateral Highway, Kaladan multimodal project etc.
- **North-East development:** The Act East Policy focuses mainly on the Northeast region.
 - **India-Japan Act East Forum** was established in 2017 which aims to provide a platform for India-Japan collaboration under the rubric of India's "**Act East Policy**" and Japan's "**Free and Open Indo-Pacific Strategy**".
 - The Government of Japan has decided to invest around Rs 13,000 Crore in several ongoing, as well as new projects in different states of India's North-Eastern region.
 - India-Japan Act East Forum was established in 2017. It will identify specific projects for economic modernization of India's North-East region

- **Security Engagement:** Defence cooperation has increased with East Asian countries. In 2014, India and Vietnam signed a Memorandum of Understanding (MOU) that opened up a line of credit for Vietnam to purchase defence equipment from India.
 - Since 2015, India has carried out joint maritime-law enforcement patrols and military exercises with ASEAN countries.
 - Similarly, the first summit of QUAD grouping took place in 2021.
- Recently, India has reached out to Far East economies, especially Russia. India has announced to extend a \$1 billion line of credit towards the development of the Russian Far East. This is important as it is an energy-rich region and would help India's economic growth.
- India is also implementing **Quick Impact Projects** in Cambodia, Laos, Myanmar and Vietnam to provide development assistance to grass-root level communities in the fields of education, water resources, health etc.

ACT EAST POLICY: CHALLENGES

- A growth in China's influence combined with growing China-India tensions (2020 Galwan valley clash). Both China's direct influence and that of ethnic Chinese in the region are on the rise.
- Disappointed in the region with India's economic policies, India withdrew from RCEP. Important economic agreements signed between India and East Asian countries are rather scarce. So far, India has only signed a memorandum of cooperation on oceans and fisheries with South Korea.
- India deployed the soft power of "Buddhist diplomacy" but that too has not gained much traction as inter-religious tensions in the region grow.

ACT EAST POLICY: WAY FORWARD

- The country should expand the outreach of Act East policy by adding neighbouring countries like Bangladesh and Sri Lanka. This would enable better development of India's Eastern and Northeastern states.
- The government should complete the tasks promised in the Delhi Declaration 2018. This includes:
 - the digital connectivity projects in Cambodia, Lao PDR, Myanmar and Vietnam
 - the Trilateral Highway (TH) and
 - the Trilateral Motor Vehicle Agreement (MVA)
- There must be empowering of states by the government to play a better role under the Act East Policy. For instance, a Northeast branch of NITI Aayog can be set up to bridge the gaps between the Centre and States while implementing the Act East.
- The government should also focus on regional groupings like BIMSTEC which is a natural connector of South and Southeast Asia.
 - Countries must enhance the negotiation process to conclude BIMSTEC MVA, BIMSTEC coastal shipping agreement, and BIMSTEC TFA (Trade Facilitation Agreement).
- The development cooperation projects for the Act East should be put in fast-track by avoiding cumbersome documentation and bureaucratic procedures. For this, EXIM Bank of India should open its branches in all South, Southeast and East Asian countries.
 - Further, coordination between the Prime Minister's Office, Ministry of Finance, and Ministry of External Affairs needs to be enhanced for timely implementation.

CONCLUSION

The country must revamp its policy in such a way that its soft power enhances in the Southeast Asian region. This would produce multiplier effects in achieving the intended objectives of Act East policy.


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