

## ***India's Foreign Policy in the Neighbourhood\****

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India's foreign policy started attracting renewed global attention since the beginning of the economic reforms in 1991. With high rates of economic growth during the last two decades—almost 7.5 per cent on the average, though down to sub 5 per cent in the last two years—India's global trade today contributes over 50 per cent of its GDP, as compared about 3 per cent before. In PPP terms, India is the world's third largest economy after the USA and China. India's growing profile on the international stage has naturally led to questions about the role India seeks to play, or should play, regionally and internationally. Clearly, the world expects India to play a larger role, commensurate with its size and growing power. Consequently, the question has arisen about India's own perception and assessment of its international role, and the nature of its global engagement. This process has led to a changing consensus and nuancing of India's foreign policy thinking and objectives.

### **Foreign policy Consensus**

There is no disputing the view that India's first Prime Minister, Jawaharlal Nehru, was the architect of India's foreign policy after Independence, and his influence still permeates foreign policy thinking to this day. The personal imprint of Nehru was so overwhelming that he became the sole arbiter of India's external relations. In hindsight, it may have been better if his views had been contested by other important leaders. It is worth noting that India did not have an independent External Affairs Minister till after Nehru's death, when Swaran Singh was appointed in the latter part of 1964.

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Nehru's views were distilled from Indian history, geography, culture, his historical circumstances, and the personality of his leadership. Two important influences were that of Mahatma Gandhi and the freedom movement. Thus non-alignment, Panchsheel, anti-colonialism, disarmament, Asian outreach, good relations with neighbours, etc. appeared as central tenets in Indian foreign policy. Nehru believed that India would set an example by adopting the right means and the right methods, a throwback to Gandhian values.

That Nehru kept equal distance from the USA and the USSR was evident in his declared belief that either side was capable of its own kind of imperialism and, therefore, India should take the best out of each, and reject the excesses of pure capitalism and communism. His opponents criticized him for being utopian. His stamp on Indian foreign policy was clearly also determined by the domestic situation in India. India was in no position to plunge into global power politics when its urgent task was domestic development and consolidation. Thus, Non-proliferation would prevent the spread of destructive weapons, and Non-alignment would keep avenues open for economic and military assistance from any source to poverty stricken and defenceless India. Nehruvian consensus also drove India to strive to improve relations with difficult neighbours, Pakistan and China.

Thus, India rode the global stage as the voice of the developing world and, by all accounts, punched above its weight. Though decried and sometimes mocked for moral posturing, India did manage to avoid getting sucked into conflicts, and concentrated on the task of nation building. No one challenged this consensus, and Nehru drove Indian foreign policy until it crash landed with the war with China in 1962. Thereafter, the Nehruvian consensus unravelled and a new consensus started emerging. This process was speeded up by the wars of 1965 and 1971. The demise of the USSR and the end of the Cold War fundamentally changed the global scenario. The 1991 economic reforms and the nuclear tests of 1998 further undermined Nehruvian consensus. Yet, the core of the Nehruvian consensus still survives in the occasional exhortation for global nuclear disarmament and the continued effort for improving relations with India's neighbours.

There is consensus that the overall objective of India's foreign policy is to ensure the transformation of India into a secure, stable, developed and prosperous nation. To achieve these goals, a peaceful, politically stable and economically secure periphery is a desired objective, as is a global environment which fosters peaceful cooperation regionally and globally. In pursuit of this key objective, it follows that India should seek to create the

required ambience that helps to focus on the essential tasks of growth and development, a common challenge for the entire South Asian Region. India, therefore, supports suitable architectures for stability and the resolution of conflicts in this region.

### **India's Neighbourhood**

Geographically, India sits in the middle of the SAARC region, comprising 80 per cent of land area, population, GDP, and other indices. The next largest member Pakistan, having only 10 to 11 per cent share of these indices, is a distant second. Others are even smaller. India shares land borders or maritime boundaries with all SAARC nations, (including Afghanistan, through Pakistan occupied Kashmir). Except Pakistan and Afghanistan, no other member country shares borders with one another, except India. India's military capabilities are greater, and both India and Pakistan are nuclear-weapon powers. This asymmetry and historical burden brings with it sensitivities, fears and complexes, despite Indian reluctance sometimes to leverage its size and strength in its external relations.

An enduring paradox of South Asia is that it is a region with so many cultural and other affinities, yet lacks meaningful integration and connectivity. It is striking how low the figure is for intra-South Asia trade, as compared with its global trade. South Asia languishes at around 6 per cent, whereas for the EU this figure is around 67 percent (the highest), followed by NAFTA at 62 per cent, ASEAN at 26 per cent, LAC and COMESA at 22 per cent.

However, it would be careless to ignore the fast changing socio-economic scenario of South Asian countries, and the impact that this is having on the dynamics of conflict and peace-making in South Asia. The benefits or logic of regional cooperation are obvious; but it is also a fact that creating the structures for regional cooperation are also exceptionally challenging. India has taken several asymmetric steps in giving market access to its neighbours which help regional integration in a mutually beneficial manner.

The South Asian Region has emerged as one of the fastest growing sub-regions in the world, with an average rate of growth of around 8 per cent, sustained over the past five years. Intra-regional trade within South Asia has begun to grow, and has doubled over the past five years, underlining the fact that there is merit in lowering tariffs, minimizing sensitive lists, and tackling non-tariff and para-tariff barriers. Each South Asian country has taken action in these sectors. India has reduced the sensitive list under SAFTA for LDCs. This has led to a surge in Bangladesh's exports to India, though the trade

imbalance remains. The India–Sri Lanka FTA has also quadrupled trade between the two countries. Pakistan has also decided to grant India Most Favoured Nation (MFN) treatment, gradually moving to a negative list system. This Indo-Pakistan track remains to be implemented.

On the security front, India is determined to work with its neighbours, as well as with the major powers of the world, to defeat the scourge of terrorism and violent extremism. Historically, extra regional powers have complicated relations between countries in South Asia. India has given a significant push to foster connectivity and promoted mutual confidence in multiple areas, including trade and investment. Leveraging India's economic growth into win-win arrangements with our neighbours has been a major plank of India's neighbourhood policy. For example, India's electricity grid is now connected to the grids of Bangladesh, Bhutan and Nepal. It is possible that Pakistan's grid may also be connected, if the Pakistan government can take the plunge. Prime Minister Narendra Modi, during his first official visit abroad to Bhutan, said that a strong India is good for the region.

Several agreements under the SAARC umbrella have been signed for economic integration among the member nations. Among them are a US\$ 300 million SAARC Development Fund (SDF) to fund regional development projects; a South Asia Regional Standards Organization (SARSO) to harmonize standards and reduce time taken in customs clearance; and a South Asian University in Delhi with US\$ 300 million outlay. Infrastructure connectivity has high priority, and the decade 2010–20 has been designated as the 'Decade of Intra-Regional Connectivity of SAARC'. Regional institutions—like the SAARC Food Bank and SAARC Disaster Management Centre—have the potential to help address common regional problems. However, beyond all this, there is a perception of slow progress and lack of implementation. Pakistan has generally been the most recalcitrant, and has delayed most initiatives even after signing on to them.

### **Bhutan**

Bhutan probably defies the basic tenet of Kautilya's mandala proposition. India's relations with Bhutan are, by far, the best among all neighbours. This partly explains the decision of Prime Minister Modi to choose Bhutan as his first foreign destination. India's ties continue to remain strong and cooperative, even as Bhutan went through the transition from absolute monarchy to an elected democratic government. Special rights to Bhutanese citizens, at par with Indian citizens, and an open border are enshrined in bilateral treaties

(Indo-Bhutan Treaty of 2007). India's financial grants and aid projects in Bhutan—including important hydropower generation projects, cement plants, connectivity projects and capacity building—have transformed the Bhutanese economy. Bhutan today has the highest per capita income in SAARC. By 2018, Bhutan will be producing 10,000 MW of electricity from India-funded hydroelectric projects.

On the security front, Bhutan is an important theatre as it sits above the 'Chicken's Neck'. India also has military mission in Bhutan for providing training and other services, and the Bhutanese armed forces maintain close links with their Indian counterparts. Bhutanese territory has been used in the past by insurgent groups like ULFA. There are possibilities that other insurgent groups in the North-East of India could set up camps and facilities in southern Bhutan.

China has been sniffing around and engaging the Bhutanese of late. Though an important neighbour, China does not have diplomatic relations with Bhutan. The un-demarcated border of around 470 kilometres between the two countries is under discussion. Naturally, India is deeply interested in this, as any settlement could have a strategic impact on India's defence in this sector. Bhutan is sensitive to India's concerns, and consults India closely in this matter.

### **Bangladesh**

Bangladesh's emergence as an independent country through the bloody Liberation War of 1971 left its society deeply divided. This has had a lasting impact on its politics, with ideological tension between the secular imperative and Islamic leanings. Common ethnic and linguistic affinity with Indian Bengal and strong cultural bonds create a complex mindset. It would be mistake to assume that all Bangladeshis wanted to be independent of Pakistan. Hence political parties (like the BNP) and organizations (like the Jamaat-e-Islami) are ideologically influenced, and continue to have a nexus with Pakistan. This is not surprising, since Bangladeshis were Pakistanis for almost 25 years. This section of Bangladeshi society tries to play the Pakistan card with India, in the mistaken belief that it will force India to yield concessions. Pakistan exploits this connection for its strategic objectives to destabilize India, using the shared border. Bangladesh's geo-strategic situation, surrounded as it is by India (except for a small border with Myanmar and the Bay of Bengal shoreline) impels it towards seeking good relations with India. The India–Bangladesh border is the longest (4096 kilometres), and is quite porous. There are difficult issues of border management of which illegal migration, trafficking in women and children, and smuggling create irritants.

Mindset problems also prevail, which makes Bangladesh suspicious of India. There is a feeling that India behaves like a big brother, does not deliver on its promises, and takes advantage of Bangladesh. A sizable fundamentalist Islamic section considers Bengali cultural mores un-Islamic, whereas a large section clings passionately to Bengali cultural traditions. Shared literature and national anthems written by Rabindranath Tagore are bonds that both sides cherish and value. There are, therefore, schizophrenic elements in the relationship, and military intervention in politics has soured ties from time to time.

India–Bangladesh relations have been transformed under the enlightened leadership of Prime Minister Sheikh Hasina, daughter of the Bangladesh founding father, Bangabandhu Sheikh Mujibur Rahman. She has shown tremendous sagacity in pursuing constructive relations with India, resulting in significant benefits in the economic, industrial and security spheres. India has contributed generously to Bangladesh's economic development. Bangladesh has emerged as India's largest trading partner in SAARC, after India removed tariffs on Bangladesh's exports. India is exporting electricity, and is assisting in setting up power generation plants and transmission lines. Bangladesh has cooperated in controlling the menace of North-Eastern Indian insurgencies, and helped tame insurgent groups which operated out of camps and sanctuaries in Bangladesh.

India needs to sign and ratify the Teesta River Water sharing agreement and the boundary settlement agreement. Bangladesh has a genuine grievance about India not delivering on these agreements that have become hostage to Indian domestic politics. What is required now is speeding up the implementation of connectivity projects (road and rail), as well as upgrading border infrastructure for trade. The Award by the International Court of Arbitration on the maritime boundary dispute will set aside a long festering issue, and help in speeding up exploration in the Bay of Bengal for oil and gas. Bangladesh has reason to be pleased with the Award since it gets the major share of the disputed area. India–Bangladesh collaboration in exploration will help in erasing India's disappointment with the Award.

The transformation in relations with Bangladesh is a success story of Indian foreign policy over the last 6 years.

### **Maldives**

Relations with Maldives have been close, friendly and cooperative. India intervened effectively to put down a violent coup attempt in 1988. The forced removal of President Mohamad Nashid led to a tricky political situation. India's

counsel and encouragement helped to convince all stakeholders there to hold elections. Abdulla Yameen, younger brother of the first President, Maumoon Abdul Gayoom, won the election, and this has led to political stability. India has assisted the Maldives in healthcare facilities, maritime and air security, as well as human resource capacity building. The cancellation of the Male International Airport operation lease deed was a rude jolt, and forced the Indian infrastructure company GMR to leave Maldives. The dispute was the result of local politics, and the arbitration award by a Singapore court has gone in favour of GMR.

Maldives occupies a strategic location in the Indian Ocean, and is part of the archipelago that includes India's Lakshadweep Islands, and the British occupied island of Diego Garcia where the USA maintains a huge military base. It sits close to the sea lanes of communication, and is, therefore, of vital interest to India and to India's naval outreach.

### **Myanmar**

We have come a long way in our relationship with Myanmar, a neighbour but not a member of SAARC. Prime Minister Nehru enjoyed close personal relations with the Burmese leader U Nu. India had helped draft the Burmese Constitution, and took a forgiving attitude when hundreds of thousands of Indians were expelled from Burma, and their assets seized without compensation. Burma did very little to control anti-Indian insurgents using Burmese territory. In the India–China war of 1962, Burma remained neutral and gradually moved into China's orbit while India went into a policy of benign neglect. Later, in 1988, relations degenerated into open hostility when India fiercely criticized Burma's military rulers for their bloody suppression of pro-democracy supporters. This was a rather uncharacteristic Indian response, and helped push an isolated Myanmar into the arms of China, a country with which Myanmar has had a historically complicated and hostile relationship.

India's policy started changing from the early nineties, when concern heightened about the all pervasive Chinese influence in Myanmar. In 1992–93 under Prime Minister Narasimha Rao's leadership, India started engaging with the military regime amidst much domestic and international opposition. The Chinese bear hug had begun to worry the Generals too, and they saw merit in balancing China. India's changed policy and positive approach to the military rulers paid dividends, and several high level exchange of visits sealed this new relationship. Indian companies got involved in the oil, gas and defence

sectors, as well as in several infrastructural projects and capacity building. Moreover, the shared border was opened up for trade.

Transformational developments are taking place in Myanmar after 50 years of military rule and isolation. Myanmar has begun a slow march towards democracy and the opening of its economy. Though China's involvement in Myanmar's economy is way ahead of India's, a process of engagement with Myanmar has gathered momentum. Geo-politics has turned around Western countries who earlier shunned Myanmar. This has injected a great deal of self-confidence in Myanmar's leadership, and helped in tempering China's overweening influence, though pragmatism has also marked Myanmar's public utterances about China that extol a special relationship. The role of the USA, the EU, India, Japan, Republic of Korea (ROK) and ASEAN will be crucial in the future direction of Myanmar. India's relations with Myanmar are on the right track, and we need to speed up implementation of projects, involve the Indian private sector in border development, and improve delivery.

Myanmar's strategic significance for India lies in its geography and the 1643 kilometre border shared with four of India's six north-eastern states. Myanmar can play a crucial role in the development of India's north eastern region. Economic cooperation and trade with Myanmar can be the lifeline for India's north eastern region, ensuring their security and stability. Border trade—relatively low as compared to trade across Myanmar's other borders—can give a huge boost to the quality of life in this region, and put pressure on long festering insurgencies. Myanmar is India's land bridge to ASEAN, and connectivity will provide the benefits of trade, commerce, movement of people and access to Myanmar's rich natural resources, particularly much-needed energy, required for India's economic growth. Maritime cooperation with Myanmar will help in maintaining security in the Bay of Bengal and India's island territories.

### **Nepal**

Like Bhutan, Nepal has a special treaty relationship with India. The two countries share an open border, and Nepali citizens are treated at par with Indian citizens. Nepalese citizens serve in the Indian Army. This unique relationship is buttressed by bonds of history, culture, religion and migrant populations in each other's country. Nepal is currently in the throes of a difficult constitutional transition from a monarchy to a republic. India has supported this process and has provided direct assistance of essential commodities. It is also helping develop connectivity, as well as capacities for



education and training. The transitional political set up has settled down to tackle internal issues, the most important being drafting a new constitution. Nepalese politics has its quota of India-baiting; but this has abated to some extent as Nepalese political leaders realize that they need to set their house in order. Nepal sits astride many rivers that have potential to produce over 40,000 MWs of electricity. If this potential can be tapped, then it will change the economic future of Nepal. Some progress in this direction is being made; but Nepal's domestic political squabbles and instability has impeded progress.

Nepal's northern border with China and growing Chinese influence is a matter that India has been monitoring. China is investing heavily in soft power projection—such as the development of Lumbini (Buddha's birthplace) as an international tourist destination; and the opening of several Confucius Institutes to teach Chinese. Chinese inroads into Nepal after the Maoist insurgency phase, and the integration of the Maoists in the political mainstream have to be monitored carefully by India.

### **Sri Lanka**

Sri Lanka also displays a small country mindset which leads to grandstanding that creates irritants, though India's relations with it remain friendly and stable. Here, one cannot ignore the role of Tamil Nadu politicians in throwing up roadblocks. Stoking up Tamil emotions may have been good politics from a parochial point of view; but this strategy may no longer work now when a government with a solid majority is in power in Delhi. Sri Lankan triumphalism after the defeat of LTTE and the elimination of Prabhakaran in 2009, have led to broken promises, as the Sri Lankan government has been dodging implementing further steps to address the just grievances of the Tamil minority. A sustainable solution will remain elusive if Sri Lanka continues to avoid biting the bullet. India abstained on a Human Rights Council resolution for setting up a body to investigate human rights abuses by Sri Lanka security forces. This has given India a chance to bring ties between the two countries onto a more pragmatic, firmer footing and make necessary course corrections.

In Sri Lanka, India's humanitarian assistance for relief and rehabilitation include relief pack for a whole family, and aid in the building of infrastructure, ports, transport, the renovation of schools, etc. Sri Lanka is an extremely important neighbour, both for our security as well as for our trade and economic interests. China and Pakistan have actively worked against India's interests in Sri Lanka, and domestic Tamil Nadu politics have reduced our wiggle room. Pakistan is trying to use Sri Lanka to mount terrorist operations

in South India. The Bilateral Free Trade Agreement has given the required boost in trade with Sri Lanka. A Comprehensive Economic Partnership Agreement is now overdue but remains stalled. The Tamil Nadu fishermen issue is a recurring irritant in the relationship, and is flogged repeatedly by Tamil Nadu politicians for domestic audiences.

### **Afghanistan**

Afghanistan's turbulent history has not changed much to this day. It is currently in the process of completing its presidential election. Remarkably, Afghans have braved Taliban threats and bombings to turn out in large numbers to express their commitment to a democratic government. A well-trained, motivated and committed professional army is standing its ground against Taliban attacks. India's relations with Afghanistan have been traditionally friendly, except during the Taliban period. Afghanistan can provide a gateway for India into Central Asia for trade, pipelines and infrastructure. Much work has been done on the TAPI pipeline that can connect the gas-rich sources of Turkmenistan to energy deficient countries in South Asia.

Foreign armed forces belonging to the USA and NATO are preparing for withdrawal and handing over security responsibility all over Afghanistan to the National Security Forces. There are fears that Afghanistan may slip back into Taliban control with the help of Pakistan which is waiting in the wings to re-establish its hegemony over Afghanistan. Will Pakistan succeed? is now the main question. It is my contention that Pakistan may find it difficult to impose a Taliban government in Kabul, but will try to ensure that its Taliban protégés find some place in the power structure in Kabul. If this gambit does not succeed, then the Pashtun dominated area could be the arena where the Taliban will be assisted to gain control. It seems irrational that Pakistan, given its present circumstances, will want the backward-looking Taliban to rule Afghanistan again.

India's interest lies in the security, stability and economic development of Afghanistan. It is the country beyond India's hostile neighbour. India's commitment to Afghanistan has been reflected in the Strategic Partnership that was signed last year. In Afghanistan, India's assistance towards developmental projects is about US\$ 2 billion. The Afghan Parliament complex, the strategic Zaranj-Delaram Road, Pul-e-Khumri power station and transmission lines to Kabul, the Salma dam and several hospitals, roads and schools have been built with Indian assistance. India has also pitched in with capacity building and the training of the Afghan Armed forces. India has also

engaged with the Istanbul Process, and with regional powers like China, Russia and the Central Asian countries to help Afghanistan. India's abiding interest is to helping build Afghan institutions and capacities in order to deal with threats of terrorism, religious extremism, and other centrifugal tendencies. Pakistan has always been suspicious of India's role in Afghanistan, and has organized terrorist attacks by its proxies on our Embassy and Consulates. India's positive role in Afghanistan has the support of the Afghan people who have consistently put India at the top of the list of countries they like most, and put Pakistan as the least liked country.

### **Pakistan**

Given the history of Pakistan's birth as a nation, the untimely death of its founder, the bloodshed accompanying partition, the Kashmir issue and a host of other grievances, it was inevitable that Pakistan would develop obsessive compulsive hostility in its policy towards India. Pakistan's founding myth as a homeland for the Muslims of the subcontinent—already on a shaky ground because many Muslims opted to stay back in India—was shattered irrevocably in 1971 with the emergence of Bangladesh. This was historically inevitable.

Pakistan has built up a national narrative of grievances and territorial claims against India, portraying it as an implacable foe and an existential threat, bent upon reversing Partition. Its search for a national identity has led it towards cultivating an ideology that can differentiate it from India and even the shared sub-continental heritage. This is somewhat akin to the usage of the term 'Asr-il-Jahiliyya', or the age of ignorance—an Arabic phrase that describes the era before the coming of Islam. Attempts to build a national narrative and a separate identity, based on the 'Ideology of Pakistan', have led to amusing and quite incredible results. History was re-written, and cultural traditions going back thousands of years have been classified as Islamic or un-Islamic. History books began with the coming of Muslims into Pakistan, as if that was the beginning of history. The vilification of the Hindu, and distorted history have been force fed to generations of young Pakistanis who have been indoctrinated in this culture of hate. This extremist religious and exclusivist ideology has spawned terror groups that are destroying the social fabric of Pakistan. Pakistani governments and the all powerful Army, regarded as a state within a state, are equally complicit in supporting extremist groups that mainly use terror tactics in the proxy war against India, apart from other asymmetric tools of destabilization. The

rebellion in Baluchistan continues, and the tribal region in the north-west is up in arms. Pakistan today seems to be at war with itself, bombing its own people in the tribal areas. It is not surprising that Pakistan today finds itself in a situation where economic growth has shrunk, and the Pakistani people go without electricity for more than 12–18 hours a day. Even Pakistan's external patrons, like the USA, China and Saudi Arabia, cannot bail out Pakistan from the hole it has dug for itself.

Pakistan stands at an important crossroad in its history. There are signs of an emerging consensus within its political class that using terrorism as a tool of state policy has come back to haunt Pakistan, and that hard decisions have to be taken to roll back the terror apparatus. No one else can make this policy choice for Pakistan, not even its all-weather friend China. India has to wait and see whether Pakistan will genuinely abandon its reliance on terrorism and engage with India with the normal and acceptable tools of diplomacy. India should not shy away from engaging Pakistan; but it should also make it crystal clear that terrorism and normalization cannot go hand in hand. For normal relations, the shadow of terrorism must be rolled back, and India has to see visible results of this roll back. A democratically elected civilian government is in place in Islamabad, and it is in India's interest that it remains stable, and establishes civilian control over the Pakistani state. It is a long haul; but that is the way to go. This process will be helped by opening up trade, cross border investments, and people-to-people contacts. Trade is useful in establishing normal relations, and helps in mitigating real and perceived grievances. It also helps economic growth, creating jobs and promoting services. The challenge of dealing with Pakistan will test India's patience and diplomacy in the years to come.

### **China**

China is our largest and most important neighbour, sharing about 4000 kilometres of a border, much of which is disputed. China's phenomenal economic growth is undoubtedly one of the most important developments of our time. Territorial claims and counter claims, and the war of 1962 have always cast a shadow over India–China relations. India–China relations may well be the most watched relationship that will shape the Asian century, and indeed global geo-politics.

China's rise and muscle flexing is causing anxiety in its neighbourhood, from Japan to ASEAN to the Central Asian Republics. India's relations with

China span over a millennium. The unresolved border dispute, the presence of the Dalai Lama in India, unrest in Tibet and Xinxiang, its ties with Pakistan, and historical memories are all complicating factors. China's economic growth has catapulted it to becoming the second largest economy in the world. This has provided the means for the rapid military modernization of China. River water sharing issues, Chinese unpredictable and periodic intrusions across the disputed border, forays into the Indian Ocean region, stapled visas for Jammu & Kashmir residents, the denial of visa to residents of Arunachal Pradesh, and the general unpredictability of Chinese moves have created mistrust and problems in the relationship.

Economic, commercial and investment ties have, nevertheless, expanded. Hence cooperation and competition coexist. Bilateral trade will soon cross US\$ 100 billion, making China India's largest trading partner. This engagement across diversified sectors is poised to expand if China invests in infrastructure development in India. Maintaining peace and tranquillity along the border, therefore, is in the mutual interests of the two countries. Largely, this has happened, and no major violent incident has occurred. In the last decade, India and China have signed the maximum number of bilateral agreements, and high level visits have peaked. There are now 36 bilateral mechanisms, and 2014 has been designated as the Year of Friendly Exchanges. India–China cooperation on global issues, like Climate Change, global governance, international trade issues, etc., has been a positive feature

As China increases its comprehensive national power, it has projected its influence into India's neighbourhood. It has provided crucial strategic nuclear and missile technologies to Pakistan. It has ignored international norms in these transfers of technology. China's intentions are clear. Pakistan provides a proxy for its policy of boxing in India, and tying it down within its region. China's economic engagement with India's other neighbours, and arms transfers to these countries are also designed to counter India's influence.

While China's rise as an economic and military power is inevitable, China is not invulnerable. It has continuing ethnic internal problems in Tibet and Xinjiang, pervasive corruption, a rapidly aging work force, a financial system saddled with bad loans, growing social inequality of destabilizing proportions, as well as strong dissent expressed through the internet, social media and civil society. Environmental degradation of monumental proportions has accompanied frenetic economic growth. There are many factors that indicate growing difficulties in sustaining the stunning growth rates of the past four decades.

### Look East Policy

The renewed vision to seek closer relations with the ASEAN countries, first articulated by Prime Minister Narasimha Rao in 1994, was quintessentially India's response to a unipolar world, marked by the end of the Cold War and the demise of the USSR. The impetus for reworking India's foreign policy emerged from its economic reforms and the opening up of its economy. The expanding potential for India's trade and investment with the dynamic ASEAN region, as well as the pessimistic outlook for the regional integration of South Asia through SAARC, were added incentives for this move which later came to be called the LEP. In a sense, it was harking back to India's historical links with South East Asia via maritime routes.

India's Look East began, most likely, before the Christian era. The powerful Chola Empire in the 11th and 12th centuries had a strong inherited maritime tradition. Almost the whole of East and South-East Asia had embraced Sanatan Dharma and Buddhism. Indelible remains of Indian links remain to this day via Sanskrit, Pali, the *Ramayana* and the *Mahabharata*. Angkor Wat in the Cambodian town of Siem Riep; Borobudur and Prambanen in Jog Jakarta, Indonesia; and the temples of the Champa Kingdom in Vietnam are world heritage sites, inspired by the philosophy, art, architecture and sculpture that flourished in India since the pre-Christian era. Even in Catholic Philippines, they have a version of the *Ramayana* that is performed as a ballet. The King of Thailand, Bhumibol Adulyadej or in Sanskrit 'Bhoomi Bal Atulya Tej' is also known as King Rama IX. Bangkok's international airport is called Suvarnabhumi Airport. The national airline of Indonesia is called Garuda. These are a few examples of the ancient links. The establishment of the Muslim Sultanates in Delhi did not cut off Indian influence which continued in South East Asia. Muslim merchants, Islamic scholars, and Sufi mystics, travelling from India, continued the maritime trade and helped spread Islam in the Malayan peninsula, Sumatra, Java and Borneo.

Western colonial rule in Asia ensured the decay in India's intimate links with East and South-East Asia, as Europeans colonialists took over India's maritime trade by force. The advent of indentured Indian labour to Malaya, Singapore and Indonesia, working on rubber and sugar plantations of the British and the Dutch colonizers, began with British colonial rule in India. Their impact on the societies in which they were supplanted was largely negative, since they came to be seen as instruments of the colonial masters. With no land connectivity to fall back on and the maritime route usurped by the Europeans, India under British rule turned westwards.

Today, a major share of global maritime trade goes through the straits of Malacca. Rampant piracy has been controlled, and the Indian Navy has played an important role in this arena. India's strategic interest in the Indian Ocean is to keep trade and commerce open, safe, and inclusive.

The conflict brewing in the South China Sea is worrying for all countries, with China laying claim to disputed islands, and virtually the whole of South China Sea as its territorial waters. This will pose a challenge to the LEP. India is encouraging all claimants to the disputed islands to maintain peace, and find a solution within the UN's Law of the Seas and ASEAN's Code of Conduct. The need to balance China's rapid rise by inviting and facilitating a stronger engagement of India and others with the region, was a strong motivation for ASEAN's reciprocating positively to India's LEP.

The core of India-South East/East Asia relationship is the India-ASEAN equation. Trade and investment, two important pillars of the LEP, have registered steady growth. India's trade with ASEAN has gone up from US\$ 2.9 billion in 1993 to about US\$ 70 billion in 2013, after India signed the Free Trade Agreement (FTA) in goods in 2010. The aim is to propel this figure to US\$ 100 billion. Eventually a full-fledged Free Trade Area (FTA) will be established, and it will be one of the world's largest markets of 1.8 billion consumers, with a combined GDP of US\$ 2.8 trillion.

Beyond ASEAN, the East Asia Summit (EAS) has emerged as the larger institution, with ASEAN as its driver and hub. It includes not only ASEAN member-states but also China, Japan, South Korea, India, Australia and New Zealand, Russia and the USA. Besides, India is a member of Asia-Europe Meeting (ASEM), and is also interested in joining the Asia-Pacific Economic Cooperation (APEC). Though the immediate focus of the LEP was South East Asia, specifically the ASEAN, over time, its scope has come to encompass a much wider and inter-linked region.

Physical connectivity remains a very important aspect of the LEP. The India-Myanmar-Thailand Trilateral highway is a 1360 kilometre long highway which will establish seamless territorial connectivity. India is party to the ambitious Trans-Asian railway project. Myanmar is not yet linked by railway to India or Thailand. The security dimension has had a dampening effect on infrastructure projects in the North East, and they are facing delays due to political, security and financial problems. The other major infrastructure project is the industrial corridor linking the Myanmar's port of Dawei with Thailand. India must take a deeper interest in this project that has attracted Japanese and ROK companies.

The LEP has domestic implications on the development of India's North East Region, and the Indian economy in general. Some of the platforms India has chosen to use in pursuance of its Look East Policy, such as BIMSTEC (that brings together select South East and South Asian countries) and the Mekong–Ganga Cooperation (MGC), linking India with a number of ASEAN countries, would point to that intended broader geographical space.

### **Conclusion**

The new Indian government, backed by a majority in the Lok Sabha, will be in a position to take bold initiatives in the domain of foreign policy. An early signal of this was the invitation to SAARC leaders to attend the swearing-in ceremony of Prime Minister Modi. It was an adroit move, with a strong potential to pay future dividends in India's neighbourhood policy. It was also, perhaps, the first step to catapulting Prime Minister Modi from being a charismatic provincial leader to a global statesman. Prime Minister Modi will look towards Asia first, having visited several Asian countries as Chief Minister of Gujarat. This will give a greater heft to India's LEP. As a growing power, India will have to look around and invest in acquiring and nurturing critical technologies, and open up various sectors in the Indian economy—including the defence production sector—to foreign investment. It will also have to ramp up skilling and poverty alleviation programmes; expand, integrate, and secure India's cyberspace; and give a boost to the manufacturing sector, among other things. India's journey to becoming a major power has begun. Though a long haul, this historic transformation will be completed in this century, marking India's much awaited tryst with destiny.

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