

## **India's Act East Policy: Trends, Impact and Prospects**

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India's Act East Policy (AEP) enjoys high priority in the nation's foreign policy architecture. This is evident from the efforts and resources devoted to building relations with the region and addressing diverse issues of humanitarian assistance, maritime security, economic cooperation, and power balancing faced by the region's states. India's leaders and diplomats participate – actively and constructively – in all deliberations at bilateral, sub-regional, and regional levels. India has emerged as a key political player in the East.

### **Backdrop, trends**

But AEP is dynamic, not static. Its evolution needs to be appreciated in the historical context. Prior to the colonial period, priests, monks, traders, and ordinary people traveled eastwards from India's shores for centuries. This phenomenon is remembered even today through the annual celebrations of 'Bali Jatra' in Odisha. The deep imprint of Indian arts and culture is visible in Hindu and Buddhist temples in Cambodia, Myanmar, Vietnam, and Indonesia. Post-Independence, interactions continued and expanded, but they were more political in nature, resulting, for example, in a collaboration that created the Non-Aligned Movement. The end of the Cold War caused a new impetus for India to seek trade and investment opportunities as it embarked on major economic liberalization. That is how the Look East Policy was launched in the early 1990s.

Against this background, Prime Minister Narendra Modi took the podium at the 9<sup>th</sup> East Asia Summit in Myanmar on 13 November 2014 to announce, "Since entering office six months ago, my government has moved with a great sense of priority and agreed to turn our Look East Policy into Act East policy."

The shift from the old to the new policy was not just re-labeling. It was a substantive re-orientation representing the nation's enhanced determination to pursue its wide-ranging interests in a fast-changing environment. The policy's focus now was not only on Southeast Asia but the whole of East Asia, though without compromising ASEAN 'centrality'. Moreover, defense cooperation, maritime security, and strategic calculations were added to the previous package of essentially political, economic, and cultural cooperation. A new policy goal was to ensure optimal

attention to developing India's Northeast and expanding its linkages with ASEAN countries. Finally, greater emphasis on the implementation of India's commitments, at a time when China's assertiveness was on the rise, formed an essential feature of the new policy.

Later in the decade, India's Indo-Pacific vision built on the AEP, with the former's stress on the deep interlinkage between the Indian and Pacific oceans. This stood reinforced by the doctrine of SAGAR (Security and Growth for All in the Region). Consistently, India promotes a free, open, inclusive, peaceful, and prosperous Indo-Pacific region built on a rules-based international order, as External Affairs Minister S. Jaishankar stressed while speaking at a university in Thailand in August 2022.

### **Impact**

The impact of AEP in the past decade (2014–2024) may be assessed from several angles.

First, India's relations with ASEAN have grown from strength to strength. The annual summit provides a valuable opportunity to review progress and push for more in diverse domains of political and security cooperation, trade and investment, and cultural, educational, and people-to-people ties. Bilateral trade has increased from \$74 billion in 2014–15 to \$121 billion in 2023–24. India's annual FDI flows to ASEAN rose from \$1.5 billion in 2019 to \$5.6 billion in 2023, whereas ASEAN's cumulative investments in India were valued at \$117 billion during 2000–24.

Second, adopting an inclusive approach, India launched its Indo-Pacific Oceans initiative (IPOI) at the 14<sup>th</sup> East Asian Summit in November 2019. Focused on its seven pillars, such as maritime security, maritime ecology, and maritime resources, it is a natural fit for the ASEAN Outlook on Indo-Pacific (AOIP). Collaborative projects involving the two initiatives have been under discussion and gradual implementation.

Third, transcending ASEAN and adopting a broader strategic approach, India has become a leader in forming and developing a four-power grouping named Quad. Its other members are the US, Japan, and Australia. Recently, this grouping celebrated its 20<sup>th</sup> anniversary. In the joint statement of 30 December 2024, the four foreign ministers observed, "What began as an emergency response to a catastrophe has grown into a full-fledged partnership, delivering positive outcomes for the people of our region."

Fourth, the AEP impelled India to strengthen other regional institutions such as the Indian Ocean Rim Association (IORA), the Bay of Bengal Initiative for Multi-Sectoral, Technical and Economic Cooperation (BIMSTEC), and the Pacific Islands Forum (PIF). The continued strengthening of these bodies and the growing role of India in their multifarious activities is a testimony to the policy's success. But more needs to be done in this direction.

### **Prospects**

The AEP's success is widely appreciated. PM Modi noted that the policy has revitalized ties with ASEAN, "infusing them with energy, direction, and momentum." However, the coming years will sharpen the challenges facing the region. The US-China rivalry could intensify with a new US president in the White House. China's aggressive and coercive measures in the South and East China Sea continue unabated. Despite years of negotiations, uncertainty prevails about when an enforceable Code of Conduct (COC) on the South China Sea may emerge.

While India could not join the Regional Comprehensive Economic Partnership (RCEP), causing disappointment to its ASEAN friends, the current review of the India-ASEAN Trade in Goods Agreement (AITIGA) should be completed on time, thereby creating better conditions for a substantive enhancement of bilateral trade.

The deepening crisis in Myanmar has hampered progress in India's mega connectivity projects, such as the Trilateral Highway and the Kaladan Multi-modal Transit Transport. ASEAN and Myanmar's neighbors need to accelerate their endeavours to persuade various stakeholders in Myanmar to revert from violent conflict to peaceful negotiations.

While focused on the wider region's challenges, India's diplomacy must continue to concentrate on deepening bilateral relations with the key players. In this context, the visit to India by Indonesia's President Prabowo Subianto, as the chief guest at the Republic Day celebrations, bodes well for the future.

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