

Look East Policy and North East India: Challenges and Opportunities

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Abstract

The North Eastern Region of India (NER) shares international border with China, Bhutan, Myanmar, Bangladesh and has only a small Siliguri corridor of 22 kilometers wide often referred as 'chicken neck' with the rest of the country. During the British rule the cross-border trade got its momentum with the discovery of tea and crude oil. The 'Stilwell' road also opens a new vista for border trade. In spite of common border trade with neighboring countries including China, Bhutan, Myanmar, and Bangladesh the NER has not been able to take the opportunities in regard to border trade in the context of Look East Policy in the era of liberalization and globalization. Look East Policy is a very strategic policy decision of government of India as a part of the Exim Policy with the Asian countries which has been structured in the year 1991 to strengthen the position in the evolving global economy. The focus of India's Look East Policy was to forge closer economic ties with ASEAN member states. This paper is prepared with the objectives of study the challenges and opportunities of India's Look East Policy with the North Eastern Region (NER) perspectives. The methodology adopted in this paper is quite descriptive and has based on different books, research papers, news papers, government notifications and web sites. The South East Asian countries have witnessed with the economic liberalization and globalization and also made rapid economic growth. With the starting of Look East Policy, India has opened its door to South East Asian countries for economic cooperation.

Key Words: Liberalization, Globalization, Look East Policy, Economic cooperation.

Introduction

It is to be acknowledged that after the start of liberalization, the Government of India, in the year 1991 has structured the Look East Policy, a very strategic policy decision as a part of Foreign Policy with Asian economy to strengthen its position in the evolving Global economy. It was a significant shift in Indian's policy prioritization because hitherto India did not have any concrete strategy to create an economic hub in its North Eastern Region by exploring trade and commerce potential with the ASEAN neighbours. The North Eastern Region of India (NER) shares international border with China, Bhutan, Myanmar, Bangladesh and has only a small Siliguri corridor of 22 kilometres wide often referred as 'chicken neck' with the rest of the country. The NER consists of 8 states namely Assam, Meghalaya, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura and Sikkim. The North Eastern region comprises about 8 per cent of land area and 3 per cent population of India. It is one of the most complex spots in Asia with 200 ethnic groups, languages and dialects and their main faiths and practices constantly creating conflicts of interests. This region is one of the most backward regions of the country and has not seen much development over the years as a consequence of frequent violence and insurgency problem. The Government of India initiated establishment of a separate ministry (DONER) for North Eastern Region and the North Eastern Council (NEC) for the removal of economic backwardness of the North Eastern Region. In order to progress towards prosperity against economic imprisonment of the region, a greater deal of trade relationship has been felt by the Indian Government with the neighbouring countries. During the British rule the cross-border trades got its momentum with the discovery of Tea and Crude oil. In the perspective of the Indian economy, the windows of opportunities of said trade involving North Eastern States could have been opened through boarder trade. Thus, the Look East Policy structured by the government of India in regard to the North East India perspective becomes more important to examine and to set how far it can change the economic scenario of this backward region.

The essential philosophy of India behind the Look East Policy is to forge closer and deeper economic integration with the eastern neighbours' i.e. with ASEAN countries. Consequently India became a sectoral dialog partner in March 1993, a full dialogue partnership in 1995, a member of the ASEAN Regional Forum in July 1996 and finally to a Summit level partnership in 2002. For the development of sub-regional cooperation, in the year 1997, a sub-regional economic grouping called BIST-EC (Bangladesh-India-Sri-Lanka-Thailand Economic Cooperation), comprising Bangladesh, India, Sri

Lanka and Thailand was established with a view to strengthen and reinforce India's Look East policy. Again, the grouping came to be known as BIMSTEC or the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation with the addition of Myanmar, Bhutan and Nepal. When India initiated BIMSTEC in 1997, it received strong support from Thailand, which also saw it as a political and economic forum to bridge Southeast Asia and South Asia. The main aim of this group is to create an enabling environment for rapid economic development through identification and implementation of specific cooperation projects in the sectors of trade, investment and industry, technology, human resource development, tourism, agriculture, energy, and infrastructure and transportation. India promotes BIMSTEC to establish economic links with peninsula member countries of ASEAN to boost the development of its seven North Eastern states.

During the Second phase of Look East Policy, there has been growing realisation on the part of Indian Policy makers and thinkers that the development of physical connectivity through road and rail link of North Eastern Region with South East Asian countries not only pre-requisite but also much essential in order to get opportunities provided by Look East Policy. The new phase also makes a shift in focus from trade to wider economic and security cooperation, political partnership, science and technology, tourism and human resource development, transportation and infrastructure, health and pharmaceuticals etc. India signed 'Long Term Cooperative Partnership for Peace and Prosperity' with ASEAN, which is the corner stone of India's Look East policy. India finally signed the ASEAN-India Free Trade Agreement (FTA) with the ten members of ASEAN in August 2009. As there are available literatures on origin and upholding of India's Look East Policy, an attempt has been made in this paper to make an in-depth study on challenges and opportunities of India's Look East Policy.

Objectives of the Study

1. To study the impact of India's Look East Policy on North East Region.
2. To study challenges and opportunities of Look East Policy.

Methodology of the study

All the data and information used in this paper is collected from the secondary sources like various papers published in Journals and News papers on Look East Policy written by eminent personalities of world, speeches and press meets on Look East Policy by Prime Minister and Foreign Minister of our country and other publications. For analysis, the data are rearranged in a systematic way.

Challenges and Opportunities of Look East Policy

The North Eastern Region of India and Myanmar through which India has to access other ASEAN countries by land have different problems caused by physical terrain, terrorist activities, violent activities by various ethnic groups poor infrastructural facilities and lack of industrial development etc. With these limitations, it will not be so easy for India to 'look east' through its Northeast which opens into the conflict-ridden, poorly developed areas of Myanmar, mostly located on difficult physical terrain.

Though India tries to establish land bridge with to Southeast Asia through the backward North East Region to boost its future growth but it looks more faceable to 'look east' through sea into South East Asian countries for various reasons. Logically and economically, North East India is more feasible to establish road link to south-west China than Southeast Asia which is landlocked. But there are hesitations in the minds of Indian thinkers on the idea of reopening the World War II vintage Stillwell Road as it may create security problem for the country with the presence of Chinese military and increase of Chinese influence to Myanmar which may hamper the intentions of India's Look East Policy.

It is noticeable that without inclusion of China Look East Policy of India makes no sense. Therefore initiatives under BCIM (Bangladesh-China-India-Myanmar) is very much important. Both Chinese and Indian governments have taken steps for the progress of BCIM initiatives. The visit of Chinese Prime Minister Li Keqiang's to India on 2013 paved the way for exploring a BCIM economic corridor. Later on, Indian Prime Minister Manmohan Singh's visit to Beijing in October 2013, a joint study group was formed for the carry forward of initiatives for exploring a BCIM economic corridor which organizes stakeholders conferences. Such one such conference was held in Calcutta on 2nd May, 2014 to frame out strategies on the BCIM economic corridor for the enhancement of trade, investment and connectivity between India and countries to its immediate East extending up to Southeast Asia, East Asia, and the Pacific.

Besides the linking of East with the North East India through the BCIM economic corridor, India decided to implement the country's Look East through both land and sea which is possible through land with North East India and through sea to coastal south-east Asia and Australia- Oceania. Practically, trade through sea will be feasible than land because India's major industrial centers are situated in the Eastern and Western Coast which is much more commercially logically viable for business with coastal

south-east Asia and Australia- Oceania. But the success of India's 'Look East' policy largely depends upon Bangladesh's facilitation of transit linkages to help India connect its mainland to the Northeast. Only 22 kilometers corridor of linkage between North East India and mainland India is not enough for the success of India's Look East Policy through North East. The pre-Partition transport linkages are to be re-established and road and rail transport linkage of mainland India with North East India through Bangladesh are to be established to connect Southeast Asia through the Northeast. But Bangladesh there are some issues are yet to be solved between India and Bangladesh and without the concessional solutions of following issues it is difficult to get the permission from Bangladesh to establish linkage with North East India.

1. Solution of water sharing issue.
2. Implementation of Border Agreement signed with Indian Prime Minister Dr. Monmohan Singh.
3. Trade Concession from India.

Moreover changes of regime in Bangladesh also raise uncertainty in the relations with India. Generally, Hasina led political party is always assumed as pro-Indian and Khaleda led party as anti-Indian and changes of regime is common after every five years.

Among the Southeast Asian countries Myanmar share a 1643 kms long land border with four North East Indian States Arunachal Pradesh, Nagaland, Manipur and Mizoram. India has been trying to establish land link to Southeast Asia since Myanmar joined the Association of Southeast Asian Nations (ASEAN). With this intention India developed Moreh-Tamu-Kalewa-Kalemyo highway and also willing to start Trilateral Highway project by connecting Moreh on India-Myanmar border with Mae Sot on the Myanmar-Thailand border via Bagan. When this project will be completed India can access ASEAN countries through Myanmar by road. In case of propose ambitious Trans-Asian rail link plan that seeks to connect Delhi with Hanoi will be much more difficult and time consuming to implement. It first needs the establishment of rail link to Manipur- Myanmar border from Silchar of Assam. Moreover, modernisation of Myanmar railway is also essential to complete the plane. After all, the road and rail connectivity of India with the ASEAN countries is still poor through Myanmar.

Another important link project with Myanmar is the Kaladan Multi-Modal project that envisages modernization of the Sittwe port in the Arakans (Rakhine) province and dredges the Kaladan river up to

Mizoram state in North Eastern India. In completion this project India can not only use sea-river route connecting North East but also use Sittwe port of Myanmar for trade. This project is likely to be completed by 2015-16 but Rakhine-Rohingya ethnic riots in the Arakans province of Myanmar create problems.

The Success of India's Look East initiatives to South East Asian countries through Myanmar depends upon following factors.

1. India's relationship with Myanmar.
2. Myanmar's internal conflicts with ethnic minorities.
3. Improvement of Myanmar's land communication infrastructure and establishment of connections with North East India.
4. Political stability with restoration of democracy and continuity of core projects with India for connectivity to South East Asian countries

Though the relationship between India and Myanmar has improved but it has not achieved the expected level.

Suggestions and Conclusion

Following suggestions are forwarded for the smooth implementation of India's 'Look East Policy'.

1. India has provided proper emphasis on solving the ethnic and insurgency problems which become conic in the North Eastern States. Though Government of India and State Governments of the region have been initiating peace process with various insurgent groups since the independence, the long lasting peace is still far away. A sincere time bound effort on solving these problems is need of the hour for establishing link with the ASEAN Countries.
2. The diplomatic relationship of India with neighbouring countries like China, Myanmar, Bangladesh and other ASEAN countries should be improved. It is very much essential for the implementation of India's Look East Policy.
3. The security network of India in the North East region is to be improved to the maximum level to meet the security threats from China. At the same time India should include China as a part of the Look East Policy because without China the policy has no sense. For this purpose BCIM initiatives should be accelerated.

4. India has to initiate to solve the long standing bilateral issues with Bangladesh such as issue of water sharing, issue of implementation of border agreement ect. It will help India on using the Bangladesh land and sea territory for effective implementation of India's Look East Policy.
5. India has to take initiatives for time bound completion of various ongoing projects with Myanmar like Trilateral Highway project by connecting Moreh on India-Myanmar border with Mae Sot on the Myanmar-Thailand border via Bagan, ambitious Trans-Asian rail link plan, Kaladan Multi-Modal project etc. Without completion of these important projects India's Look East Policy cannot be achieved the expected level. India should also provide required technical and financial help to improve the railway infrastructure of Myanmar.
6. India has to improve the transport infrastructure of its North East India for attracting the foreign capital to invest in Northeast India to take locational advantage of substantial neighbourhood markets of ASEAN countries. expansion of rail link to North East India is also pre-requisite to India's Look East Policy.
7. India has to be developed its north eastern region as a manufacturing hub before it can be gainfully used as a land bridge to the East. But practically, in spite of Government providing transport subsidies and other incentives to the manufacturing units established in the North East, it has failed to develop as a manufacturing hub. India will have to follow the Yunnan model of China how has China developed Yunnan as a major manufacturing hub as part of its "Western Development" before it started to use the province as a 'bridgehead' to south-east and South Asia.

Conclusion

India's Look East policy is expected to reach a new era of development for the Northeast through network of road, rail and air connectivity, communication and trade. However, several hurdles need to be overcome of which the region is embroiled for the past several decades before any meaningful activity can take place. Starting from ethnic problems along with various forms of insurgent activities to the problem of illegal migration and drug trafficking, which are all

transnational in character, the Government of India need to forge cooperation from the neighbouring countries. Such cooperation with the neighbouring countries should not irritate the people of this region. The communities of both sides of the border can be restored through border trade and inter-country trade which the border region should not act merely as a transit corridor but as a source of local manufacture and enhancing people-to-people contact. The emphasis should be on industrialization and growth. The Indian government and the north-eastern states must adopt proactive role and provide not only infrastructures but also political stability and good governance. Greater participation of the local people in production and distribution activities and raising agricultural productivity should be given prime importance. Trade alone will not be sufficient to transform the region into a sustained development path. In addition, growth in trading activities will only benefit those people who possibly are from outside the region and who are economically more powerful to exploit the resources of the region. India's Look East policy should include goals such as encouraging public debate and participation as well as opening doors and windows in the political and economic arena. In this regard the creation of Public Diplomacy Division of the Ministry of External Affairs and the opening of its branch office in Guwahati is a welcome move which would assist in redressing the aspirations of the people of this region in having better liaison with the External Affairs Ministry on issues concerning foreign trade, foreign direct investment and cultural exchanges. Thus, the success of the policy depends on the commitment of the government to implement the policy and to give role for the North-eastern states in this policy

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