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Look East Policy: India's Motive and Opportunities & Threats Ahead

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Abstract

Since 1992, India started giving importance to South and South East Asian Countries in order to expand its trading activities. These countries have been considered as important trading destinations besides U.K. and other European countries. Government of India has started taking serious steps towards promoting Look East Policy. India has developed various bilateral and multilateral trade relations with these countries. Of the bilateral trade relations Indo-China, Indo-Myanmar and Indo-Sri Lanka and multilateral trade relations with India and South East Asian countries through BCIM, BIMSTEC, SAFTA, ASEAN and ASEAN Regional Forum are significant.

Geographically these South East Asian countries are connected continentally with its North Eastern States with maximum of their borders sharing with these countries. In order to take the maximum advantage of India's Look East Policy, there is a need to bring all round development of these North Eastern States.

This paper focuses mainly on India's motive behind the Look East Policy, trading opportunities of Manipur and other North Eastern States of India, threats to these regions and some recent development in India's Look East Policy.

Keywords: Look East Policy, North Eastern Region of India, Opportunities & Threats, South East Asian Countries, Border Trade.

1. Introduction

In the era of liberalisation, privatisation and globalisation for the promotion of export and import of the country, there is a need for the diversification of trade destinations. Historically, India had close trade relations with U.K. Besides U.K., U.S.A., Canada, Russia, Japan and OPEC countries were important trading partners for India. With the rise of South East Asian economies in the recent decades, India felt the need for the diversification of its trade direction towards the eastern side i.e. East Asia and South East Asia. With the potential of vast market in East Asia and South East Asia, India started realising the need to have closer economy ties with these countries.

The then Prime Minister, Shri P.V. Narasimha Rao was responsible for launching this policy known as Look East Policy in the year 1992. So, it is not a new thing. Look East Policy is nothing but the pursuit of a vigorous economic policy with ASEAN and the East Asian countries with Asianisation content. After the initial thrust given by the Narasimha Rao, all the subsequent governments have also supported this policy and extended all possible support to build on it. The last BJP led NDA and Congress led UPA governments have been fully supporting this policy. As a result, a number of bilateral and multilateral agreements were made which had provided the foundation for India's growing relations with South East Asian countries in particular and beyond these countries in general. Of the bilateral trade relations Indo-China, Indo-Myanmar and Indo-Sri Lanka and multilateral trade relations with India and South East Asian countries through BCIM, BIMSTEC, SAFTA, ASEAN and ASEAN Regional Forum are significant.

India became a sectoral dialogue partner with ASEAN in 1992 and became a member of the ASEAN Regional Forum (ARF) in 1996. India has given a big push to this policy by becoming a summit level partner of ASEAN, on par with China, Japan and Korea, in 2002. It has started getting involved in some regional initiatives such as the BIMSTEC and the Ganga Mekong Cooperation. India, now, has become a member of the East Asia Summit (EAS) in December, 2005. The first Trans Asian Car rally from Guwahati to Batam (Indonesia) passing through North Eastern States of India, Myanmar, Thailand, Laos, Vietnam, Cambodia, Malaysia and Singapore in 2004 was an important sign for the advent of India's Look East Policy. The proposed Trans Asian highway starting from Singapore to Istanbul passing through India, Trans Asian Railway from Delhi to Hanoi, 800 km long Trans-National Gas Pipe Line between Myanmar, Bangladesh and India are some of the positive initiatives taken by the respective governments towards India's Look East Policy.

2. India's Motive behind Look East Policy

(a) India's Hesitancy about Projecting NE India in its Look East Policy: One way to ensure a continental orientation to the Look East Policy would be to give a direct role to the North Eastern States. In 1999 when China brought together experts, scholars and business people from China, India, Myanmar and Bangladesh to initiate a regional economic forum, it invited them to Kunming, the capital of Yunnan Province. The venue underscored Chinese intention to take advantage of Yunnan's geographical location and its cultural affinities with its neighbours across the border and to restore Yunnan's historical role as a bridge to South East Asia and South Asia. But, when it came to India's turn to host the Forum of Regional Economic Cooperation, created by Kunming

initiative, the meeting took place in New Delhi and not in Guwahati, Shillong or Imphal. All this is no small irony.

(b) Possibility of a Maritime Oriented Look East Policy: North East Indians think of South East Asian countries as their neighbours. But in a maritime sense, the east coast of India - Orissa, Andhra or Tamilnadu - is also next door to South East Asia. Indeed, historically mainland India's ties with South East Asia have been more maritime than continental. Narasimha Rao, under whose leadership the Look East Policy began, was the first Indian Prime Minister from peninsular India. He belongs to a place very close to the Coromandel Coast, known for its maritime ties to South East Asia. Continentally oriented trade with South East Asia may not be encouraging for the mainland India as it is cheaper and less troublesome for India to trade with South East Asia by sea rather than land. It may be tempting therefore for India to build relationships with South East Asia that are primarily maritime rather than continentally oriented.

(c) The China Syndrome: In recent years, China's expansive economy has drawn India's South Asian neighbours into its economic orbit. Not surprisingly, this has made many Indians nervous. Myanmar's trade with both India and China has expanded since 1989 but the trade with China has grown much more rapidly than the trade with India. Even China's trade with Bangladesh has exceeded India's by a small but significant margin. Apart from the economic sphere, Chinese influence in Myanmar in military and political terms has been phenomenal. Indeed, it has led India to reassess its policy of opposing the military junta and supporting the movement of democracy led by Aung San Suu Kyi.

(d) The Security Anxieties: It is quite apparent that the political uncertainty in North East India has been a major factor in shaping India's Myanmar policy in the light of India's Look East Policy. Indeed, it has been argued that in India's security anxieties - getting Myanmar to act against North East Indian insurgent groups that take shelter in Myanmar - rather than a desire to give the Look East Policy a continental orientation that explains India's U-turn vis-a-vis Myanmar.

3. Trade Opportunities of other States of NER and Manipur

Some well known organisation in India like Indian Institute of Foreign Trade (IIFT), New Delhi, National Council of Applied Manpower Research (NCAMR), New Delhi, Federation of Indian Export Organisation (FIEO), Kolkata, Export-Import Bank of India (EXIM Bank), Kolkata, Confederation of Indian Industry (CII), Federation of Indian Chamber of Commerce and Industry (FICCI), Indian Institute of Entrepreneurship (IIE), Guwahati, North Eastern Chamber of Commerce and Industry (NECCI), Guwahati and Federation of Industries and Commerce in NE Region (FINER), Guwahati have undertaken research studies investigating into the potential items the North East India has to offer for trade with neighbouring countries and have listed out a large number of potential items for export from the North East. The FIEO, Kolkata has identified the following items exportable from the North East India:

Items	States
1. Processed fruits and vegetables (Orange, Lemon, Jack Fruit, Ginger, Papaya, Potato, Chilli, Pineapple, Guava, Brinjal, Turmeric, Passion Fruit)	Arunachal Pradesh
2. Tea	Assam
3. Rubber	Manipur & Tripura
4. Medicinal Plants and Herbs	Assam, Manipur & Tripura
5. Drugs and Pharmaceutical Products	Manipur
6. Paints and Varnishes	Manipur
7. Handloom Products	Manipur
8. Silk	Assam and Nagaland

Thus, it is evident that the NER of India is reservoir of resources that promise for trade with the neighbouring countries.

Besides, there are service sector holding good promise for border trade like tourism and health services. The NER is recognised as hotspot of tourism. Since this resource is not yet tapped, the Department of tourism, Government of India has rechristened the NER as the Paradise Unexplored. The NER has a characteristics geographical location. While China and Bhutan fall on its north and northwest, Myanmar and Bangladesh on its east, south and southwest. Thus, the NER is characterised by its unique geographical entity. It shares a longer border (98 per cent) with these four neighbouring countries than with mainland India (2.00 per cent only). It is connected with 'mainland India' by a narrow land corridor often called 'Chicken Neck'.

NER is looking more to neighbouring countries than to mainland India for economic relations. As such, the NER has a natural advantage for border trade. The same justifies the need for and significance of establishing Regional Cooperation for facilitating growth of business and investment between the NER and the South East Asian Nations (ASEAN). If it happens, then the NER of India could become an economic bridgehead for tapping a market of 500 million people in our extended neighbourhood in South East Asia.

Indo-Myanmar Cross Border Trade through Moreh-Tamu sector (Manipur), Champhai-Rih sector (Mizoram) and Nathur Pass (Sikkim) cross border between India and China is the continental dimension so far. Further opening up of Stillwell road and more border trade will boost the regional economic cooperation between India and South East Asian countries.

Since Kunming is already connected with Hong Kong by Express Highway, the North-East India or India as a whole could establish direct road link with Hong Kong if the old Stillwell road is developed which was constructed during Second World War (silk route). The passage through

Kibithu in Arunachal Pradesh and Rima in China has the potential to become an alternative corridor to the Stillwell road, for trade between India, China and South East Asian countries.

The proposed railway link between Delhi to Hanoi (Vietnam) under Greater Mekong Sub Region Cooperation decided by South East Asian countries' foreign ministers at Phnom Penh, Cambodia on the 20th June 2003 will create more job opportunities, uplift the socio-economic condition and mitigate the insurgency problem in general and check illegal cross border trade of the region in particular.

The proposed Trans-Asian Highway from Singapore to Istanbul through India, Myanmar and Thailand will further develop the trade relationship between India and Myanmar and other South East Asian countries. It will provide direct and indirect employment generation to large skilled human resources of the countries.

North East India is closer with South East Asian countries' markets than mainland India i.e. Delhi, Mumbai and Chennai. Hence, the region has more advantages to have trade relation with Myanmar and other South East Asian countries.

North East India has ample scope and potential for hydro power resources, oil, gas, eco-tourism, Information Technology, tea, wildlife, herbal medicinal plants, etc. Once it is fully harnessed and exported to Myanmar and other South East Asian countries will definitely contribute a massive growth in economy of NER which will provide direct and indirect employment to our unemployed educated youth.

4. Threats to Manipur and other NE Regions

Due to lack of basic infrastructural facilities between two countries, the volume of illegal trade has been on increasing trend. The increasing trend on illegal trade specially on drug trafficking is largely responsible for the fast degeneration of social environment on Myanmar bordering states of North East India such as Manipur, Mizoram, Nagaland and Arunachal Pradesh.

The Impact of Golden Triangle is badly affected particularly in Manipur, North Eastern region and India in general where drug addict is spreading like a malignant growth. As a result, in Manipur alone the number of drug addicts has risen from just 600 in 1988 to 31,000 in 1996 and 40,000 in 2002. On the other hand, the HIV positive cases were just 2046 in 1995 and rose to 13,979 on September, 2002 (MACS). This has given a serious thought on the Government of India's Look East Policy. Whether it will give a boon or curse to the people of North East in general and particularly the people of Manipur?

In recent years, China's expansive economy has drawn India's South Asian neighbours into its economic orbit. Myanmar's trade with China has grown much more rapidly than trade with India. Trade between Bangladesh-China is more than the trade between Bangladesh and India. This will give a big blow to India's expectation of Look East Policy.

Opening more roads, railway lines through Myanmar are sure to bring drugs, illegal migrants, infectious disease, small arms and ammunition more easily in large volume than before. If proper

control and corrective measures are not taken in time, it will surely bring serious issues to the people of North East India, particularly the people of Manipur.

5. Some Recent Developments

(a) Initiative to build a community/common check post and Manipur Government's readiness to give 48.5 acres of land out of 50 acres asked by Government of India.

(b) Government of India's willingness to lift the restriction imposed on trade items of the Indo-Myanmar border trade. The Centre has sought the opinion of the State Government in this regard in the month of July, 2007. A report is being prepared to reply by the State Government.

(c) Steps taken up to open up a bus service from Imphal to Mandalay. Discussion has been done among the officials and opinion has been sought from the Centre. Permission would be granted soon for going to Mandalay from Imphal through the existing service from Tamu.

(d) North East India Investment conference organised by Development of North East Region (DONER) Ministry along with Confederation of Indian Industries (CII) on 26th September 2007 held at New York. Honourable Chief-Minister, O. Ibobi took part in the conference along with leaders of Public Sector Units, policy makers and many other experts.

(e) To encourage businessmen to invest in North Eastern States of India, the Ministry of Commerce, Government of Thailand have hosted North East Investment week at Bangkok from October 1 to 4, 2007. Chief-Minister, O. Ibobi Singh shared the investment opportunities in Manipur to the businessmen and investors of Thailand and South East Asian countries.

(f) The Joint Secretary of Ministry of External Affairs, Government of India, T.S. Tirumurti disclosed that the Myanmar's Government has agreed in principle to the proposal of the Government of India for converting the ongoing Indo-Myanmar Border Trade activities at Moreh into normal/free trade activities.

6. Conclusion

For whatever imperatives or adjustments or agenda the policy has been formulated, the Look East Policy must be seen both as an opportunity and a challenge for the people of the NE region and particularly for Manipur. It would, therefore, be immature to hastily attribute a 'good' or 'bad' tag to the policy. On the contrary, more pertinent question would be how good are we in reaping maximum benefits out of the policy while trying to minimise on the negative impacts of the policy. The Look East policy definitely hold great potential but it is only for the prepared mind.

With the coming up of the Look East Policy, service sector undoubtedly will be the most promising area. There is strong need for establishment of Tourism and Hospitality Management Institutes, an Institute of South East Asian Studies for understanding the similarities and differences of culture between Manipur and South East Asian countries and for better understanding and free interaction with the businessmen and people of South East Asian countries an institute for Foreign Languages particularly Myanmarese, Thai, Chinese, etc. should be established. For the promotion of trade with South East Asian countries and entrepreneurship development, an Institute of Foreign Trade should be established to provide short term as well as long term courses.

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