

India's Look East Policy: Prospects and Challenges for Northeast India

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Abstract

The disruption of old trade routes by colonial rulers, the Partition of 1947 and India's import substitution economy deprived northeast India of its natural markets. Of late, there has been much talk about the potentials of India's Look East policy in transforming the region. The inclusion of the northeastern region as an important component of this policy in 2003 is dubbed as the new paradigm of development in the Northeast. The policy envisages the region not as the periphery of India, but as the centre of a thriving and integrated economic space. Thus, many people see it as an excellent opportunity to integrate not only with mainland Indian economy but also with its neighbouring countries in the east and even beyond. In contrast, others view this policy as an extension of India's imperialism in a new form in that the Northeast will only provide a bridge between the rest of India and East and Southeast Asia. The main argument of such critics is that India is more concerned with the eastern neighbours and not its northeast. The article, while recognizing 'borders' as crucial in attempting to address the problems of the Northeast, assesses the prospects of 'Looking East' through this region and the challenges posed to it by post-colonial territoriality and other domestic problems. The integration of the Northeast economy with the neighbouring countries is basically implemented through the security-centric border management, wherein the opening of borders is limited to border trade points and fencing the rest of the erstwhile open borders. This increasing restrictive regulation and bureaucratic formalities on movement of people and goods across borders distort the traditional cross-border economic dependence and erode social ties with ethnic kins on the other side of the border. The article also explores the possible community–geography trade-offs in such borderlands.

Keywords

India's Look East policy, sub-regional cooperation, northeast India, Sinophobia, territoriality

Initiated in 1991,² the Look East policy is a paradigm shift in India's perspective of the world.³ It is 'not merely an external economic policy, it is also a strategic shift in India's vision of the world and India's

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² The earlier draft of this article was presented at the national seminar on 'Look East Policy and North-East India: Achievements and Constraints', 26–27 March 2010, organized by North East India Council for Social Science Research, at Shillong.

³ Launched in 1991 but officially mentioned for the first time in the Annual Report of the Ministry of External Affairs in 1996, the Look East policy has its genesis in the end of the Cold War following the collapse of the Soviet Union. Yet, the real genesis of the Look East policy is traced to the initial years of Indian independence. For details about the evolution, see Haokip (2011, p. 239).

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place in the evolving global economy'.⁴ The main objective of this policy is to forge closer and deeper economic integration with its eastern neighbours. It is rather a late recognition of the strategic and economic importance of the region to India's national interests. The Look East policy is the product of various compulsions in the post-Cold War era. The focus on economic content of international relations, emergence of regional economic groupings, forces of globalization, slow process of economic integration within South Asia and China's growing assertiveness in the Asia-Pacific region, all have compelled India to rethink the basic parameters of its foreign policy. The growing trend towards regionalism and India's apprehension of being marginalized and isolated in the post-Cold War international system are the main reasons for paying more attention to the rapidly growing economies of East and Southeast Asia (Gordon, 1995, p. 299).

Initially, the focus of India's Look East policy was to forge closer economic ties with Association for Southeast Asian Nations (ASEAN) member states. The conscious attempts of India paid-off soon. Consequently, India became a sectoral dialogue partner in March 1993, a full dialogue partner in 1995, a member of the ASEAN Regional Forum in July 1996 and finally, a summit-level partner in 2002. The second phase of this policy was launched in 2003, extending its coverage from Australia to East Asia, with ASEAN as its core (Sinha, 2003). The new phase also marks a shift in focus from trade to wider economic and security cooperation, political partnerships and physical connectivity through road and rail links. Thus, ASEAN-India cooperation now covers broader fields, including trade and investment, science and technology, tourism and human resource development, transportation and infrastructure and health and pharmaceuticals. India signed the 'Long Term Cooperative Partnership for Peace and Prosperity' with ASEAN, which is regarded as the cornerstone of India's Look East policy.⁵ It also signed the ASEAN-India Free Trade Agreement (FTA) with the 10 members of ASEAN in August 2009, which came into effect on 1 January 2010. This FTA led to an increase in the volume of India's trade with ASEAN countries by more than 16 per cent in 2014, which is about 30 per cent of ASEAN's total trade (*The Economic Times*, 1 October 2014).⁶ At the ASEAN-India Commemorative Summit held on 20 December 2012 in New Delhi, the ASEAN-India Vision Statement was adopted and thus, the ASEAN-India partnership is now elevated to a strategic partnership. With these agreements and partnership, India-ASEAN have eventually moved towards a closer political, strategic, economic and socio-cultural cooperation. The geographical proximity of its Northeast with East and Southeast Asia has compelled India to focus on its troubled northeastern region in this policy.⁷

Towards Sub-regional Cooperation

As a part of its Look East policy and to further strengthen the institutional mechanisms of ASEAN-India partnership, India is a part of several sub-regional groups/partnerships as one of the founding members, besides its regional commitment. These sub-regional groups/partnerships were targeted

⁴ Prime Minister Manmohan Singh's keynote address at ASEAN Business Advisory Council meeting on 12 December 2005 at Kuala Lumpur. Retrieved from www.pmindia.nic.in/speech/content.asp?id=245 (accessed 17 August 2009).

⁵ Address of the External Affairs Minister, Pranab Mukherjee, at the Institute of Foreign Affairs and National Security, Republic of Korea, on 'India's Look East Policy', on 17 September 2007. Retrieved from <http://www.pib.nic.in/newsite/erecontent.aspx?relid=31296> (accessed 25 August 2015).

⁶ *The Economic Times*, India's business with ASEAN countries only 30% of total trade.

⁷ Press statement by Pranab Mukherjee, Minister of External Affairs, after the Meeting on Look East policy, on 31 October 2007.

between the lesser-developed members of ASEAN or the CLMV (Cambodia, Laos, Myanmar and Vietnam) countries and eastern South Asia, particularly the northeastern region for India.

The sub-regional economic grouping called Bangladesh, India, Sri Lanka, Thailand Economic Cooperation (BIST-EC) was established in 1997, and later came to be known as the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation or BIMSTEC with the addition of Myanmar, Bhutan and Nepal. India initiated this sub-regional grouping with a view to strengthen and reinforce the Look East policy. It received strong support from Thailand, which saw it as a convergence to its 'Look West' policy initiated in 1996, and a political and economic forum to bridge Southeast Asia and South Asia. The main aim of this sub-regional grouping 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.⁸ At the Second Ministerial Meeting in Dhaka on 19 November 1998, six areas of cooperation were identified: trade and investment; technology; transport and communications; energy; tourism; and fisheries. As a keen member of BIMSTEC, India promotes this sub-regional cooperation to primarily establish economic links with peninsula member countries of ASEAN so as to boost the development of its seven northeastern states (Zhang, 2006, p. 19).

India is also a member of the Mekong–Ganga Cooperation (MGC) project, which is a sub-regional grouping between India and the five Mekong riparian countries—Cambodia, Laos, Myanmar, Thailand and Vietnam. It came into being on 10 November 2000, when the representatives of the six member states met at Vientiane and came up with a set of guidelines known as the 'Vientiane Declaration'. The declaration outlines the areas for institutional interaction based on assessment of the capabilities of its member states. In order to give a well-structured outlook to the initiative, a concept paper was worked out which outlines the agenda for cooperative efforts, where the project is primarily aimed at the development of three main areas for cooperation: tourism and culture, infrastructure and information technology, as envisaged by the 'Vientiane Declaration'. The MGC is an extension of India's Look East policy and a reminder of its constant cultural interaction with Southeast Asian countries. In January 2006, the Union Minister of State for External Affairs, E. Ahamed, described the MGC as one of the pillars of India's Look East policy.

The Bangladesh–China–India–Myanmar (BCIM) Regional Economic Forum, which was initially known as the Kunming Initiative and a Track II initiative, was a product of the conference on regional cooperation held at Kunming in south-west China in August 1999. It advocates sub-regional cooperation on infrastructure development, enhancing economic integration and people-to-people contact among the four countries. This sub-region constitutes geographically contiguous units comprising the north-eastern states of India, south-western provinces of China, Bangladesh and Myanmar. In 2011, the Track II initiative was upgraded to a Track I level.⁹ However, due to more than a decade of undertaking at the Track II level, and perhaps a hangover, the initial stage of the Track I level has still been a mixture of the unofficial (Track II) and official (Track I) actors. Regarding this, Jacob (2012) observes: 'Today, the BCIM is in effect a Track-1.5 process, involving both scholars as well as officials even if the level of official participation varies from country to country'. Recognizing the value of flexibility and the

⁸ *Declaration on the Establishment of BIST-EC*, Bangkok, 6 June 1997. Retrieved from <http://www.bimstec.org/downloads/mm/declaration-on-bimstec-establishment.pdf> (accessed 25 August 2015).

⁹ Track II initiative or diplomacy, according to Diamond and McDonald (1991, p. 1), refers to 'non-governmental, informal and unofficial contacts and activities between private citizens or groups of individuals, sometimes called "non-state actors"'. It essentially involves academicians, business leaders, policymakers, tourism experts and technical personnel. Track I initiative is governmental diplomacy effort that occurs inside official government channels (Kaye, 2007, p. 5).

possibility of any take-off only when government officials are involved, he made a case ‘for Track-1.5 plus Track-1 level interactions, so that governments have a role to play at all stages’.

The underlying objective behind the BCIM cooperation is the integration of these strategically located sub-regional areas in the fields of trade, investment, energy, transport and tourism. The BCIM initiative has the potential to bring India’s three most important neighbours closer in a joint pursuit of common prosperity through the increasing use of mechanisms of regional integration. Taking note of the importance of such an initiative, Rajiv Sikri noted:

It is not just that we are neighbours sharing common borders; all of us also face similar opportunities and challenges in our respective quests for rapid economic growth, national development and prosperity of our people. In our mutual relationships, there is increasingly greater focus on economic issues, which will enable us to realise the untapped potential of our economic cooperation and make it commensurate with the level of our political relationships.¹⁰

Proper implementation of the objectives of this sub-regional cooperation could combine the resources of the constituent members in order to gain competitive edge in attracting both domestic and foreign investments and promoting export for the mutual benefit of the members involved. Therefore, there is an enormous potential for following up on the Kunming Initiative, especially the proposal to rebuild the Stilwell Road—the road from Ledo in upper Assam to Kunming in Yunnan province of China passing through northern Myanmar—which was constructed during the Second World War.

After more than two decades, the Look East policy has yielded many benefits and supported India’s economic development with increasing bilateral trade between India and Southeast Asian countries and increased people-to-people contact. The share of developing countries in India’s trade has doubled to about 30 per cent, while Asia’s share has doubled to 24.2 per cent. With outward-looking policies, India’s foreign trade, which was below US\$ 40 billion in the early 1990s, rose dramatically to US\$ 140 billion by 2003, and further to US\$ 312.6 by 2014 (Reserve Bank of India [RBI], 2014, p. 33). Trade with ASEAN countries grew at an annual rate of 11.2 per cent between 1993 and 2003, from a meagre US\$ 2.9 billion in 1993 to US\$ 12.1 billion in 2003; and in recent years, it grew by 5.3 per cent, from US\$ 68.2 billion in 2011 to US\$ 71.8 billion in 2012.¹¹ Congruent with this growth is the need felt to focus the benefits of the Look East policy more sharply on India’s northeastern region, which is a natural gateway to East and Southeast Asia.

India’s Northeast: The Landlocked, Turbulent ‘Asian Miniature’

Considered as the ‘northeastern borderlands’ of South Asia, and also as the ‘northwestern borderlands’ of Southeast Asia, India’s northeastern region is the meeting ground of two sub-continent. The communities of the region migrated from Tibet, southwest China and several parts of Southeast Asia during various historical periods, apart from the colonial rule-induced migrations from various parts of India and Nepal. These waves of migrations of the now-considered ‘indigenous people’ continued till the early part of the twentieth century. Even after India’s independence, the Liberation War of

¹⁰ Address by Mr Rajiv Sikri, Secretary (East), Ministry of External Affairs, at the Sixth Bangladesh–China–India–Myanmar Forum, New Delhi. Retrieved 17 August 2009, from <http://www.meaindia.nic.in/speech/2006/03/30ss01.htm>

¹¹ ‘Overview of ASEAN–India Dialogue Relations’. Retrieved 12 November 2014, from <http://www.asean.org/asean/external-relations/india/item/overview-of-asean-india-dialogue-relations>

Bangladesh in 1971, the pull factor in northeast India and the push factor as well as religious persecution of minorities in Bangladesh, as also the crackdown of democracy activists in Myanmar, resulted in fresh wave of migration into the region. This resulted in the formation of an 'Asian miniature', wherein the yellow and brown races meet and mingle. With five countries—Bangladesh, Bhutan, China, Myanmar and Nepal—abutting about 4,500 kilometre (km) of land borders, the region is connected by a narrow 21 km long landmass, popularly known as the 'Siliguri corridor' or 'chicken's neck', which forms only about 2 per cent of its border with mainland India. The present political geography of the region is largely attributed to the colonial geopolitics, which was once a socio-cultural space.

The separation of British India and Burma in 1937 and the Partition of India in 1947 created arbitrary boundaries, dividing many ethnic groups of this culturally contiguous region and placing them into different nation-states. These borders were created by uninformed and indifferent colonial overlords, who took decisions from a distance by ignoring geographical and historical realities, ethno-demography and economic interdependence, resulting in tragic consequences. This colonial geopolitics has been exacerbated by the hardening of international borders ever since 1947. The significant geopolitical, demographic and economic changes that followed in the wake of India's independence created a sense of anxiety among the various sections of population of the region. Since development initiatives of the Indian government in this region have been based on security concerns, the state-centric security approach has kept the region isolated and underdeveloped. The loss of connectivity and market access, according to B.G. Verghese (2001), has set its economy back by at least a quarter century. These conditions are, to a great extent, responsible for ethnic unrests and alienation in the region, resulting in decades of restriction on people-to-people contact, severance of the natural markets along the borders and disruption of the southern Silk Route. De Hoyos (1995) explicitly puts the disastrous consequences this way: 'All of the major conflicts in the region are explosions along the fault lines deliberately left as the legacy of direct British colonial rule.' The straight-jacket situation imposed on the region due to the perceived law and order problem further worsens the situation. Lately, economic development has been regarded as the panacea to all ills in the region. As such, developmental packages have been announced by successive governments and funds have been poured in and various schemes launched to bring about development. However, these efforts have not had the intended impact, particularly in remote borderlands, due to the rampant prevalence of corruption and illegal nexuses, thus requiring proper monitoring mechanism, accountability and strict adherence to the set time frame for implementation of various projects.

Though the periodic announcement of economic packages, tax holidays, concessions on import tariff and subsidy were necessary for stimulating economic growth and the development of basic infrastructure in the region in the initial decades, yet sustainable development has to be the focus eventually. One of the ways to sustainability is to develop self-reliance among the people by, once again, restoring the natural markets along the borders ('border haats') as well as the Old Silk Route—which, in the modern period, would mean enhanced economic cooperation with the neighbouring countries by opening the borders and participation of the local people in various economic ventures. Thus, borders become critical in addressing economic problems in the Northeast in this globalizing world.

Studies beyond the borders in the northeastern region have been slow to develop, until the advent of the new millennium. Willem van Schendel (2014, p. 267) identifies two principal reasons for this in the South Asian borderlands: '[o]n the one hand, social researchers had a firmly national mindset; on the other, politicians and bureaucrats created an overarching security discourse'. The national government, thus, largely controls this space and its people who are considered to be rebellious under the garb of national security threat, insulating them along what are considered to be very 'sensitive' international

borders through border fencing and strict vigil by security forces. The enhanced securitization of the border areas through border fencing is primarily aimed at warding-off influx of insurgents, drug traffickers and illegal migrants, which in turn puts an end to the limited open border in the Indo-Myanmar and Indo-Bangladesh borders, thus affecting the people living on both sides of the border. This insulated people in the border areas of the little socio-economic interaction existing despite the coming into existence of the bounded nation-states when the colonizers left their colonies during the middle of the last century. In these border areas, many people work on one side of the border and live on the other side, and families on one side of the border have relatives on the other side of the border. Thus, crossing border is a daily practice for many. The parochial security approach has been continually exacerbating the socio-economic condition in these border areas.

The development of an inward-looking, self-reliant 'import substitution industrialization' economy, initiated by India's first Prime Minister Jawaharlal Nehru, with the idealistic aim of establishing a socialistic pattern of society, created a core-periphery relation which made the Northeast an internal periphery and developed an economic dependence of the periphery on the core. The northeastern region was converted from a frontier region during the British rule to an internal periphery in the post-independence period (Haokip, 2012, p. 85). This made the region passively dependent on the centre/core without any scope of self-development.

The Look East Policy and the Northeast

The economic reforms in India, since 1991, opened up the largely insulated economy and put economics in the forefront of its foreign policy. The initial economic diplomacy of India aimed at promoting intense regional economic integration, by looking towards the East, particularly with Southeast Asian countries. In due course of time, the 'Look East' policy yielded many benefits and supported India's economic transformation and growth, including closer strategic contacts between India and Southeast Asian countries, a remarkable increase in the quantum of bilateral trade with other developing countries in Asia and increased people-to-people interaction. India's trade with countries bordering its northeastern region also witnessed dramatic expansion; but this increase in the volume of trade with the eastern neighbours has had little or no impact on the Northeast (Haokip, 2009, p. 115). This is primarily because India looks towards the 'East' but not through its 'northeast', coupled with its attachment to post-colonial territoriality which has continually placed the region in a seized situation. In order to end the isolation, address the cul-de-sac situation and relook the disruption of old trade routes, which Baruah (2005) termed as 'colonialism's most enduring negative legacy', borders need to be opened and the age-old practices and ties that existed in the borderlands, particularly among the transborder communities, also need to thrive. Pranab Mukherjee, in his address to the first interaction with the public, organized by the Public Diplomacy Division of the Ministry of External Affairs, said, 'geography is opportunity and the very geographical location of the North East makes it the doorway to South East and East Asia and vice versa, a doorway to economies into India'.¹² The Look East policy, in principle, aims for the creation of an enabling environment so as to end the landlocked situation and isolation of the northeastern region by opening up the borders and reintegrating the region's economy through improved connectivity and

¹² Speech by Pranab Mukherjee, Minister of External Affairs, at seminar on 'Look East' policy, Shillong, 16 June 2007. Retrieved from http://carnegieendowment.org/newsletters/SAP/pdf/july07/speech_east_policy.pdf (accessed 25 August 2015).

trade between northeast India and Southeast Asian countries. In this increasingly globalized ‘borderless’ world, there arises the prospect of undoing the effects of colonial legacies.

Northeast India is a cultural mosaic, richly endowed with natural and mineral resources, and has close cultural ties with several Southeast Asian countries. Being almost bordered entirely by other countries and located at the centre of the sub-region, comprising northeast India, Bangladesh, Myanmar and southwest China, it is the natural ground for staging cultural and economic cooperation under various sub-regional cooperations, and the region has better scope for development in the era of globalization. For the rest of India, the region is a natural bridge with Southeast Asia, and opening the borders for economic integration with neighbours is expected to open up new opportunities for the northeastern region despite the challenges. Cooperation with neighbours across the borders can develop the region’s huge untapped potential and help transform it into a commercial hub. The region’s geographical location and its historical and cultural affinities with its neighbours across the borders, particularly with China and Southeast Asian countries, can be taken advantage of as a ‘soft power resource’ (Baruah, 2004, p. 33) to promote tourism and commercial exchange as a means to galvanize growth and development of region.¹³

According to Rajiv Sikri, India’s Look East policy ‘envisages the Northeast region not as the periphery of India, but as the centre of a thriving and integrated economic space linking two dynamic regions with a network of highways, railways, pipelines, transmission lines crisscrossing the region’.¹⁴ As such, the second phase of the Look East policy, which was launched in 2003, aims to promote partnership with ASEAN countries integrally linked to the economic interests of the northeastern region, and the region is identified as the gateway and an economic bridgehead to East and Southeast Asia.¹⁵ This major initiative undertaken by the Government of India has resulted in the ‘Look East’ policy becoming, from a barely known policy in the 1990s, a buzzword of the media, academicians and bureaucrats of northeast India in recent times. Contrary to the traditional conception of the Northeast as a cul-de-sac or a periphery, the new policy thinking under the Look East policy intends to deliver a new political imagining of this region, which Samir Kumar Das (2010, pp. 343–358) calls as the ‘extended Northeast’, that is spread across the international borders to include front-line states such as Myanmar and Bangladesh. This imagination bases itself on the contemporary discourse of ‘borderless world’.

One of the outcomes of India’s conscious effort to ‘Look East’ was the border trade agreement between India and Myanmar signed on 31 January 1994. The agreement seeks to establish a mutually beneficial trade based on equality. It specifies that border trade should be conducted through the designated Land Custom Stations, namely: (a) Moreh in Manipur and Tamu in Myanmar; (b) Zokhawthar (near Champhai) in Mizoram and Rih in Myanmar; and (c) other places that may be notified by mutual agreement between the two countries. The border trade at Moreh and Tamu was formally opened on 12 April 1995, and the Zokhawthar–Rih sector on 31 January 2004. The agreement provided for cross-border trade in 22 products, mostly agricultural/primary commodities produced in the trading countries. In 2001, some more products were added to the list of tradable items. The agreement also made cross-border trade and contacts legal, which is, as Prabhakara (2004) observed, ‘a feature of daily experience, indeed a necessary condition of the people’s existence on both sides of the border’.

¹³ Prime Minister Atal Bihari Vajpayee’s inaugural speech at the Second North-East Business Summit, India Brand Equity Foundation (IBEF), 20 January 2004. Retrieved from <http://archivepmo.nic.in/abv/speech-details.php?nodeid=9277> (accessed 25 August 2015).

¹⁴ Rajiv Sikri’s lecture, ‘Northeast India and India’s Look East Policy’, in CENISEAS Forum, ‘Towards a New Asia: Transnationalism and Northeast India’, 10–11 September 2004.

¹⁵ ‘Year End Review 2004’, Ministry of External Affairs, Government of India, New Delhi.

Outside the world of formal trade, he said, there are regular exchange of goods and services of many kinds. Apart from the flourishing border towns, such traffic goes on even in the 'obscure, almost invisible little settlements that dot the border'. Besides this, Nathula pass in Sikkim was reopened for Sino-India border trade on 6 July 2006. There are also efforts to open new border trade points and reviving certain old trade routes that existed in the Northeast, which would lead to economic development of the northeastern region. Although these initiatives are the product of the changing global scenario since the end of Cold War, it is also a step towards the fulfilment of the Mizo Accord, which promised to promote Indo-Myanmar border trade. However, if the trade practice is carefully examined, the agreement actually does not go much beyond according a formal sanction to exchanges traditionally going on between the local populations in the border areas of the two countries (Bezbaruah, 2007).

To achieve the objectives of the Look East policy, India had negotiated FTAs with East and Southeast Asian countries. Through this, India's trade with countries bordering the Northeast has seen dramatic expansion, with the share going up more than five times from 1.7 per cent in 1992–1993 to 8 per cent way back in 2003–2004. However, trade between northeast India and its neighbouring countries has been declining. In order to reverse this, producing exportable goods in the region itself and creating an enabling environment, particularly physical and other infrastructure, is very essential.

To facilitate trade and improve infrastructure in the region, India has concluded a number of bilateral and multilateral projects, aimed at enhancing connectivity between the Northeast and Southeast Asian countries. In this regard, India built the 165 km long Indo-Myanmar Friendship Road, connecting Tamu and Kalaymyo–Kalewa, which was inaugurated on 13 February 2001. Other important infrastructure projects are India–Myanmar–Thailand Trilateral Highway, Trans-Asian Highway, India–Myanmar rail linkages, the Stilwell Road, Myanmar–India–Bangladesh gas and/or oil pipeline and Tamanthi hydroelectricity project. The optical fibre network between northeast India and Southeast Asia has been operationalized in 2009. India and Myanmar also agreed on the Kaladan Multi-modal Transit Transport Facility, which envisages connectivity between Indian ports on the eastern seaboard and Sittwe Port in Myanmar, and then through riverine transport and by road to Mizoram, thereby providing an alternative route for transport of goods to northeast India. Efforts are also being made to improve road links at the second Indo-Myanmar border trade point at Rih–Zokhawthar in Mizoram sector by upgrading the Rih–Tidim and Rih–Falam road segments in Myanmar. Apart from developing road links, there are efforts to have a rail link from Jiribam in Manipur to Hanoi in Vietnam passing through Myanmar.

Prime Minister Atal Bihari Vajpayee proposed holding an India–ASEAN car rally at the ASEAN–India Summit in Bali in 2003, to draw attention to India's geographical proximity with ASEAN countries. The ASEAN–India car rally became a reality on 22 November 2004, which was flagged off in Guwahati by Vajpayee's successor, Manmohan Singh. In his speech, the Indian prime minister referred to the 'Northeast' as a gateway to 'Asian Century'. The ASEAN–India car rally clearly reflects the existence of land route connectivity that could facilitate free flow of trade, investment and tourism between ASEAN and India. It could initially involve Cambodia, Laos, Myanmar, Vietnam and Thailand and the northeastern region. To commemorate the 20th year of India–ASEAN Dialogue, the second edition of the ASEAN–India car rally was held from 26 November to 17 December 2012. It is regarded that this form of sub-regional cooperation could serve as building blocs for greater economic interaction and integration between ASEAN and India.¹⁶ Through these efforts, the Government of India appears to be showing its keenness in opening and developing the Northeast.

¹⁶ ASEAN Secretary General's address in the conference on 'North East—India's Gateway to ASEAN', Indian Institute of Technology (IIT) Guwahati, 22 November 2004. Retrieved from <http://www.asean.org/resources/2012-02-10-08-47-56/speeches-statements-of-the-former-secretaries-general-of-asean/item/first-india-asean-car-rally-2004>.

During the second ASEAN–India car rally, the Kukis, who are mainly settled in the Indo-Myanmar border region, under the banner of Kuki State Demand Committee (KSDC), called for an indefinite blockade to press their demand for the creation of a separate Kuki state to be carved out of ‘Kuki traditional lands’ (*The Telegraph*, 12 December 2012).¹⁷ KSDC also ‘threatened to block the entry of the Bangladesh, China, India, Myanmar (BCIM) Car Rally into “Kuki areas” of Manipur’ (*The Times of India*, 13 February 2013).¹⁸ Looking at the positive side of this agitation, it has pointed out the existence of a number of ethnic groups who have been ethnified by the British colonial rulers. These ethnic groups have more in common with the population living across the boundary than with their own nationals. So long as the national boundaries which separated the different civilizations were relaxed, the ethnic groups in the region lived in peaceful coexistence with each other and acted as a buffer against the intrusion of people from the other side (Nongbri, 1995, p. 53). The affinity of groups with their kin groups across the border and the sense of support (both material and non-material) they derive from them have had serious implications (Datta, 2000). Furthermore, after 1947, there came into existence a bounded nation-state due to endeavours by national governments and popular movements to close off, regulate and suppress mobility across national borders more rigorously than ever before, with a goal to defend national territory against foreign threats and to secure national territory against internal disruption that might be fed by forces across the border (Ludden, 2003, p. 12). All these brought about the regulation and restriction of mobility across borders in India’s northeast and worked against the interests of the transborder communities, who, despite these divisions and restriction of movements, continue to maintain their age-old ties. According to Karin Dean (2005), these communities have ‘creatively adjusted to the dominating international system of the states’ and despite being citizens of different states, they are ‘united through a tight unique kinship lineage network of various spatial trajectories and social bonds, a commonly recognised *lingua franca* and a variety of tangible ethnic features’.

Globalization and the softening of national borders, and the resultant proposition for a borderless world and the formation of transnational economic regions, appear to give hope for the continuation and perpetuation of the traditional age-old ties and practices among the transborder communities in northeast India and the neighbouring countries and a brighter prospect of development for them. The Look East policy must provide space for ethnic communities straddling the borders to participate in the development process, and also rekindle ties through certain formal mechanism.

Challenges Ahead

In recent years, there has been a dramatic expansion of India’s trade with countries bordering the Northeast. However, this has had little or no impact on the economy of Northeast as most of this trade expansion is through seaports. In spite of huge potential, the Indo-Myanmar trade remains insignificant, amounting to few crores of rupees per year. The traded items between India and Myanmar are mostly third-country products and there is hardly any visible effort on the part of the governments to develop the border regions and expand the tradable items. Following their research on India, Goldman Sachs & Company’s economists, Jim O’Neill and Tushar Poddar (2008), came up with a report on ‘Ten Things for India to Achieve its 2050 Potential’. Some of the findings, such as, improving governance, increasing

¹⁷ *The Telegraph*, Trouble ahead for Asean rally.

¹⁸ *The Times of India*, KSDC threatens to block BCIM car rally in Manipur’s ‘Kuki areas’.

trade with neighbours, increasing agricultural productivity and improving infrastructure, are essential elements needed in the northeastern region. In order to reap the benefits of this policy, particularly from FTAs with the economies of the East, Sushil Khanna (2005) has identified a few key variables, such as, transit arrangements, proliferation of trade routes and custom check posts and easy visa regime, making it possible for traders, business persons and transport operators to move in and out of the region. Hence, it requires massive investments in infrastructure: construction of roads, railways, air transport and communication facilities, which are largely absent. Hotels, restaurants and resorts need to be constructed for tourists and other business persons. The Shukla Commission on 'Transforming the Northeast' estimated way back in 1997 that such investment would exceed ₹ 25,000 crores (Shukla Commission 1997). As envisaged in the 'North Eastern India Vision 2020', a substantial increase in investments as well as a significant improvement in productivity is required for the northeastern region to catch up with the rest of the country by 2020. This huge investment cannot come from the government alone. Private investment and loans from multilateral financial institutions are needed.

In order to attract investors, secure environment needs to be created in the region. This can be achieved only by way of ending insurgencies and through good governance. However, instead of engaging in serious dialogue to end insurgencies, as Khanna (2008) lamented, 'India's policy of strengthening its ties with eastern neighbours has been limited to counter insurgency efforts'. The Look East policy is used as a means to convince the neighbouring countries to drive out insurgents taking shelter in these countries. Sincere political negotiations and not militaristic approach to insurgency will bear lasting solution. However, such negotiations should also involve, as S.K. Das (2007) pointed out, civil society and all the contending parties as negotiations with one group may antagonize the other group/groups.

As a 'troubled periphery', the challenge of policy implementation in India's northeast relates to the question of governance. The profound 'disaggregation of authority' and 'proliferation of spheres of authority' in the region pose serious challenge to 'govern the ungovernable' (Rosenau, 2007, p. 88). This challenge comes not only from the insurgent groups running parallel governments and symbiotic economy; the ethnic groups in the region are also highly mobilized to achieve certain sectional goals through public protest and various other means, which at times the sub-national states are not capable of handling. Unless there is good governance, there cannot be progressive development, and there cannot be good governance unless the socio-political problems in the region are solved. These correlations indicate that the ultimate goal of the Look East policy cannot be attained unless socio-political problems which continue to plague the region are solved and upon which the continuity of the draconian Armed Forces Special Powers Act (AFSPA) of 1958 depends.¹⁹ Looking at the peace process with various armed groups of the Northeast over the past one decade, we can say that the negotiations clearly lack credible plan by the Indian government to end the country's long-running ethnic insurgencies. Without successfully solving the problems of insurgency and addressing other ethnic demands, and continuously labelling the region as 'disturbed area' and placing it under AFSPA, the Northeast will not be a conducive ground for staging economic cooperation of the BCIM sub-region.

Meanwhile, certain colonial acts and regulations, such as the Inner Line Regulation, have been continued in the post-independence period on the pretext of protecting the hill tribal people in Arunachal Pradesh, Mizoram and Nagaland, which pose an obstacle to the policy of 'looking East' through the Northeast. The system of Inner Line Permit (ILP) requires Indian citizens from outside those states

¹⁹ AFSPA is an Act of Indian Parliament, passed in 1958, granting special powers to the Indian Armed Forces in dealing with internal disturbance in what the Act terms as 'disturbed areas', with the territorial scope spreading over to the seven states of the northeastern region.

to obtain a permit for entering into the 'protected areas'.²⁰ Though the colonial rule integrated the Northeast with mainland India, their policies, which were enacted in various acts and regulations, have acted as a barrier and prevented socio-cultural and political interaction between the hill areas of the Northeast with the plains. When everyone in the region wants spoils from regional economic cooperation under the Look East policy, the Inner Line Regulation can hinder the implementation of this policy. This disjunction has to be seriously looked into once again. The concerns of the tribals in the region, like protecting identity, culture and land, can be dealt with in other ways without restricting the movement of people across state borders (Haokip, 2010, p. 97).

The insertion of the Northeast into larger transnational region is required for removing the ills of underdevelopment and the cult-de-sac situation. However, the proposal may not be a perfect solution considering the interwoven ethnic questions of the region. In a study of Mexican trucking across borderlands, Alvarez Jr (1995) argues that Mexican truckers continually constitute and recreate ethnicity as part of an entrepreneurial process of successful penetration of foreign markets. He pointed out the ambiguities of identities in borderlands, which can also be strategically played upon to forge, reformulate and even mobilize ethnic identity to advantage. Flynn (1997) also illustrated that Shabe border residents in Bénin–Nigeria border have similarly forged a sense of border identity in the face of economic change and decreased transborder trade. As such, the proposed transnational regime under the Look East policy is not likely to be effective if the ethnic factors of the region are also not taken into account. As witnessed in North America and West Africa, there has been mobilization based on ethnic identity to take advantage of the transborder trade, and the already fragile inter-ethnic relations in the region could be in constant peril. Ethnic conflicts have also taken place to control the lucrative and prosperous Moreh border market in Manipur.

Besides the regional problems, the imagination of an 'extended Northeast' for commercial and people-to-people contact is straight-jacketed by the 'Sinophobia' of India. A realist assessment by Batabyal (2006, p. 179) sees the Look East policy as a strategy 'to play a new balancing game against China in the Southeast Asian and the Asia-Pacific region'. This assessment is always downplayed by official India; yet, if one carefully looks into any initiative involving China, such as the BCIM Forum and the rebuilding of the Stilwell Road, it is a non-starter. However, sub-regional cooperations that do not involve China such as MGC, BIMSTEC and the Kaladan Multi-modal Transit Transport Project are pursued with vigour by India. So, how much India is willing to meaningfully engage with China in the future will depend on the normalization of strategic and territorial disputes. Besides '[t]he internal dynamics of the region in terms of the clan loyalties of the tribal people, inter-tribal clashes, insurgency, transborder ethnic ties also adversely affect the security of the border areas' (P. Das, 2010, p. 9), leading to stricter border controls despite the increasing mobility of people and goods today.

In order to have meaningful trade in the northeastern region, industries need to develop goods which can be exported to the neighbouring countries. Processing industries have to be set up to manufacture quality goods, which can be offered in international markets at acceptable prices. Agriculture has to be improved both in terms of production and productivity. The new 'North East Industrial Policy, 2007' has practically made the whole region a special economic zone. The industry department of various states of the region has only benefited the 'subsidy eaters' till now (Kumar, 2007). Otherwise, the region would just be a corridor between mainland India and Southeast Asia.

²⁰ The ILP, which is currently implemented in Arunachal Pradesh, Mizoram and Nagaland, has also been a demand of Khasi and Meitei student organizations since 2013. However, the central government has rejected these demands. Retrieved 6 November 2014, from <http://www.rediff.com/news/report/centre-rejects-manipur-s-bid-to-impose-inner-line-permit/20120717.htm>

The role of the northeastern states in the Look East policy is negligible till date. So far, it seems to be a dictated policy of the Central Government. This is in sharp contrast to the role played by Yunnan province of China in search of closer relationship with its Southeast Asian neighbours. The Yunnan province plays a pivotal role in the institutions of the Greater Mekong sub-region. However, there is little room for India's northeastern states in the MGC or in BIMSTEC. It is only through concentrated efforts in various thrust areas that northeast India will be able to withstand the challenges of the Look East policy and also fully participate in the new milieu. Only then, the Northeast can hope to be a part of the bridge connecting India and Southeast Asia (H.N. Das, 2007). Giving the northeastern states a direct role in this policy by taking advantage of the region's history and shared cultural ties with East and Southeast Asia can ensure a successful Look East policy.

The Look East policy is expected to usher in a new era of development for the Northeast through a network of pipelines, road, rail and air connectivity, communication and trade. There is vast scope for cooperation between India and East and Southeast Asia, and India's northeast can benefit enormously from formalized regional and sub-regional institutional arrangements if infrastructure of the region is improved and its resources geared up to meet the demands of the globalized world. However, for any meaningful activity to take place in the region, several hurdles need to be overcome due to which the region has been embroiled in difficult circumstances for the past several decades. Starting from various forms of insurgent activities to the problems of illegal migration and drug trafficking, which are all transnational in nature, the Government of India needs to forge cooperation with the neighbouring countries. Such cooperation with the neighbouring countries should not be limited to tackling the long-drawn insurgency problems only, which would instead alienate various ethnic groups of the region further. Lively relations between transborder communities can be facilitated through certain mechanisms which would ensure the participation of these communities in border trade and inter-country trade, in 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 and the eventual overall development. The Indian government and the northeastern states must adopt proactive role and provide not only infrastructure but also political stability and good governance. Greater participation of the local people in trade, production, particularly raising agricultural productivity, and distribution activities should be given importance. Trade alone is not sufficient to transform the region and put it on a sustained development path. Growth in trading activities will only benefit those people who possibly are from outside the region and who are economically more powerful and able to exploit the resources of the region.

Despite the much-hyped opening of borders and (re)integration of the Northeast economy with its neighbours and beyond under the 'Look East' policy, post-colonial territoriality overshadows the policy in practice. The prevailing intense 'territorial nationalism' based on citizenship—which, in India, originated in the Partition and has been perpetuated by the prevailing Indo-Pak and Sino-India territorial disputes—has inhibited regional cooperation and integration. Thus, interaction in the borders and beyond is promoted through the security-centric border management with increasing border regulation. Northeast Indians continue to challenge this post-colonial territoriality in India and the nationalism associated with it.

In this continuing stalemate, the possible community–geography trade-offs could be: increased improvement of transport and communication in the borderlands; an easy visa regime and other related mechanisms to ease the regulation of movement of goods and people in borders; and special provisions for local communities in such fortified borderlands for various economic ventures in border trade points. There is dilemma between securitization of the border on the one hand, and facilitation of trade and people-to-people contact on the other hand. However, an appropriate balance between the two would be

a pro tem solution in this current scenario. The lacunae in ‘policy’ and practice can only be obviated with a strong focus on resolving local problems and politics of the northeastern region first, before looking beyond the borders. An effective border management system could be the way out in negotiating the rigid state-centric territoriality and transborder socio-economic life.

As the thrust towards ‘look East’ has now been replaced by ‘act East’ policy in recent times, the policy should be receptive to ideas and include the notion of community groups debating the ‘policy’ as well as participating in the implementation of the policy. In this regard, the creation of Public Diplomacy Division of the Ministry of External Affairs and the opening of its branch office in Guwahati would assist in addressing the aspirations of the people of this region in having better liaison with the Ministry of External Affairs on issues concerning foreign trade, foreign direct investment and cultural exchanges. Thus, as the reorientation of the policy indicates, before India ‘acts East’, the government must have ardent will to solve the complex problems in the region, upon which the success of the policy depends to a large extent. This could reduce the difference in policy ideals, from the ‘integrated economic space’ and the new political imagining of ‘extended northeast’, to the existent realities, the internal and external dynamics that adversely affect security in the border areas. How elusive the ideals of the ‘Look East’ policy may appear, with the right commitment and intervention of the national government and by giving a role to the northeastern states in this process, the obstacles in this policy can be overcome.

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