Q18

Evaluate the economic and strategic dimensions of India's Look East Policy in the context of the post Cold War international scenario.

UPSC Civil Services Mains 2016 · GS II · 12 marks · India and its Neighbourhood

India and its neighborhood - relations.

Core demand of the question

- Evaluate the economic and strategic dimensions of India's Look East Policy in the context of the post Cold War international scenario

Revision summary

Look East began in the early 1990s after the Cold War and India's 1991 opening.

Economically it built ASEAN partnership, a goods FTA, and a hunt for East Asian FDI and connectivity.

Trade grew but deficits and slow Trilateral/Kaladan delivery limited the gain.

Strategically it seated India in ARF and the East Asia Summit and deepened ties with Japan, Vietnam and ASEAN as China rose.

The policy is a turn, not a finished economic or military bloc; domestic connectivity decides how real it is.

Introduction

The Look East Policy began in the early 1990s under P.V. Narasimha Rao, when the Cold War had ended, the Soviet economic umbrella had gone, and India had opened the 1991 reforms. It turned India's face toward South-East and East Asia - ASEAN first, then Japan, Korea, China as a market, and Australia - for trade, investment and a quieter security net. After 2014 the same line was restated as Act East, but the 2016 question is still about that post-Cold War turn and its two dimensions.

Body

Post-Cold War setting

- The bipolar world collapsed. Non-alignment lost its old stage, and economic performance became a source of power.
- **East Asia was the growth pole:** flying-geese investment, ASEAN's regionalism, and later China's rise. India could not stay a closed South Asian story.
- The United States became the unmatched naval power in the Indian Ocean and the western Pacific. India had to find a way to grow with that fact, not against a vanished USSR.
- Myanmar, a land bridge to ASEAN, left a socialist isolation path. India's north-east needed that bridge if Look East was to be more than a Delhi seminar.

Economic dimension - evaluate

- **Trade:** India became an ASEAN Sectoral Dialogue Partner (1992), a Full Dialogue Partner (1996), and a Summit partner (2002). The India-ASEAN Trade in Goods Agreement (2009) cut tariffs on a large basket. Two-way trade rose, though it stayed well below China-ASEAN trade and ran a deficit for India in several years.
- **Investment and production:** Japanese and Korean capital, and later Singapore as a financial gateway, fitted India's need for infrastructure, autos and electronics. Look East was also a search for FDI that Europe and a weak USSR could no longer supply in the old pattern.
- **Connectivity:** the Trilateral Highway idea (India-Myanmar-Thailand), Kaladan multi-modal project, and Mekong-Ganga Cooperation aimed to join the north-east to mainland South-East Asia. Delivery has been slow: insurgency, Myanmar politics, and weak logistics inside India limited the economic bang.
- **Sub-regional clubs:** BIMSTEC and MGC were meant to go around a stalled SAARC. They remain thinner than ASEAN's own community project.
- **Services and people:** Indian professionals, education links, and a diaspora in Singapore and Malaysia are a real but under-used economic arm.
- **Evaluation:** economically Look East opened a second front besides the West and the Gulf. It did not make ASEAN India's largest partner, and a goods FTA without matching services and investment depth left Indian manufacturing exposed to ASEAN-China supply chains.

Strategic dimension - evaluate

- ASEAN Regional Forum membership and later the East Asia Summit (India joined 2005) gave India a seat where regional security is talked, including the South China Sea as a sea-lane issue.
- A rising China, not a vanished USSR, became the main Asian strategic fact. Look East is not only 'friendship with ASEAN'; it is a way to avoid isolation if the Himalayan border stays hard.
- **Defence diplomacy:** exercises with Singapore, Vietnam's defence ties, Japan as a special strategic partner, and a growing Indo-Pacific naval habit (Malabar with the US and Japan) grew out of the same eastward turn.
- **Myanmar:** from a neglected neighbour to a necessary partner against insurgent camps and for access to the Bay of Bengal-Andaman sea space.
- The United States' post-Cold War presence made a gradual India-US strategic closeness possible; Look East fitted that without India joining a formal treaty alliance.
- **Evaluation:** strategically the policy raised India's profile and options. It did not, by itself, settle the China border or give ASEAN a security guarantee India cannot fund. ASEAN's own desire not to choose between Beijing and others also caps how far 'Look East' can become a containment line.

Join the two dimensions

- In the post-Cold War world, markets and sea lanes are the same map. A goods agreement with ASEAN is economic; the same strait is strategic.
- Weak north-east roads make both dimensions thinner. Look East succeeds inside India as much as in Jakarta or Tokyo.

Flow diagram

Post Cold War 1991 -> Look East Policy

Look East Policy -> ASEAN FTA FDI connectivity

Look East Policy -> ARF EAS Japan Vietnam navy

ASEAN FTA FDI connectivity -> North-east as bridge

ARF EAS Japan Vietnam navy -> China rise sea lanes

Conclusion

Look East was India's post-Cold War answer to a lost Soviet prop and a booming East Asia: seek trade, FDI and connectivity with ASEAN and the wider East, and sit in ARF and the East Asia Summit as China rose. Economically it opened doors but left a trade deficit and slow land connectivity. Strategically it multiplied partners without a treaty alliance. The policy is a success of direction; Act East will be judged on roads, ports and balanced trade, not on communiqués.

Facts & figures

Look East Policy, early 1990s
Launched under P.V. Narasimha Rao to engage South-East and East Asia after the Cold War and 1991 reforms.

India-ASEAN Summit, 2002
Annual leaders' meeting after dialogue-partner status in the 1990s.

India-ASEAN Trade in Goods Agreement, 2009
The main tariff-cutting economic instrument of Look East with ASEAN.

East Asia Summit, 2005
India joined the EAS, placing it in a strategic-economic forum with ASEAN, China, Japan, Korea, Australia and others.

Act East
2014 restatement of Look East with more weight on connectivity, the north-east, and security cooperation.