

CHAPTER I

INTRODUCTION

A. Background of the Issue

For more than 25 years, India late Prime Minister, Narasimha Rao has shaped “Look East” Foreign Policy to strengthen the ties with South East Asia. This was implemented and was positively responded by related countries. This policy was continued until elected Prime Minister Narendra Modi in the office in 2014. India has shaped the diplomatic mechanism to get economic, institutional and security relations to get power in Southeast Asia countries. However, over the years, the policy was changed into security and defense across Asia Pacific in which India showed a sign to play greater role in region (Dominguez, 2014). Under some consideration and alteration in ambition, the current government of Prime Minister Narendra Modi improved its foreign policy from “Look East Policy” to “Act East Policy”. According to his speech in East Asia Summit in 2014, the policy was aimed to deliver New Delhi’s ambition toward global order, so as he said that *no other forum brings together such a large collective weight of global population, youth, economy and military strength. Nor is any other forum so critical for peace, stability and prosperity in Asia-Pacific and the world* (India, 2014).

Considering India’s dark history colonized by Britain Government, Gandhi, a famous Indian scholar stated that, *India remains immovable and that is her glory* (Gandhi, 2008). This means, India is independent and self-reliant even though she encountered tough efforts and turbulence. Likewise, Nehru stated that India has spirit which is unsubdued and unconquered (Nehru, 1946). Historically, India survived trade and political exchange without center powers after independence. The country avoided external relationship because they wanted to minimize unblessed influence, like her

colonialism history. Therefore, India emphasized inward economy strategy by creating state owned and managed manufactures to bring India's future sustainability (Basu, 2016). This shows India faced underdevelopment and large population after she emerged as republic for long term of struggle in political and economic freedom. Thus, India implemented India's closed-door policy which was later challenged in 1966 when there was foreign exchange crisis. Under late Prime Minister Manmohan Singh, India economy was opened up. Not only the opening up action taken by India was caused by economic crisis but it was mostly because of the success of China (Bhagwati & Panagariya, 2012).

The era of globalization and rapid development of technology made it possible for nations to hand in hand gain mutual benefit. As India's advance trade and investment in Southeast Asia, it was evident that she emerged as new power of world economy and succeed in maritime connectivity that promoted strategic link in geo-political situation concerning on security and defense. This policy was called Look East Foreign Policy, founded in the 1990s by late government Narashima Rao when India got the impact of evolving geo-politics in Asia Pacific. The main goal of Look East Foreign Policy was to revitalize political relation, build regional security and cooperation. However, India's foreign policy mainly focus in economic growth and integrating Southeast Asia relation.

The condition of geopolitical tension, such as Gulf War in early 1990 extremely affected India's economy. The situation leads to economy recession and serious balance-payment crisis (Haokip, 2011). These phenomena motivated India to develop its opportunities in more vibrant relation with another part of Asia.

According to Danielle Rajendram, an Indian expert, Look East policy was determined by three factors. First, the collapse of the Soviet Union opened economic opportunity for India since the country's ideal was non-aligned stance. Second, China encouraged India to reach Southeast Asia market. India also wanted to develop and stabilize Northeastern states that were still in the midst of conflict. The last factor was The Gulf Crisis that drained energy sources. With the Northeastern region filled with armed rebellions and the law and order challenge, the implementation of developmental projects was hard task, so India tended to make relation with more attractive and stable countries such as countries in Southeast Asia. This relationship was then broadened to East Asia and Australia (Rajendram, 2014). For many years, India has participated in ASEAN Regional Forum (ARF), ASEAN Defense Minister Meeting Plus (ADMM+) and also ASEAN-India Annual Summit and the East Asia Summit (EAS) which marked India's connection with Southeast Asia (Symbiosis Institute of International Studies, 2014).

Look East policy contributed to India's economic growth, thus the policy expanded involving multilateral and bilateral level, economic orientation and defense relation. India's trade with North and Southeast Asia overlapped the trade of the United states and the European Union. For instance, the development of trade in India and China in 2003-2004 was roughly \$US7 billion. However, China has become India's top trading partner more than 10 years and bilateral trading has climbed to \$US65 billion in 2013-2014 (BBC, June 3rd 2014). Moreover, increasing trade activity with ASEAN such as signing ASEAN-India Free Trade Agreement with ten members of ASEAN made it more significant to

achieve Indian ambitions. Overall, Look East Foreign Policy was New Delhi's strategic long-term policy to open up its economy and trade in Southeast Asia.

Many achievements and recognition gained by India through Look East Policy with ASEAN, China as well as Japan. For example, India and China bilateral relationship that became broader and dynamic, even if the relation was not always in a good condition. This was mostly because of China's expansionist action. In fact, India still managed to do trade activity and to avoid rivalry with China. In September 2014, Sushma Swaraj, Indian Minister of External Affairs made it clear to promote One India policy to reaffirm India's position in Southeast Asia, while trying to balance economic relationship with China (Bagchi, "India Talks Tough on One-China Policy, Says Reaffirm OneIndia Policy First, 2014). As China Prime Minister Xi Jinping visited India, Modi raised issue about competitive and cooperative relationship with China. On the other hand, China was still in his invasion state to India's troops.

India was trying to dominate South Asia region, the country got geographic advantage such as India is the center of South Asia with India land and maritime border, for non-Indian state access the must cross Indian territory. India has been looking influence in Southeast Asian countries, but now, India has managed to rebuild relation with its neighbors in South Asia except for Pakistan. This is because they had freezing relations that India was not active in regional agenda. Additionally, India has done some agreements with Bhutan, Bangladesh, and Nepal to achieve multilateral agreement among South Asian member countries (Jena, 2012).

After Prime Minister Modi was elected on May 2014, he planned a greater chance for India in as a global power country not only in Southeast Asia but also in Asia Pacific countries. Modi Government has expressed intention to focus on relation with India's South Asia neighbors and focus on regional stability to pursue a greater goal. Therefore, India's foreign policy would be more focus on eastward and did not only focus in ASEAN countries. This foreign policy was called Act East. The policy was launched by Indian Government at the East Asia and India-Association of Southeast Asian Nations (ASEAN) summit at Nay Pyi Taw, Myanmar. Generally, Act East Foreign Policy main goals were to revitalize and to refresh India's relations with ASEAN. However, the main point of the new foreign policy was expanding country's connection to neighboring countries like Bangladesh and Pacific Island countries including Korea, Australia and to the far extent New Zealand (Ashokk, 2016).

Because of the Act East policy, India was active on dispute resolution with neighborhood countries such as Bangladesh. This country became India's priority on bilateral strategic partnership. Even if there were some issues that remained unsolved between India and Bangladesh, but the country was attempting to resolve them. It was proven when Bangladeshi Prime Minister Sheikh Hasina visited India as a response to India's desire to strengthen ties. One of the pillar relationships was economic engagement in which India provided credit of US\$4.5 billion to implement project in Bangladesh to improve its economic growth. This was aimed at establishing a new railway passage that would boost

regional connectivity in North-Eastern Region to Southeast Asia (Padmaja, 2017).

Another example on how India implemented the Act East agenda, making an old and un-intense relation become active and realistic, was the India-Nepal Joint Commission which has remained frozen for 23 years into a bilateral realization by also inviting President of Sri Lanka to work together (Jayshi & Haidar, 2014). Overall, India has strengthened collaboration with Association of Southeast Asia Nations (ASEAN) and South Asia by implementing Look Asia Policy and by recently using Act Asia Policy. Nevertheless, this was not a popular bilateral relation. In 2015, however India also ahead a positive relation with another country i.e. Mongolia. Prime Minister Modi visited Mongolia working on strengthening economic relations that historically they shared strong cultural ties (Bagchi, Modi to be first Indian PM to visit Mongolia, 2015).

Recently, China was believed to have rapid growing exports to countries of Asia-Pacific generated from rapid growth of imports by China from other Asia Pacific countries like Australia and South Asia. On the other hand, China emerged as world power proving to the declining western hegemony. China's growing military and manufacture could be counted as a thread for India. The rising power of China influenced India's political and economic action recalling that India was defeated by China in 1962 war that motivated India to have stronger military power, this was then seen as Nehru's first approach in developing military power (Guha, 2008).

The latest news, Beijing's Military power managed its naval facilities in the littoral of The Indian

Ocean through a “string pearls” strategy by building ports in Pakistan, Sri Lanka and Bangladesh (Mohan, 2014). Moreover, China had an issue with India concerning China’s exploitation on oil, gas and fishery in South China Sea. In fact, these actions including expanding interests and military capabilities were perceived by India as a potential force and strategic competitions. This also generated conflict within Indo-Pacific creating security challenge that could lead to a major conflict. Especially in the India Ocean, China was trying to protect its energy supply as well as maintaining national pride. For instance, China must keep the transportation of energy supplies and other sources from Middle East and Africa covering Bab El Mandeb, Hormuz and Malacca Strait that lead to Chinese maritime power in the form of naval and submarine presence operated nearby Indian Ocean. Additionally, China intended to become major Asian Power in the Indian Ocean as mentioned in 2014 Blue Book of annual report stating China that was looking for maritime line in the international order (Shah, 2016) .

According to China’s Cabinet, China would regularly prioritize national security as well as national interest. This was done by maintaining world peace and promoting development national forces and defense. They would continue to actively participate in international security cooperation, mutual trust beneficial cooperation (Peng, 2013). The statement from The Information Office of The State Council as follows:

With the gradual integration of China's economy into the world economic system, overseas interests have become an integral component of China's national

interests. Security issues are increasingly prominent, involving overseas energy and resources, strategic sea lines of communication (SLOCs), and Chinese nationals and legal persons overseas. Vessel protection at sea, evacuation of Chinese nationals overseas, and emergency rescue have become important ways and means for the PLA to safeguard national interests and fulfill China's international obligation (China, 2013).

By linking China with Asia Pacific coastal area, this further proved that this action was China's effort to strengthen its position in regions dominated by India. China also made advanced relationship with Sri Lanka, Bangladesh, Myanmar and even invested facilities with Pakistan having conflict with India's government (Jakobson, 2015).

The writer is trying to emphasize the fact that India changes its foreign policy from "Look East" Foreign Policy to "Act East" Foreign Policy. Look East Policy was initiated in 1991 by Prime Minister Narasimha Rao whose main goal was providing economic reform for India by engaging deeper relation with Southeast Asian countries. There were some events leading India to strengthen ties with ASEAN. First, the collapse of the Soviet Union opened economic opportunity for India since the country's ideal was non-aligned stance. Second, China encouraged India to reach Southeast Asia market. India also wanted to develop and stabilize Northeastern states that were still in the midst of conflict. The last factor was The Gulf Crisis that drained energy sources. With the Northeastern region filled with armed rebellions and the law and order challenge, the implementation of developmental projects was a hard

task. Then, India made relation with more attractive and stable countries such as countries in Southeast Asia and to the far extent South Korea, Japan, Australia and New Zealand.

After India gained recognition and achievement in global politics, India decided to change its foreign policy to “Act East” Foreign Policy. This policy was initiated by Prime Minister Narendra Modi in 2014, the main goal was to rebuild relationship with India neighborhood countries in South Asia and also Pacific Ocean countries and also united ASEAN countries with North Asia countries through energy and transportation project. In general, India was trying to rise its maritime security in India Ocean because India Ocean played major role in India economic activity through bilateral or multilateral format. India was officially inviting Sri Lanka, Nepal, Bangladesh and Fiji to conduct bilateral relation for the purpose of mutual benefit. India was also trying to strengthen ties with Southeast Asia, Australia and New Zealand by conducting several projects and cooperation.

B. Research Question

Based on the above explanation, the author would propose a research question as follows:

Why did India change its Foreign Policy from Look East Policy to Act East Policy to face China’s strategic expansion in 2014?

C. Purpose of the Research

This research was conducted with an expectation that it would be able to identify an important factor which inspired the policy changes of India Government,

especially in Foreign Policy changing. The author also hopes this undergraduate thesis becomes a new source of knowledge in South Asia studies.

D. Theoretical Framework

In order to answer the research question, the use of theoretical framework was important and obligated. In the study of International Relation, there would be various approaches and understanding related to a particular phenomenon. Thus, every international relations research needed to use theoretical framework in order to choose available data and facts whether they were significant or not. The theory would be a tool for this undergraduate thesis to be analyzed and managed into a certain category providing ease to the reader to understand this particular topic.

1. Hegemonic Stability Theory

Hegemonic Stability is a theory in International relation rooted in political science, economics and history for the past 150 years. Through the year, Hegemonic Stability Theory has been developed by several scholars, such as Charles Kindleberger, Robert Gilpin, Robert Keohane, Stephen Krasner, Abrami Fimo Kenneth Organksi and George Modelski. An important statement by Robert Keohane is that world politics is typically created by a single dominant power to remain stable by hegemon. According to Charles P. Kiendleberger, there has to be one stabilizer for world economy in order to maintain order of hegemony (Kindleberger, 1978).

Hegemony is defined as a situation in which one actor is powerful enough to maintain the important rules of governing states relation and is willing to rule in

economy and politic (Keohane & Nye, 1972). The implementation of Hegemonic Stability Theory can be achieved only when there is one main actor to claim the international system to remain stable. all means that the theory of hegemonic stability defines hegemony as great number of important sources. The sources are raw materials, sources of capital, sources of market and competitiveness in the production of valued goods. The importance of controlling sources is one actor has reasoning for territorial expansion and influence on major events (Keohane R. O., 1984).

Hegemonic stability Theory, has proven its point related to the development of China since 1979influencing directly to the world economy. China is aiming its strategic openness in Indian Ocean especially in relation to maritime through building naval projects and building on economic and political influence that significantly increase the country's strategic position on regional level. The action of Beijing seems to be committed and revolved along with infrastructure development and international cooperation globally and regionally (Sattris, 2015). For instance, China develops strong bilateral trade and cooperation with South Asia country which is Pakistan. This cooperation is called The China-Pakistan Economic Corridor (CPEC) (Sial, 2016). This long-term agreement raises concern upon the stability of major power country in South Asia which is India. Most significantly, China's base is located in strategic coastal area and port development project as Hambantota and Colombo in Sri Lanka, Gwadar in Pakistan, Chittagong in Bangladesh and Kyaukpyu in Myanmar (Chaudhury, 2017). The actions taken by China have proved its willingness to build international

trade and peace. The country's regional strategy will challenge superpower hegemony in important domain

2. Securitization Theory

According to Barry Buzan securitization theory is basically open for anyone to make the securitizing move. In reality the most common securitizing actors are political leader, bureaucracies, governments, lobbyists and pressure group, and things having legitimate in claim at structuring international politics. (Buzan, Waever, & Wilder, 1998). In this context, security means national security that indicates on authority, construction of threats and enemies. National security also includes the ability to make decision of emergency measure, then particular political forces by securitizing the condition of threats. Securitizing actor is defined as an actor who securitizes issues by declaring things that are seen to be practically threatened and have legitimate claim (Cambridge, 2009).

Then, securitization can be achieved by doing securitization option to open to every unit of relation that one actor have to make sure target of the securitization understand how important it is and needed to be improved, or else emergency mode is a case of securitization (Taureck, 2006).

As a securitizing actor, Prime Minister Modi has a firm effort to expand his strategic space and provide motivation for government to increase its rapid economic growth of the country. These motivations include, promoting economic, transportation and energy development to some South Asian coastal and small island around. This means India is willing to give support its neighborhood and deepen bilateral maritime security

in order to give motivation for some areas in India Ocean to practice India's policy. These projects are made to create bigger political space to compete with increasing influence and assertive approach from China. Thus, India would like to play more active role in counterbalancing China's hegemony for past years by implementing approach of the South Asia region for mutually beneficial engagements. According to Indian Home Ministry, the number of Chinese border dispute doubled from 2011 to 2012.

Additionally, India focuses on building economic and security relations with South Asian also deepening relation with Southeast Asia countries can be seen as balancing strategy in respond of China domination while attempting to do rivalry with China (Brewster, 2011). For India, coalitions of middle powers in Indo-Pacific including South Asian countries and Japan and Australia can be a strategy to handle China's influence and assertiveness. Even if India's neighborhood countries do not seem directly respond China's expansion and influence in Indian Ocean but the countries are recipients of ongoing regional security relation. The policy is then used as a tool to help Indian government to practice securitization, by balancing the rising power of China. Also, Indian government expands the roles in the security aspect of India Ocean.

E. Argument of Research

This undergraduate thesis generated a research argumentation to answer the research question. A research argumentation can be interpreted as a first notion of a certain issue. The writer decided that the research argumentations of this undergraduate thesis are,

first, India changed its foreign policy from “Look East” to “Act East” in 2014 to secure India Ocean countries by rebuilding relationship in South Asian. Second, China is pursuing hegemonic stability in South Asian countries and Indian Ocean through developing mutual relationship using military expansion for the purpose of economy success creating threat for India.

F. Method of Research

The method used to accomplish the research was a qualitative method. In writing this undergraduate thesis, the author used library research as the data were collected from data gathering techniques from books, journals, news, websites, as well as other electronic data that can support the research. There were three steps of doing qualitative method namely: data collection, data categorization and analysis.

G. Scope of Research

The writer decided to limit the time scope of this study which was around 2014 when Prime Minister Modi was re-elected and he declared new India’s Foreign Policy.

H. Structure of Writing

This research would use outline as follows:

Chapter 1

This chapter describes background of the issue, research question, purpose of research, theoretical framework, hypothesis, method of research, range of research and structure of writing.

Chapter 2

This chapter explains about progress and dynamic of India foreign policy

Chapter 3

This chapter analyzes about China strategies in India Ocean littoral countries and Asia.

Chapter 4

This chapter gives explanation about India Act East Foreign Policy

Chapter 5

This chapter concludes the entire undergraduate thesis and explanations in the previous chapters.