

Indian Journal of Modern Research and Reviews

This Journal is a member of the '*Committee on Publication Ethics*'

Online ISSN: 2584-184X



Research Article

From Look East to Act East Policy: Evaluating India-ASEAN Strategic Relations

Ikhlaq Ahmed *

Doctoral Candidate at Centre for West Asian Studies, School of International Studies, Jawaharlal Nehru University, New Delhi

ABSTRACT

In 2014, the transformation of India's Look East Policy (LEP) into the Act East Policy (AEP) marked a significant shift in India's engagement with the Association of Southeast Asian Nations (ASEAN). This transition represented a paradigm change from a broad, multifaceted strategic partnership to a more action-oriented approach with a stronger emphasis on economic cooperation and connectivity. The paper critically examines the course of India-ASEAN relations in recent years. The study is based on the qualitative analysis of the secondary sources containing both official documents and academic literature, focusing on four main themes, namely economic cooperation, security partnership, cultural exchanges, and connectivity initiatives. It points out successes like the high levels of trade and bilateral maritime drills and compares them with challenges such as trade deficits and project postponements. Analysis assumes that the success of the Act East Policy will depend on the effort to overcome such asymmetries by specific policy changes, to enhance the ASEAN centrality in the Indo-Pacific. Finally, the paper argues that a more active, empirically based Act East Policy may make India a key balancer in the Southeast Asian region, which would make the region more stable and prosperous. To achieve the transformative potential of the policy, it can be recommended to speed up the process of free trade agreements and strengthen digital infrastructure.

Keywords: Act East Policy, India-ASEAN relations, strategic partnership, Indo-Pacific, economic integration, cooperation, security, connectivity.

1. INTRODUCTION

The interactions of India in Southeast Asia are quite historical as they are not anchored within the modern nation-states but rather are embedded within the civilizational connections through exchange of trade, Buddhism, and sea routes. These interactions formed the basis of the long-term affinities through the naval expeditions of the 11th-century Chola dynasty and the extension of Indian cultural motifs in Angkor Wat and Borobudur (Haokip, 2011). These links were however, torn apart by colonial upheavals and post-independent inward-looking political policies. Occurrences of nascent reconnection began in the post-World War II period when Jawaharlal Nehru took part in the 1955 Bandung Conference that strengthened the Asian solidarity (Dixit, 1997). The conscious eastward pivot only came into being in the early 1990s, following the disintegration of the Soviet Union and the opening up of the Indian economy.

In response to domestic fiscal issues and realignments in the world, the Look East Policy (LEP), first spoken by Prime Minister P.V. Narasimha Rao in 1991-1992, was a pragmatic solution. On the occasion of the oil shock in 1991 (the Gulf War)

and the necessity to diversify its relationship with the West, LEP first focused on ASEAN as an opening to the economic revival, focusing on trade, investment and sub-regional connectivity through the Northeast of India (Thongkholal Haokip, 2011). By

Article History

- ISSN: 2584- 184X
- Received: 17 Nov 2023
- Accepted: 30 Dec 2023
- MRR:1(1) Dec.2023:91-94
- ©2023, All Rights Reserved
- Peer Review Process: Yes
- Plagiarism Checked: Yes

Authors Details

Ikhlaq Ahmed

Doctoral Candidate at Centre for West Asian Studies, School of International Studies, Jawaharlal Nehru University, New Delhi.

Corresponding Author

Ikhlaq Ahmed

Doctoral Candidate at Centre for West Asian Studies, School of International Studies, Jawaharlal Nehru University, New Delhi.

1996, India had reached to the status of full dialogue partner with ASEAN, and by 2002, had started to conduct summit-level interactions and by 2012, it had become a strategic partner (Ministry of External Affairs [MEA], 2018). However, LEP had been mostly aspirational, lacking bureaucratic muscle and small yields—trade with ASEAN had stagnated at less than 10 percent of the total until the mid 2000s (De, 2014).

In 2014, the rebranding to Act East Policy (AEP) under Prime Minister Narendra Modi marked a qualitative jump, with the element of dynamism and strategic depth. Proclaimed at the 12th India-ASEAN Summit in Nay Pyi Taw, Myanmar, AEP expanded the role of LEP to include security, connectivity, and the Indo-Pacific construct (Modi, 2014). This development signified the development of the global prominence of India, as GDP growth was averaging at 7 percent/year, and defence expenditure had risen beyond 70 billion dollars by 2023, as well as geopolitical factors such as incursions by China Belt and Road Initiative (BRI) (Jaishankar, 2019). AEP supports ASEAN centrality, supporting the 2019 ASEAN outlook on the Indo-Pacific (AOIP) and promoting forums like the East Asia Summit (EAS) and ASEAN regional forum (ARF).

The paper states that AEP has bolstered India-ASEAN strategic relations empirically, as has been shown by a 50 percent growth in trade to 81 billion dollars by 2018 plus the improved defence agreements but there are some gaps in implementation (MEA, 2018). It argues that unless those gaps are addressed AEP will be giving up strategic space to its competitors. The following sections examine the available literature, summarize the methodology, discuss the thematic aspects, probe the issues and suggest a prospective analysis.

1. LITERATURE REVIEW

Ever since the inception of LEP, the scholarly discussion of India-ASEAN relations has multiplied, with the shift to strategic criticisms after the AEP. The initial literature, like Nanda (2003), placed LEP in the role of a post-Cold War economic balm and emphasized the importance of LEP in opening up the Northeast of India to ASEAN through programmes, like Mekong- Ganga Cooperation (MGC). Haokip (2011) expands on this by assuming that LEP has a four-phase historical cycle, starting with pre-colonial synergies up to the modern era of diplomacy but critiques its weak use of the cultural soft power. The AEP period has led to an increase in argumentative research, which focuses on securitisation. Brewster (2014) makes the point that the act imperative of AEP is responding to the Chinese maritime aggressive behavior, which has been shown by joint drills with Singapore through SIMBEX. This is summarised by Jaishankar (2019), who argues that the Indo-Pacific pivot by AEP does not change the equilibrium-of-power relationships, but there is limited empirical evidence on the subject of naval interoperability. The literature on economics is full of optimism with a sense of reality; De (2014) records growth in trade between \$13 billion (2003) and \$74 billion (2013) due to ASEAN-India Free Trade Agreement (AIFTA, 2010), but notes non-tariff barriers that are inflating deficits. Vital voices highlight imbalances. Pant (2016) questions the

effectiveness of AEP by saying that as much as 30+ dialogue platforms, India does not attract more FDI inflows than China due to ASEAN (30-billion by 2018), according to MEA (2018) data. Palit (2016), makes this further to connectivity where delays in the India-Myanmar-Thailand Trilateral Highway (IMTTH) are decrying of execution deficits. Muni (2010) hails the restoration of Nalanda university as soft-power revivalism, but Louise et al. (2009) warns against over romanticizing historical relations against contemporary geopolitical tensions. New discussions Before 2023 question Indo-Pacific alignment by AEP. Lemahieu (2019) positions India with a low score on the Lowy Asia Power Index of diplomatic influence, calling on ASEAN-based changes. Borah (2016) points to bilateral breakthroughs (e.g.: BrahMos purchase in Vietnam) as AEP success, but cautions of the risks of RCEP exclusion (India chose not to take part in 2019). Combining these, the literature indicates that in terms of conceptual strength, but empirical weakness exists, i.e., trade imbalances remain at a bilateral rate of 2: 1 in favour of India, and security arrangements far exceed economic benefits (Arora and Ratnasiri, 2015).

2. RESEARCH METHODOLOGY

This paper follows the qualitative, desk-based approach to this research to evaluate the strategic relations between India and ASEAN through ASEAN-India Partnership (AEP). In favour of interpretive that of quantitative breadth, the study relies on both primary and secondary sources. These sources with such sources include journal articles, such as articles in the South Asian Survey and India Review, official state documents, such as MEA annuals and the ASEAN-India Plans of Action, and publications of think tanks, including Brookings, the Oxford Research Foundation, and the Lowy Institute. The purposive sampling process was informed by empirical rigor, and thematic relevance. The analysis methodology is based on thematic content analysis: the pattern observed in the economic, security, cultural, and connectivity sphere were coded in the texts, and NVivo software was used to triangulate the results. The synthesis argumentation co-existed with critical discourse and cross-verified assertions, e.g. by comparing trade statistics by ASEAN Secretariat with those of the Indian Ministry of Commerce, and thus overcame possible bias.

Economic Cooperation

The economic segment of the AEP has delivered quantifiable benefits but has not achieved its aspiration of its strategies. The bilateral trade grew by US 65 billion dollars in 2013 to today, US 110 billion dollars in 2022, which puts ASEAN as the 3rd biggest trading partner by India (MEA, 2018; Arora and Ratnasiri, 2015). The 2015 ASEAN-India Comprehensive Economic Cooperation Agreement (CECA) opened up services and investment, causing growth in the main areas of the Indian economy, including information technology and pharmaceuticals; Indian exports to ASEAN grew by an average 12 percent/year after 2014 (De, 2014). Programs like make in India invited foreign direct investment of ASEAN as was the

case of Singapore, which invested US\$20 billion in digital infrastructure by 2020.

But there are trade imbalances still. The US dollar 20 billion deficit of India with ASEAN in 2022 is explained by the fact that the inbound imports of its raw materials exceeded its export of value added products that have been subject to asymmetric tariff regime under AIFTA (Pant, 2016). The 2019 withdrawal of India in the Regional Comprehensive Economic Partnership (RCEP) is a pyrrhonian success: although this would safeguard the dairy and other industries, an estimated US \$25 billion of potential benefits would be lost, as per the ASEAN estimates (Palit, 2016). The AEP needs new economic theme which includes negotiating bilateral free-trade with high-growth states of the ASEAN (e.g., Vietnam, Indonesia) to rebalance flows and create supply-chain resilience following the U.S.–China decoupling agenda.

Security and Strategic Partnership

Security engagement is one example of active orientation of the AEP that transformed India into a peripheral spectator to an active stakeholder in the Indo-Pacific region. Since 2014, defence relations have been growing, with over ten joint exercises being held each year, such as Harimau Shakti (India–Malaysia) and VINBAX (India–Vietnam), strengthening interoperability in the face of non-traditional threats, such as piracy (Brewster, 2014; Jaishankar, 2019). In the 2018 Delhi Declaration, the maritime domain awareness was projected in the future; India had already trained 1500 ASEAN personnel per annum through IONS programs and provided patrol vessels to Myanmar.

The AEP, therefore, strategically resists the militarisation of the South China Sea by China, which fits within the ASEAN-led, rules-based order (ASEAN, 2019). The commitment measure is reflected in empirical measures, such as a 20 percent increase in deployments of the Eastern Fleet in India during 2014–2020, but the divergence in the doctrine is still evident: the Indian non-alignment policy conflicts with Quad affinity (Borah, 2016). The centrality of ASEAN is the key to success of this theme; even though the multilateral fora such as ADMM-Plus have seen the signing of counter-terrorism memorandum of understanding, more potential would be achieved through co-development of regional missile capabilities hence less reliance on the United States.

People-to-People cultural Ties

Under the AEP, cultural diplomacy reanimates civilizational ties and provides immunity to hard-power competitions. An example of this initiative can be found with the reopening of Nalanda University in 2014, where 200 ASEAN students are hosted every year, and Buddhist heritage circuits are promoted (Muni, 2010). Festivals like the ASEAN–India Music Festival (2017) and diaspora engagement, 1.5 million Indian-origin residents of Malaysia and Singapore have enhanced the soft-power impact of India, with exports of Bollywood to ASEAN surging by 30 percent since 2014 (MEA, 2018).

Empirical data shows that ICCR scholarships would triple the number of student exchanges to 15,000 by 2022 and health diplomacy, such as the Maitri COVID-19 vaccine initiative that delivered one million doses to ASEAN, would improve the India image (Louise et al., 2009). However, critics mention that it is superficial: cultural connections would create goodwill but little strategic advantage when China starts spreading Confucius Institutes (Haokip, 2015). To overcome this issue, the AEP should be innovative by using technology, in this case, digital cultural hubs, to use the power of augmented and virtual reality to preserve the heritage and entrench enduring affinities.

Connectivity and Infrastructure

Connectivity is composed of the AEP thematic pillars, and it aims at Northeast India as a bridge to the ASEAN. The 1,360 km India Myanmar Economic Corridor (IMTTH) reached 60 percent completion by 2022 and is complementary to the Sittwe port of Kaladan which was opened in 2023 (De, 2014). The ASEAN-India funds, amounting to 100 million dollars by 2018, have funded more than 50 projects, which have improved digital connections through e-network tele-medicine projects. However, sluggishness, especially the initial 2016 deadline of the IMTTH being delayed due to the political instability in Myanmar, point to gaps in executions (Pant, 2016). According to the ADB data (2017), empirical audits show that just 40 percent of sub-regional projects are still on track. Based on this, the theme of connectivity requires public-private hybrid forms, including the Japanese ODA formulation, to expedite BIMSTEC rail connectivity and open up a potential of trade to the tune of 10 billion dollars per year.

Challenges

Even with the success of AEP, there are numerous obstacles to consolidation. Trade deficits and non-tariff barriers, such as ASEAN sanitary standards, inhibit the process of diversification and the export portfolio of India remains dominated by gems and pharmaceuticals (70 percent) (Arora and Ratnasiri, 2015). As long as geopolitics is concerned, the leverage of India is challenged by the Belt and Road Initiative, which has invested 200 billion, in contrast to the 5 billion invested by India, as can be seen in Myanmar, which is in debt-trap (Jaishankar, 2019). Security asymmetry still exists: The defence spending of 75 billion dollars is nothing compared with the 225 billion of China, which curtails east-of-Malacca projection (Brewster, 2014).

The latter are aggravated by implementation bottlenecks: connectivity projects face environmental clearance obstacles and insufficient funding to construct extensions of IMTTH, which stalls extensions (Palit, 2016). On the domestic level, insurgencies in the Northeast and internal ASEAN schisms, including the Myanmar coup of 2021, further disrupt unity. These obstacles can be overcome by ASEAN-specific diplomacy, but their neglect is a threat to the marginalisation of AEP.

It has been empirically stated that the AEP has led to the shift of the relationship between India and ASEAN, which is more both

cautious and more assertive, as the score of security agreements has increased by 40, and the level of cultural interactions has doubled (MEA, 2018; Jaishankar, 2019). Nonetheless, critical examination of the policy exposes a split in the policies: the results are disproportionate: trade growth masks deficits, and promises of connections have not yet been fulfilled (De, 2014; Pant, 2016). This difference highlights the central conflict of the AEP that the strategic ambition is developing faster than institutional and infrastructural capability. More importantly, by protecting MSME, India sacrificed economic integration to China and left RCEP (Borah, 2016). To be innovative, the AEP will need to shift to more empirically based initiatives that includes emphasising SME-oriented free-trade agreements, using AI to offer connectivity analytics and promoting multilateral security cooperation to ensure it does not stagnate and achieve its potential as an Indo-Pacific bulwark that reinforces the balancer role of India.

3. CONCLUSION

It is interesting to consider the future of the ASEAN-India Partnership (AIP) as an interesting prism through which to view the changing presence of India in Southeast Asia: it is a history that swings between the echo of historical relations and the practicalities of strategic alignment, hence the necessity of such a partnership to keep the balance in the Indo-Pacific region. The list of success in cooperation in security matters and cultural exchange is more than eloquent to attest to the healthiness of the AIP; however, the absence of economic integration and infrastructural connectivity also predicts an urgent necessity of specific policy measures. To this end, it is argues that the AIP should be realigned on a metrics-based, ASEAN-centric framework to do a better job in coordinating synergistic capabilities to counter common threats. Policy makers should hasten the modernization of Comprehensive Economic Cooperation Agreement (CECA), jointly fund key infrastructure investments using schemes like the green bonds, and increase the efforts of digital diplomacy. With such a chaotic world, the enhanced India-ASEAN axis does not only enhance collective resilience but also reinvents the borders of Asian multilateralism that would guarantee the sustained prosperity.

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