

Forging a Powerful Indo-India Bond: Reinventing the Eastern Connection in Foreign Policy

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ARTICLE INFO

Keywords: Defence Diplomacy, Capacity Building, Foreign Policy, Political Dynamics

Received : 14, June

Revised : 28, June

Accepted: 29, July

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ABSTRACT

This research extensively examines the intricate and multifaceted aspects of India's foreign policy, with a specific emphasis on its dynamic involvements in Southeast Asia, East Asia, and Indonesia. Against the backdrop of India's abundant resources, diverse biodiversity, and rich cultural heritage, the study underscores the strategic broadening of India's participation across various dimensions—ranging from socio-economic initiatives to political collaborations and security endeavors—within this expansive and diverse region. The proclamation of the Act East Policy by Prime Minister Narendra Modi serves as a crucial element in this holistic approach. It embodies a strategic framework crafted to fortify India's relationships with countries in both East Asia and Southeast Asia. This policy reflects a deliberate and far-reaching strategy to enhance diplomatic, economic, and security ties, leveraging India's strengths against the intricate tapestry of opportunities and challenges present in the region. By delving into the various facets of India's diplomatic outreach, this study seeks to unravel the layers of complexity surrounding India's engagements in Southeast Asia, East Asia, and Indonesia. Its objective is to offer a nuanced understanding of the motivations, challenges, and outcomes associated with India's multifaceted foreign policy in this strategically significant and culturally diverse region.

INTRODUCTION

India, as a developing country, possesses significant diversity in terms of resources, abundant biodiversity that can be harnessed, and a rich social and cultural diversity. These factors provide India with great potential to expand its engagement in various socio-economic, political, and security dimensions with countries in Southeast Asia, East Asia, and the Pacific. These efforts were implemented during the ASEAN-India Summit held in 2014 in Nay Pyi Taw, Myanmar (Majumdar 2021). Prime Minister Narendra Modi of India announced the Act East Policy as a continuation of the previous Look East Policy. The Act East Policy was designed to enhance India's relations with countries in the East Asian region, particularly Southeast Asia, as well as countries in the Pacific region. In that year, Modi began implementing several policy changes under the Act East Policy aimed at strengthening India's bilateral and multilateral relations with countries in the Asia-Pacific region, covering various aspects including politics, economy, culture, and strategic interests.

The Act East Policy was intended to broaden India's engagement with the Southeast Asian region beyond its initial geographic focus, encompassing a wider range of East Asian countries and the Indo-Pacific region, and expanding previous economic interactions into strategic, political, cultural, and defense interactions (Parameswaran, 2014). For instance, the Act East Policy emphasizes the enhancement of trade and investment relations as a key focus in India's engagement with East Asia and Southeast Asia. The Act East Policy represents a comprehensive and proactive approach aimed at increasing India's engagement with countries in the eastern region and beyond. The shift in India's foreign policy reflects a strategic vision to harness the growing importance of the region and capitalize on emerging opportunities for mutual benefit (Modi, 2014).

Foreign policy analysis entails examining the interactions and practices of different actors within the global system, particularly states. The specific approach utilized in analyzing foreign policy may vary depending on the adopted perspective. Within the context of the enduringly relevant realist perspective, the primary emphasis remains on safeguarding national security values, including the pursuit of power equilibrium and the enhancement of military capabilities, as key factors shaping a country's foreign policy. Advocates of this perspective perceive the international system as a domain where states engage in competition to protect their interests and national security (Alden & Aran, 2016).

The liberal perspective in analyzing foreign policy highlights the significance of democracy, freedom, and human rights as essential elements in international relations. According to this viewpoint, multilateral cooperation and the involvement of international organizations are seen as effective tools for mitigating conflicts and fostering cooperation among nations. Liberalism also recognizes the importance of other aspects in foreign policy, such as free trade, public diplomacy, and the promotion of human rights. Advocates of this perspective argue that through broader cooperation and the advancement of

universal values, countries can achieve greater progress and stability on a global scale.

The analysis of foreign policy involves a multidisciplinary approach that draws contributions from various fields of study. This approach combines perspectives from economics, sociology, history, and political science to obtain a holistic understanding of the formation and implementation of foreign policy. In analyzing India's Foreign Policy, it is important to consider several aspects, namely security, stability, and prosperity. By employing diverse approaches, we can explore and deeply analyze the complexity of inter-state relations and the factors influencing the formulation of a country's foreign policy. This approach allows for intriguing and in-depth insights into the study of foreign policy, providing a richer understanding of political dynamics and international interactions among nations.

To analyze India's Foreign Policy, it is important to consider several aspects, namely security, stability, and prosperity. The security aspect involves India's efforts to safeguard its national security from both internal and external threats, including defense policies, regional security cooperation, and counterterrorism measures. The stability aspect focuses on India's role in maintaining regional and global stability through participation in regional and multilateral cooperation, peaceful conflict resolution, and fostering harmonious relations with neighboring countries.

Lastly, the prosperity aspect encompasses India's pursuit of sustainable economic growth and societal well-being, which includes trade and investment policies, economic cooperation, and addressing basic needs such as employment, education, healthcare, and poverty alleviation. By comprehensively considering these aspects, the analysis of India's Foreign Policy can provide insights into its goals, strategies, and the impact on promoting security, stability, and prosperity at the national, regional, and global levels. India considers Indonesia as one of its strategic partners and views it as a key player in its Look East Policy. With a shared maritime border and a goal of promoting progress, prosperity, stability, and territorial integrity, India sees Indonesia as a country with which it shares a positive relationship. There is potential for enhanced cooperation between India and Indonesia, especially considering that Indonesia is currently India's second-largest export market in ASEAN.

The two countries also collaborate in the realm of security, including officer training exchanges, joint border patrols, combating piracy in maritime waters, and counterterrorism efforts. The Defence Cooperation Agreement signed in 2001 serves as a benchmark for the sustained bilateral relationship, which has evolved into the Joint Defence Cooperation Committee (JDCC) aimed at exploring and identifying various areas of defense cooperation (Supriyanto, 2013). Indonesia and India have developed cooperation in the efforts to combat international terrorism through the signing of a Memorandum of Understanding (MoU) on Cooperation in Combating International Terrorism in 2004. In 2005, the first meeting of the Joint Working Group on Counter Terrorism was held, which agreed to enhance bilateral

cooperation through intelligence information exchange, capacity building, mutually beneficial legal cooperation, and increased maritime security.

In November 2005, Indonesia and India signed the New Strategic Partnership (NSP) agreement. Through this new strategic partnership, both countries committed to enhancing cooperation in various fields. The NSP emphasized closer coordination in diplomatic relations, increased economic relations particularly in trade and investment, greater technological cooperation, intensified cultural relations, collaboration in education, and the development of a stronger defense relationship. Through the NSP agreement, India and Indonesia strive to strengthen their bilateral ties and create a new strategic partnership that aligns with contemporary conditions. Both countries are committed to addressing long-term interests in their bilateral relationship and actively contributing to regional and global peace and stability.

THEORETICAL REVIEW

National Interest

The concept of national interest is a common and fundamental aspect of discussing the foreign relations between nations. It serves as a tool to explain a country's behavior and actions in the international arena. It encompasses the main motivations and justifications behind a country's foreign policy decisions. Understanding national interest allows researchers to analyze the factors, motivations, and reasons that drive a country's interactions and behavior with other nations.

The concept of national interest is widely utilized in the study of international relations to provide insights into the behavior and actions of states in the global context (Bakry, 2017). The preservation of defense and security is of utmost importance in safeguarding a nation's fundamental interests. A nation's ability to maintain a strong defense and security apparatus enables the support of its economic and foreign policies. A robust defense infrastructure instills a sense of confidence when engaging with other nations. Primary national interests encompass the protection of a country's identity and security, while secondary national interests involve more indirect factors. The presence of a strong defense and security foundation is vital in pursuing national interests and ensuring the continuity of a nation.

India

Rooted in realism, India's central focus revolves around securing its regional standing and upholding a balance of power. This is evident in the Act East Policy's concentration on defense interactions, joint patrols, and counterterrorism efforts with nations like Indonesia, aligning closely with realist principles prioritizing the protection of national security values. The competitive dynamics inherent in international relations, as emphasized by realism, are mirrored in India's strategic partnerships across Southeast Asia and the Pacific. Collaborations, particularly with Indonesia, can be analyzed within the context of competition for regional influence, highlighting India's pursuit of strategic interests in the broader Indo-Pacific region.

The bolstering of military capabilities, as demonstrated through defense cooperation agreements, emerges as a pivotal aspect in safeguarding India's national interests and asserting influence in the ever-evolving geopolitical landscape of the Indo-Pacific. Conversely, the liberal perspective contributes dimensions that stress democratic values, multilateral cooperation, and economic prosperity. India's engagement in the region, including collaborative efforts with Indonesia, underscores a commitment to democratic principles and the promotion of multilateral cooperation for mutual development and conflict resolution.

India's drive for economic growth and prosperity, as exemplified by trade and investment policies, seamlessly aligns with liberal principles, particularly the Act East Policy's focus on advancing trade relations with Southeast Asian nations, including Indonesia. This commitment underscores a dedication to free trade and fostering economic cooperation for shared prosperity.

Cultural diplomacy serves as another crucial facet of India's foreign policy, reflecting a commitment to liberal values. Initiatives like education collaborations and intensified cultural ties highlight India's efforts to cultivate understanding and cooperation beyond the realms of mere economics and politics. The synthesized theoretical framework captures the intricacies of India's national interest, harmonizing realist principles of security, competition, and military capabilities with liberal values such as democracy, economic cooperation, and cultural diplomacy. This holistic approach underscores India's strategic foresight in navigating the intricate dynamics of Southeast Asia, East Asia, and the Pacific.

Indonesia

Indonesia, as a prominent player in ASEAN and the Indo-Pacific, strategically pursues regional influence and contributes to the power balance. Engaging with India through the New Strategic Partnership (NSP) agreement and defense cooperation aligns seamlessly with Indonesia's aspirations for regional prominence and stability.

Complementing the realist perspective, the liberal stance in Indonesia's national interest is evident through diplomatic relations and multilateral cooperation. The NSP agreement underscores closer coordination in diplomatic relations and increased economic ties, reflecting Indonesia's commitment to fostering cooperation and understanding within the international community. Economic growth is a key component of Indonesia's national interest, demonstrated through engagements with India in trade and investment. As India's second-largest export market in ASEAN, Indonesia's commitment to free trade and economic cooperation exemplifies liberal principles aimed at achieving mutual economic benefits. Cultural and educational collaborations further emphasize Indonesia's dedication to liberal values. Initiatives such as intensified cultural ties and educational partnerships with India highlight Indonesia's endeavor to foster people-to-people connections and promote mutual understanding beyond economic and political realms.

Regional Security

The regional security perspective of India is significantly influenced by its relationships with China and the United States. The relations with these two major powers, along with their respective political-strategic and economic positions towards India, have an impact on India's strategic positioning. While China's efforts to assert dominance in India's neighborhood raise concerns, the United States, despite uncertainties under the Trump administration, is seen as a potential source of strategic depth for India in the region. India seeks understanding in order to address the dual challenges posed by an assertive China and a more self-focused United States.

This perspective is closely related to India's Act East Policy, which aims to enhance India's engagement with countries in the Asia-Pacific region, including Southeast Asia, East Asia, and the Pacific. By strengthening relationships and partnerships in the region, India seeks to respond to regional security dynamics and pursue its national interests in a rapidly evolving geopolitical landscape. These diplomatic efforts reflect the importance of India's Act East Policy in managing its relationship with China. In the context of this policy, India seeks to expand its engagement with Asia-Pacific countries, including China, through mutually beneficial economic, political, and security cooperation. The goal is to create a framework that promotes dialogue, mutual understanding, and peaceful resolution of any differences that may arise between the two countries(Mishra,2019).

Foreign Policy

India embraced a policy of non-alignment in its foreign affairs after gaining independence in 1947. This non-aligned approach is evident in India's efforts to foster cooperation with Asian nations through the Asian Relations Conference in 1947. India actively participated in the Bandung Conference of 1955, which aimed to garner support from Asian and African countries seeking to avoid alignment with either of the Cold War superpowers.

By 1961, India had emerged as a founding member of the Non-Aligned Movement, reaffirming its commitment to remain unaligned with any specific power bloc and to retain its autonomy in foreign policy decision-making(Kugiel, 2017). In 1962, India's non-aligned policy started to weaken as the government sought military assistance from the United States during its conflict with China. However, China emerged victorious, resulting in India losing the Aksai Chin region.

India's non-aligned stance faced further challenges when the Indira Gandhi administration forged closer ties with the Soviet Union in 1971, partly in response to U.S. officials' visits to China in 1971 and the U.S. President's visit to China in 1972. Nevertheless, by 1976, India and China had normalized their relations, and India shifted its focus towards enhancing its relationships with neighboring countries, particularly after the Soviet invasion of Afghanistan in 1979.

In 1985, India became involved in the establishment of SAARC, which includes South Asian countries. In the 1990s, India shifted its focus to the East and Southeast Asian regions to address domestic economic challenges and enhance relations with countries in those regions. In 1992, India became a sectoral dialogue partner of ASEAN, and in 1996, they became a full member of the ASEAN Regional Forum (ARF), strengthening India's position in the Asia-Pacific region (Michael & Michael, 2013). ARF membership allowed India to have an equal footing with other major powers in the forum. The Indian government also utilized its ARF membership to maintain relations with ASEAN countries following India's nuclear weapon tests in 1998.

METHODOLOGY

This research will use a qualitative approach to understand the dynamics of India's foreign policy. This approach involves in-depth analyses of policy documents, official speeches, government reports, as well as interviews with experts and practitioners in the field of foreign policy.

RESULTS AND DISCUSSION

The Case Study

The case study on Indo-India's Eastern Connection in foreign policy illustrates the strong relationship between India and countries in Southeast and East Asia. Through the implementation of the "Look East Policy," which has now transformed into the "Act East Policy," and concrete actions such as increasing trade, investment, cultural exchanges, and security cooperation, India has bolstered its strategic ties with the Eastern region. This case study provides an overview of India's endeavors to forge robust relationships with countries in the region and examines the resulting implications for the political and economic dynamics in that area.

In 1992, India introduced the Look East Policy to enhance bilateral relations with Southeast Asian nations through ASEAN. The progress has been notable, with trade, investment, and tourism witnessing significant growth in the bilateral relations between India and ASEAN. This partnership further evolved into a Sectoral Dialogue Partnership in March 1993. During a meeting held in New Delhi on March 16-17, 1993, policymakers from India and ASEAN convened to identify specific collaborative aspects across various sectors, and the outcomes of these discussions shaped the subsequent initiatives.

The Sectoral Dialogue Partnership progressed successfully for two years and subsequently evolved into a Full Dialogue Partnership at the Fifth ASEAN Summit in Bangkok in 1995. India's attainment of Full Dialogue Partnership was a significant milestone for the country within the ASEAN forum, positioning it alongside other regional frameworks such as the Asia-Pacific Economic Cooperation (APEC) and the Asia-Europe Meeting (ASEM) (Haokip, 2011). India has developed a strategic partnership with ASEAN countries and has achieved significant momentum through the introduction of the Act East Policy in 2014. Through this policy, India aims to enhance its engagement with

ASEAN member states, both through bilateral and multilateral relationships. The Act East Policy primarily focuses on connectivity, trade, and cultural exchange as key areas to strengthen integration between India and ASEAN (Yen, 2017). The strategic partnership between India and ASEAN has made significant progress, marked by the achievement of Full Dialogue Partnership at the 5th ASEAN Summit in Bangkok in 1995. This achievement positions India alongside other regional frameworks such as APEC and ASEM. To strengthen its engagement, India introduced the Act East Policy in 2014, which focuses on connectivity, trade, and cultural exchange. However, India still faces economic challenges in competing with China's dominant position in the trade sector. The difference can be seen in the export and import values between China, India, and ASEAN countries. China remains at the top rank after ASEAN countries in terms of exports and imports. In 2014, India ranked 10th as an export market for ASEAN countries, while it did not make it to the top 10 in terms of imports. In 2015, India climbed to the 7th rank as an export market for ASEAN, but remained at the 10th rank as an importer from ASEAN. Despite these economic challenges, India remains committed to strengthening its relationship with ASEAN and leveraging its strategic partnership for mutual growth and development.

Table 21
Top ten export markets and import origins, 2014
as of 21 Dec 2015

ASEAN Statistics

value in US\$ million; share in percent

Export market			Import origin		
Country of destination ^{1/}	Value of exports	Share to total	Country of origin ^{1/}	Value of imports	Share to total
ASEAN	329,642.1	25.5	ASEAN	278,564.9	22.5
China (People's Republic of)	150,406.6	11.6	China (People's Republic of)	216,119.4	17.5
EU-28	132,484.0	10.3	EU-28	115,823.6	9.4
Japan	120,224.1	9.3	Japan	108,817.7	8.8
United states	122,374.7	9.5	United states	90,053.9	7.3
Korea, Republic of	51,624.2	4.0	Korea, Republic of	79,814.8	6.5
Taiwan	39,472.1	3.1	Taiwan	68,841.4	5.6
Hong Kong	85,275.4	6.6	Saudi Arabia	36,528.2	3.0
Australia	45,344.6	3.5	United Arab Emirates	36,115.4	2.9
India	43,325.8	3.4	Australia	25,028.5	2.0
Total top ten destination countries	1,120,173.6	86.7	Total top ten origin countries	1,055,707.8	85.4
Others ^{2/}	172,226.1	13.3	Others ^{2/}	180,508.3	14.6
Total	1,292,399.7	100.0	Total	1,236,216.2	100.0

Source: ASEAN Merchandise Trade Statistics Database (compiled/computed from data submission, publications and/or websites of ASEAN Member States' national ASEAN Free Trade Area (AFTA) units, national statistics offices, customs departments/agencies, or central banks)

Notes

Some figures may not sum up to totals due to rounding off errors.
^{1/} Identified/ranked based on share of total ASEAN exports/imports
^{2/} Includes trade of all other countries and those that could not be attributed to specific countries

Figures I. Top Ten Export Markets and Import Origins

Since the announcement of the Act East Policy in 2014, the Indian government has strengthened its relations with Asia-Pacific countries and actively engaged in regional forums such as the East Asia Summit, ASEAN Regional Forum, and others. They have sought to enhance strategic partnerships with countries like Indonesia, Malaysia, Vietnam, Japan, Australia, Singapore, and South Korea. India also participates in international organizations such as ASEAN, BIMSTEC, ACD, MGC, and IORA. The objective is to expand economic, political, and security cooperation networks in the Asia-Pacific region and play an active role in a more balanced and inclusive world order.

The Indian government has been actively improving connectivity in their northeastern region. This includes sectors such as trade, culture, people-to-people relations, and physical infrastructure. Projects like the Kaladan Multi-Modal Transit Transport, India-Myanmar-Thailand Trilateral Highway, Rhi-Tiddim Road, and Border Haats have been launched. The aim is to strengthen trade, develop road, airport, power, and telecommunications infrastructure, as well as foster social and cultural ties between India and its neighboring countries in the northeastern region.

After the adoption of the ASEAN-India Plan of Action for the period 2016-2020 on August 5, 2015, the relationship between the Indian government and ASEAN became more defined. This action plan sets priorities and measures to enhance political-security, economic, and socio-cultural cooperation between both sides. The goal is to realize the potential of a mutually beneficial strategic partnership in various fields (Akbar & Nuraeni, 2023). This action plan also outlines the collaborative efforts between India and ASEAN to support the development and integration process of the ASEAN Community after 2015. The objective is to achieve political cohesion, an integrated economy, reduced development gaps, enhanced connectivity within the ASEAN region, and the establishment of an ASEAN that is rule-based, people-oriented, socially responsible, and centered around its people. Both ASEAN and India are committed to conducting their cooperation in accordance with international law and the respective laws, regulations, and domestic policies of the participating countries.

The action plan encompasses seven pillars, including political-security cooperation, economic cooperation, socio-cultural cooperation, initiatives for ASEAN integration and narrowing development gaps, connectivity, strengthening the ASEAN Secretariat, and mechanisms for implementation. The Indian government has achieved success in implementing the Act East policy through effective diplomatic initiatives aimed at ASEAN. This includes the establishment of the Indian embassy in Jakarta in 2013, which serves as a coordination hub for India's diplomatic activities in the region. Additionally, the government has organized the India-Pacific Islands Cooperation (FIPIC) forum in Fiji in November 2014, further strengthening India's engagement with the Asia-Pacific region. Furthermore, Indian leaders, notably Narendra Modi, have made numerous official visits to countries in the region, totaling 25 visits to 12 countries between 2014 and 2018. These efforts highlight India's commitment to enhancing its relations and partnerships in the Asia-Pacific region (Muni & Mishra, 2019).

This article will discuss about how does Indonesia's response to AUKUS reflect its desire to maintain its neutrality? and how does Indonesia's response to AUKUS reflect its concerns about the growing militarization of the Indo-Pacific region?

The Analysis

India's adoption and implementation of the Act East Policy are driven by two main goals: firstly, to enhance the economic and social conditions of the

Northeastern region of India, and secondly, to strengthen political relationships, foster regional economic and security cooperation, and promote trade integration with countries in Southeast Asia, East Asia, and the Pacific region. The Northeastern region of India holds increasing significance within this policy due to its geographical proximity and historical and cultural ties with Southeast Asia.

Since the introduction of the Look East Policy, India has made notable advancements across various domains. It acquired the status of ASEAN Dialogue Partner in 1996 and Summit-level Partner in 2002. Subsequently, in 2012, this status was elevated to a Strategic Partnership that encompasses investment, trade, tourism, science, and technology. Regional trade agreements, such as the India-Singapore Comprehensive Economic Cooperation Agreement (CECA) in 2005, have played a crucial role in facilitating deeper economic cooperation.

The Free Trade Agreement between India and ASEAN in 2010, the India-South Korea Free Trade Agreement in 2009, the India-Japan Free Trade Agreement in 2011, and the India-Malaysia Free Trade Agreement in 2011 have strengthened India's relations with the region. India's trade with ASEAN reached \$2 billion in 1992 when India embarked on its Look East Policy, and it increased to \$72 billion in 2017-2018 after the implementation of the ASEAN-India Free Trade Agreement in 2010. Furthermore, India actively contributes to various regional organizations such as the ASEAN Regional Forum and the East Asia Summit.

India possesses a strong cultural and civilizational advantage that can be leveraged in implementing the Act East Policy. The cultural and civilizational linkages trace back to ancient times during the spread of Buddhism and Hinduism. India's independence movement further expanded these connections, as many freedom fighters established relationships and cooperation with countries in Southeast Asia and East Asia. Globalization and the dissemination of technology have strengthened India's cultural influence. The recognition of the sovereign citizen ideals of Mahatma Gandhi is also of significant note. The Indian diaspora is expected to foster strong interpersonal relationships, thereby enhancing cultural and civilizational ties and contributing to the economic and security dimensions.

The Act East Policy aims to strengthen India's relations with Southeast Asian countries and the Asia-Pacific region. The policy focuses on political cooperation, defense, and security. The India-ASEAN Commemorative Summit in 2018 reflected the enhanced political engagement. The Act East Policy also offers opportunities for economic cooperation, tourism, and investment between Northeast India and Southeast Asian countries. The region's cultural diversity and geographical proximity make it a potential gateway to Southeast Asia. Improved connectivity and infrastructure can facilitate trade and attract tourists.

The policy aims to strengthen bilateral and multilateral relations through cultural exchanges and academic collaborations. Programs like Make in India, Digital India, and Skill India have been designed to enhance India's capabilities

and facilitate the realization of opportunities initiated by the Act East Policy. The implementation of the Act East Policy holds significant potential benefits for Northeast India and India as a whole. However, there are challenges to be addressed. Poor infrastructure and limited connectivity between the Northeast region and other Indian states, as well as neighboring countries, can pose obstacles (Ahmed, 2019).

The diverse economic and political landscape among ASEAN countries can also have an influence on the implementation of this policy. Challenges such as internal conflicts in the Northeast region, limited coordination among government institutions, and the impact of illegal trade and regional security issues need to be addressed. Furthermore, factors like the dynamics between China and Russia, disputes in the South China Sea, India's relatively limited engagement in trade and investment in Southeast Asia, and connectivity issues present hurdles in achieving the desired outcomes of the Act East policy. The potential opportunities and advantages can be assessed by considering India's per capita income in 2018, which stood at around US\$2010, just slightly above that of Cambodia and Myanmar. Singapore, on the other hand, boasted the highest per capita income at US\$64581.94 and a Human Development Index (HDI) of 0.935. India's HDI is 0.647, marginally higher than that of Cambodia and Laos, while other ASEAN countries exhibit higher HDI levels. India faces significant challenges in raising per capita income, reducing wealth disparity, and enhancing its HDI.

Country Name	Per Capita GDP (Current US\$)			GDP growth (Annual %)			HDI 2018
	2018	2015	2010	2018	2015	2010	
Brunei							
Darussalam	31628.33	31164.56	35269.55	0.05	-0.57	2.60	0.845
Cambodia	1510.32	1162.90	785.50	7.50	7.04	5.96	0.581
Indonesia	3893.60	3331.70	3122.36	5.17	4.88	6.22	0.707
Lao PDR	2542.49	2134.71	1140.60	6.25	7.27	8.53	0.604
Malaysia	11373.23	9955.24	9040.57	4.74	5.09	7.42	0.804
Myanmar	1325.95	1133.00	979.05	6.20	6.99	9.63	0.584
Singapore	64581.94	55646.62	47236.96	3.14	2.89	14.53	0.935
Philippines	3102.71	2867.15	2124.06	6.24	6.07	7.63	0.712
Thailand	7273.56	5840.05	5076.34	4.13	3.13	7.51	0.765
Vietnam	2566.60	2085.10	1317.89	7.08	6.68	6.42	0.693
India	2009.98	1605.61	1357.56	6.81	8.00	8.50	0.647

Source : United Nations Development Program, 2018

Figure II. GDP per capita, Growth and HDI of ASEAN Countries and India

Business climate challenges affect the growth and increase of domestic private investment and foreign direct investment (FDI), necessitating a conducive, profitable, and sustainable business environment. These factors in the business environment tend to impact small and medium-sized enterprises (SMEs) as well (Wadud, 2021).

Ease of Doing Business Status

Country	Rank	EODB Score	EODB Score change between 2016-17 to 2017-2018
Singapore	2	85.24	+0.27
Malaysia	15	80.6	+2.57
Thailand	27	78.45	+1.06
Brunei Darussalam	55	72.03	+1.85
Vietnam	69	68.36	+1.59
Indonesia	73	67.96	+1.42
India	77	67.23	+6.63
Philippines	124	57.68	+1.36
Cambodia	138	54.8	+0.41
Lao PDR	154	51.26	+0.11
Myanmar	171	44.72	+0.51

Source: World Bank Group, 2019. EODB = Ease of doing business.

Based on the analysis, the Act East Policy is a more proactive and diverse version of India's Look East Policy. India has made progress in strengthening its strategic position through signing agreements, conducting visits, and diplomatic exchanges. Integration with Asia's production networks has enhanced the competitiveness of the domestic manufacturing sector. India is also seeking opportunities to increase exports to Southeast and East Asia. However, the policy is not without challenges. It is important for India to actively engage and involve various stakeholders, including companies, youth, experts, universities, think tanks, civil society, and the media. Efforts are also needed to enhance the quality of human resources, ease of doing business, and global competitiveness.

CONCLUSIONS AND RECOMMENDATIONS

The Act East Policy is a significant step in India's foreign policy approach, as it aims to deepen India's engagement with the dynamic and economically vibrant region of Southeast and East Asia. It recognizes the growing importance of the region and the potential benefits that closer cooperation can bring to India. One of the key objectives of the Act East Policy is to boost economic growth and social development in India's Northeast region. By leveraging the geographical proximity and historical and cultural ties with Southeast Asian countries, India seeks to enhance trade and investment opportunities, promote connectivity, and facilitate people-to-people exchanges. This can lead to economic development, job creation, and improved living standards in the Northeastern states of India.

The Act East Policy aims to strengthen political, economic, and security relations with countries in Southeast and East Asia. India's participation in regional forums and organizations such as ASEAN, the East Asia Summit, and the Asia-Pacific Economic Cooperation (APEC) provides a platform for dialogue, cooperation, and collaboration on various issues of mutual interest. By actively engaging in these platforms, India can contribute to shaping

regional agendas and promoting peace, stability, and prosperity in the Asia-Pacific region.

The Act East Policy also recognizes the potential of India's cultural and civilizational ties with Southeast and East Asia. India's rich cultural heritage, including its ancient links through Buddhism and Hinduism, can serve as a strong foundation for enhancing cultural exchanges, promoting tourism, and fostering people-to-people connections. This cultural diplomacy can help deepen understanding, trust, and mutual appreciation among the peoples of India and the countries in the region.

The implementation of the Act East Policy is not without challenges. These include addressing infrastructural gaps, improving connectivity within the Northeast region, enhancing trade facilitation measures, and addressing non-tariff barriers. India also needs to actively address geopolitical complexities, regional disputes, and strategic competition in the Asia-Pacific region to ensure a conducive environment for cooperation and growth. The Act East Policy represents India's proactive approach in harnessing the potential of Southeast and East Asia. It emphasizes economic integration, political engagement, cultural exchange, and strategic cooperation. By strengthening ties with countries in the region, India aims to foster regional peace, stability, and prosperity while advancing its own national interests. The success of the Act East Policy lies in India's ability to effectively address challenges, engage stakeholders, and capitalize on opportunities for mutual benefit and shared growth.

FURTHER STUDY

Future studies could focus on the specific economic outcomes of India's engagements in Southeast Asia. This includes analyzing trade patterns, investment flows, and economic growth in partner countries, as well as assessing how these economic activities contribute to India's economic goals.

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