THE IMPLEMENTATION OF INDIA FOREIGN POLICY: INDIA ACT EAST POLICY IN COUNTERING CHINA PRESENCES IN INDIAN OCEAN REGION (2014-2016)

By
Faghfirly Aurulia Anasya Dufana
ID No. 016201300053

A Thesis presented to the Faculty of Humanities President University in partial fulfillment of the requirements of Bachelor Degree in International Relations Concentration in Strategic and Defense Studies

May 2016
This thesis entitled “India Foreign Policy Implementation: India Act East Policy in Countering China Presences in Indian Ocean Region (2014-2016)” that was submitted by Faghfirly Aurulia Anasya Dufana majoring in International Relations from the Faculty of Humanities was assessed and approved to have passed the Oral Examinations on 24 May 2017

Hendra Manurung, S.IP, MA
Chair – Panel of Examiners

Indra Alverdian, SS., MA.
Thesis Advisor II

Prof. Drs. Anak Agung Banyu Perwita, MA., Ph.D.
Thesis Advisor I
DECLARATION OF ORIGINALITY

I declare that this thesis titled “India Foreign Policy: India Act East Policy in Countering China Presences in Indian Ocean Region (2014-2016)” is, to the best of my knowledge and belief, an original piece of work that has not been submitted, either in whole or in part, to another university to obtain a degree.

______________________________
Faghfirly Aurulia Anasya Dufana
ABSTRACT

The value of Indian Ocean Region attract so many countries in the region, every country has their own interest towards IOR. But, the most intensive battle happens between India and People Republic of China. For such a long time, India was dominating IOR even it called as India Ocean not Indian Ocean. However the rise of China and China interest towards IOR give a different dynamic in this issue. Due to the fact that China grows stronger and it is hard for India to counteract China presence in Indian Ocean Region, India started to use Act East Policy as an option to counteract China. This thesis is aimed to give the better understanding of IOR current condition. specifically the relations between India and China, about how the competition between India and China in Indian Ocean Region. To understand the implementation of India’s Act East policy in countering China in IOR. By using Act East Policy, India builds up a partnership with ASEAN member countries such as Indonesia, Myanmar, Vietnam, U.S, and Japan. India implements Act East Policy as a rebalance policy to balancing China presence in Indian Ocean Region.

Keywords: Battle of Interest, Foreign Policy, Cooperation, Indian Ocean Region, India, China.

Kata kunci: Pertempuran keinginan, Kebijakan Luar Negri, Kerja Sama, Samudra Hindia, India, Cina

ACKNOWLEDGEMENTS
First of all, thanks God for unstoppable blessing that you give me, I fall more than a hundred times but You always cheer me up, and listening to every mumble and annoying prayer that I do every single night.

Second of all thank you for the best advisor that a student could ask for Mr. Anak Agung Banyu Perwita, it always a strain moment every time I read your reply on my email. Thank you for guiding me this far sir. Also thank you for every IR lecturers of President University, especially Mr. Indra as my second advisor, Mr. Eric Hendra, and Ms. Natasya, your ppt or paper assignment that you gave me help me made this thesis sir, miss.

Mom, Dad. Finally I make it. Thanks for every moral and financial support that you give me, thanks for never questioning every decision that I made for my life. Only God knows how grateful I am to have you guys as my parents. Thanks for always cheering me up mom, I love you so much, with all my heart you are the best part of my life mom. Not to forget my not so mature older sister Ighfir Rivia Setyasa, thanks for cheering me up in a weird way, I love you tho, just so you know.

And for the closing, thank you so much for being such an incredible friends Antonia Junita, and Jasmine Kusumawardhani you guys will always have a special place in my heart. The prodigies (Jeff, Wiki, Rama, Arif, Andrew) thanks for the laugh you guys, without you guys maybe I would end up crying in the corner every time I got freak out because of this thesis. Also thanks my gym and gossip buddies Abby, Tiffany, Hari S Hartas. I love you guys so much.

Table of Contents

PANEL OF EXAMINERS .................................................................................................. I
APPROVAL SHEET ........................................................................................................ I
DECLARATION OF ORIGINALITY ........................................................................... II
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABSTRACT</td>
<td>III</td>
</tr>
<tr>
<td>ABSTRAK</td>
<td>III</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENTS</td>
<td>IV</td>
</tr>
<tr>
<td>CHAPTER I</td>
<td>1</td>
</tr>
<tr>
<td>INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>1.1 Background</td>
<td>1</td>
</tr>
<tr>
<td>1.2 Problem Identification</td>
<td>4</td>
</tr>
<tr>
<td>1.3 Statement of Problem</td>
<td>7</td>
</tr>
<tr>
<td>1.4 Research Objective</td>
<td>7</td>
</tr>
<tr>
<td>1.5 Significant of Study</td>
<td>7</td>
</tr>
<tr>
<td>1.6 Theoretical Framework</td>
<td>8</td>
</tr>
<tr>
<td>1.6.1 Foreign Policy Analysis</td>
<td>8</td>
</tr>
<tr>
<td>1.6.2 Realism Perspective (Defensive Realism)</td>
<td>10</td>
</tr>
<tr>
<td>1.6.3 Threat Perception</td>
<td>11</td>
</tr>
<tr>
<td>1.6.4 Balance of Power</td>
<td>13</td>
</tr>
<tr>
<td>1.7 Scope of limitation</td>
<td>14</td>
</tr>
<tr>
<td>1.8 Research Methodology</td>
<td>14</td>
</tr>
<tr>
<td>1.9 Thesis Structure</td>
<td>15</td>
</tr>
<tr>
<td>CHAPTER II</td>
<td>17</td>
</tr>
<tr>
<td>INDIA’S STRATEGIC ENVIRONMENT IN INDIAN OCEAN REGION</td>
<td>17</td>
</tr>
<tr>
<td>2.1 Geopolitics of Indian Ocean Region</td>
<td>17</td>
</tr>
<tr>
<td>2.1.1 Geostrategic importance of Indian Ocean Region</td>
<td>17</td>
</tr>
<tr>
<td>2.12 Indian Ocean Region Sea Routes</td>
<td>18</td>
</tr>
<tr>
<td>2.2 Natural Resources</td>
<td>21</td>
</tr>
<tr>
<td>2.2.1 Oil</td>
<td>22</td>
</tr>
<tr>
<td>2.2.2 Natural Gas Hydrate</td>
<td>22</td>
</tr>
<tr>
<td>2.3 Economic Importance for India</td>
<td>23</td>
</tr>
<tr>
<td>2.4 Geostrategic dimension India’s Foreign Policy</td>
<td>24</td>
</tr>
<tr>
<td>2.5 Actors in Indian Ocean Region</td>
<td>26</td>
</tr>
<tr>
<td>2.5.1. Major Actors</td>
<td>26</td>
</tr>
<tr>
<td>2.5.2 Regional Actor</td>
<td>34</td>
</tr>
</tbody>
</table>
2.5.2.1 ASEAN ................................................................. 34
2.5.3 Extra Regional Actor .................................................. 36
2.5.3.2 United States ......................................................... 38
2.6 India’s Strategic Environment ........................................... 39
2.6.1 Military .................................................................. 40
2.6.2 Economy .................................................................. 40
2.6.3 The Combination of Economic and Military Dimension .......... 41

CHAPTER III ........................................................................... 41
OVERVIEW OF INDIA’S ACT EAST FOREIGN POLICY ............. 41
3.1 Look East to Act East Policy ................................................. 42
3.2 India Act East Policy ......................................................... 47
  3.2.1 Objectives ................................................................ 47
3.3 Act East Policy Achievement .............................................. 49
3.4 Challenges and Opportunities ............................................. 51
3.5 India Ambition Project Power 2020 ................................... 54
  3.5.1 Military .................................................................. 55
  3.5.2 Economy ................................................................. 56
3.6 India Political Diplomacy and Soft Power ......................... 59

CHAPTER IV .......................................................................... 62
THE IMPLEMENTATION OF ACT EAST POLICY IN COUNTERING
CHINA’S PRESENCE IN INDIAN OCEAN REGION .................. 62
4.1 China’s Presence in Indian Ocean Region............................... 62
4.2 Act East Policy Implementation ........................................... 65
  4.2.1 India - ASEAN ....................................................... 65
  4.2.2 India – Vietnam ...................................................... 66
  4.2.3 India – Myanmar .................................................... 69
  4.2.4 India – Indonesia .................................................... 71
  4.2.5 India – U.S. .......................................................... 73
  4.2.6 India – Japan ........................................................ 77
4.3 Act East Policy as India’s rebalances policy ...................... 79

CHAPTER V ........................................................................... 81
CONCLUSION ....................................................................... 81
BIBLIOGRAPHY                                                                                         84
CHAPTER I

INTRODUCTION

1.1 Background

Indian Ocean Region or IOR is one of third largest ocean in the world, and contained the most important sea lines that are very crucial for Asia economic stability and development. Indian Ocean sea ways are consider as the most vital sea ways point in the world. According to Journal of the Indian Ocean Region, Indian Ocean carried the largest trading in the world, and here is the detail:

"More than 80% of world trading and oils voyage towards Indian Ocean, 40% going through Strait of Hormuz, 35% Strait of Malacca, and the least amount one which is 8% going through Bab el-Mandab Strait".

India Ocean Sea Trades: http://i.huffpost.com/gen/2969278/thumbs/o-MAP-570.jpg?7

Indian Ocean has the most crucial sea ways routes that connecting the Middle East, Africa, and South Asia, Indian Ocean has Asia in the east border side, and Europe as the west border side. Nearly 50% of the world’s maritime oil trade is found in Indian Ocean Region. Also, almost 40% of world’s offshore petroleum is produced in Indian Ocean, coastal beach sands and offshore waters host heavy mineral deposits, and fisheries are increasingly important for both exports and domestic consumption³.

Alfred Thayer Mahan said “Whoever controls the Indian Ocean Region (IOR) dominates Asia”⁴.

China and India have the same level of interest in IOR, the competition between these two countries it getting tense day by day. Both sides have the same interest to take over Indian Ocean. This competition is not necessarily overt, but both sides keep strengthen ties by cooperates with other states to secure their respective security and economic interest.

India is the one of the world main five quickest developing financial nation, with right around 75% of oil originating from abroad, and in the terms of trade India is completely subject to the ocean transport. India try to protect their position in Indian Ocean by cooperate with other Asian country to re-balance China.

India’s chief of naval staff: “We discussed the geopolitical situation that exists because before you come to the aspects of strategy, you have to shape the maritime environment in the entire region. We look at our relationship with countries of the Indian Ocean region and the prime minister has described this very aptly, when he coined the term SAGAR (Security And Growth for All in the Region). We have good relationships with all the Indian Ocean island countries like Maldives, Mauritius, Seychelles, Sri Lanka, Bangladesh, Myanmar, Malaysia and Indonesia”⁵.

Despite the sea trades routes, Indian Ocean also stash an oil resources. World oil demand is increasing each and every year. The raising demand of oil causes oil wells in much deeper seas have been dug in the past recent years, this sea digging activity shows how rich Indian Ocean is, oil and gas deposit in Indian Ocean is not to be taken lightly.

Even though China has got the title as the new super power country, China is still lack in some aspects, and one of them is China’s consuming so much energy. United States Energy Information Administration has positioned China on the primary spot in the terms of utilization of the energy and on the second place in the utilization and importation of oil, which is why China has a great will to take over the Indian Ocean.

The future conflict scenario between India and China slowly become something that uncontested. China’s PLAN (People Liberation Army Navy) is absolutely stronger than India, but recently India try their best to strengthen their navy, by join military exercise with Indonesia for example, by engaging this action, India would be able to strengthen their military and also strengthen their relations with Indonesia and a possible allies. India wants to block the access of China on Indian Ocean. India would like to have a complete hegemony over India Ocean Region.6

In response, Senior Captain Zhao Yi associate professor of the Institute of Strategy in China’s National Defense University said “The word backyard is not very appropriate to use for an open sea and international areas of sea”

That was indirectly stated that Indian Ocean Region is not India’s backyards. He continue his statement by admitting that India has extraordinary part in balancing out Indian Ocean and the South Asia region, additionally addressing how the naval forces from United States, Russia, and Australia have a free route in Indian Ocean. China's illustrative Zhang Wei, Researcher of the PLA Navy Academic Institute, clarified7:

“Since 1985 Chinese naval force ships went to numerous nations in Indian Ocean Region including India, Sri Lanka, Bangladesh, and Pakistan. Likewise Chinese naval force's nearness there is to ensure the security of ocean lines particularly against robbery. The PLA naval force gave escort administrations to more than 6,000 ships in Gulf of Aden half of them were remote vessels”. Zhang underline “the presence of Chinese naval ships is not an expansion of the Chinese military”.8

China develops some strategy to take over IOR and String of Pearl is one of them, this strategy concentrate on extend Chinese maritime presence in the Indian Ocean outskirts so it can set up unmistakable quality through ocean lines of communication which are the key for China's future energy necessities. The principal abroad Chinese maritime base is being set up in Djibouti, China has demonstrated an immediate enthusiasm for setting up more bases on the Indian Ocean. Combined with China's developing air-sea missile build-up, plane carrying warship advancement, and securing of surface/sub-surface soldiers, the development of abroad bases demonstrates China's goal to assemble a feasible blue-water naval force. The PLAN does not yet have the ability to extend a noteworthy risk to the Indian Navy in the IOR, however its nearness and development constitutes a present wellspring of pressure with India and a future threat.

1.2 Problem Identification

At 1991 under the government of Narashima Rao, India adopt new policy 'Look East' policy which is concern in South East and East Asia. Look East Policy built up after the end of cold war. Amid the cold war, India and Soviet Union have a solid vital, military, and financial strategic relationship. However, after the crumple of Soviet Union, India's Prime Minister Narashima Rao set up Look East Policy to reconnect with Asia as a feature of India's monetary globalization. This arrangement has progressed from money related and appeasing engagement with Southeast Asia to more broad which is defense and security ties over the whole Asia-Pacific.

Starting late, India has hailed a preparation to expect a more essential key part in the zone, expanding associations with such a great amount of assistants as Japan, Vietnam, and Australia. The game plan has been headed to some degree by India’s philosophy of external changing against China, however has in like manner been prodded by India’s aching for a more noticeable overall part and its climb as a trading nation. Look East Policy has shaped India’s engagement with the Asia-Pacific for over two decades, liberally building up India’s economic related, political, and security relations with the area. At first anticipated that would add to India’s budgetary ties with Southeast Asia\textsuperscript{11}.

Along with the time being, China’s presence in Indian Ocean becomes more and more dangerous for India. China’s interest towards Indian Ocean is not something new, even since 1970’s China has shown their interest towards IOR, but at that time it is more into the political matters, such as commercial shipping\textsuperscript{12}. The rise of China and China’s interest towards Indian Ocean is not something that can be taken lightly, which is why Indian foreign minister Sushima Swaraj propose a new outlook called Act East policy. ASEAN - India Summit on November 12 2014, in Myanmar be the place where Modi (India Prime Minister) unveil the Act East Policy.

Modi stated “A new era of economic development, industry and trade has begun in India. Externally, India Look East Policy has become Act East Policy”\textsuperscript{13}.

India Act East Policy is a India’s new foreign policy which focus on foreign investment, especially in East and South East Asia as the most dynamic part of world economy. This policy is actually based on India’s domestic policy. Basically Act East Policy is more into action oriented, like how India act to secure Indian Ocean Region. Strengthen India - ASEAN relations is also one of the concern of this policy, especially in the terms of economy. The development of Act East policy is quite significant compare to Look East Policy. One of proves is that, how India

build a great relation with Japan in terms of economy and security\textsuperscript{14}.

This are some of Act East Policy achievement for these pas two years\textsuperscript{15}:

- Strengthen India - ASEAN relations. India trying to promote a better relations with another ASEAN countries trough Myanmar and Thailand. Modi has allocated $1 billion to promoting India - ASEAN relations on India - ASEAN summit in Kuala Lumpur, November 2015. Presently, India - ASEAN relations is about monetary as well as it as of now heighten to security, startegy, political, counter-terrorism, and defense cooperation notwithstanding financial ties. ASEAN – India cooperation to counteract terrorism particularly in the concentration of rising impact of Islamic State has expected need defense organizations with a few ASEAN states have progressed\textsuperscript{16}.

- India - Japan relations, Act East policy also brought a great impact for India - Japan relations. As a states who actually have been face a real nuclear attack and nuclear disaster, Japan consented to sign non military nuclear deal to India. Japan resolved to put $35 billion in India, a joint arrangement on building a fast railroad, and collaboration on the Delhi-Mumbai Industrial Corridor, and in addition joint interest in the Malabar activities and safeguard participation, give proof of the thriving two-sided strategic, economic and innovative association\textsuperscript{17}.

- India - China, in May 2015. Modi pay visit, Modi deliver the strong message for Xi Jinping, this message is more like a warning for Chinese force to stop a crossing China- India border. Actually this one is not the first visit that Modi have done to China. The first visit is on September 2014, at that time Modi warning is more into orally, but then on May 2015 Modi give China’s warning letter about this issue\textsuperscript{18}.

\textsuperscript{17} "2 Years On, Has Modi’s ‘Act East’ Policy Made a Difference for India?" The Diplomat. Accessed May 9, 2017. http://thediplomat.com/2016/06/2-years-on-has-modis-act-east-policy-made-a-difference-for-india/.
\textsuperscript{18} "2 Years On, Has Modi’s ‘Act East’ Policy Made a Difference for India?" The Diplomat.
Even though Act East policy is still 2 years old, but act east policy has successfully achieve a lot more rather than Look East policy that has been running for years. Rather than facing China with a hard power that they have, India choose to face China with the soft power by running their Act East policy.

1.3 Statement of Problem

From what it has been explained above, it can be concluded that the problem of this thesis would be as follows.

How did India implement Act East policy in countering China’s presences in Indian Ocean?

1.4 Research Objective

The purpose of this thesis research is to find the answer of statement of problem above, this thesis will explain what kind effort that India have done in order to countering China by using Act East policy. Secondly, it going to critically examine the development of Act East Policy for these past two years. Lastly it will also try to conclude the implementation of Act East Policy in balancing China’s power in order to secure India’s position in Indian Ocean Region.

1.5 Significant of Study

This thesis is aimed to give the better understanding of IOR current condition. specifically the relations between India and China, about how the competition between India and China in Indian Ocean Region. To understand the implementation of India’s Act East policy in countering China in IOR. Hopefully, this paper will be useful for International Relations studies, especially in the terms of security and strategic studies.

1.6 Theoretical Framework

1.6.1 Foreign Policy Analysis

Foreign policy analysis divided into three, which are foreign policy making process, the implantation of the policy and the last one is evaluation of the policy\textsuperscript{19} which will be focus on whether this policy is effective or not.

Foreign policy making process, India is a federal country which mean every policy making decision will be under the jurisdiction of the central government. However that is not the only concern for India’s policy making process, there also some other external factor, such as other state reaction, alliance, media and pressure from international world. There also several actors that involve in India foreign policy making process, here are the actors of India’s foreign policy making process\textsuperscript{20}.

Prime Minister, India's Prime Minister assumes a noteworthy part in defining foreign policy. Prime Minister would decide the expansive shapes of foreign policy and left the usage of the policy to the Foreign Ministry Division. Consequently, there built up the example of a solid individual part for the Prime


Minister in the foreign policy\textsuperscript{21}.

Ministry of External Affairs, as the focal service is specifically worry with foreign issues. Ministry of External Affair undertakings in charge of foreign policy making, and real execution of the policy, Foreign Ministry secretariat staff will gives data and investigation to Prime Minister, Meanwhile Minister of External Affairs prescribes particular measures when essential, arranges policy for the future, and keeps up normal correspondences with foreign missions situated in India and Indian missions situated in different nations. There likewise other government offices that include, those are Ministries of Defense, commerce, and finance\textsuperscript{22}.

India distinguished as a democratic nation which is the reason political party likewise assume a part in foreign policy making in India. National political parties verbalize their foreign policy points of view in their manifestos discharged amid the races. The belief system of local parties influences their foreign policy viewpoint. For instance, Communist Parties don't bolster close key relations with the US and other western nations. The Bhartitya • Janata Party bolsters atomic power and the policy of advancement. Amid Janata party government in 1977, there was a move to go for bona fide non-arrangement, which implied diminishing close relations with Soviet Union. It creates the impression that political gatherings in India have created expansive agreement for globalization\textsuperscript{23}.

Implementation of the foreign policy is one of the most important things in foreign policy analysis. Mostly scholar will try to analyze how the country implements the policy in order to counteract some problem that they face. It will also be the main focus of this thesis, which is how India implements Act East policy in countering China in IOR. Therefore there will be the further explanation about this main focus in chapter four.

Lastly the evaluation, here the researcher is expected to analyze the


effectiveness of the policy, whether that policy work as it’s expected or not. However this thesis is not going to evaluate act east policy. It has been mention above that this thesis will only be focus on the implementation of act east policy.

1.6.2 Realism Perspective (Defensive Realism)

Defensive Realism holds that the international system provides incentives for expansion only under certain conditions\(^\text{24}\), that will lead to a situation where the state A will increase of decrease their defense security base on the other states. Defensive realism does not threaten each other intentionally. So, even though there is a major conflict of interest that this states have, defensive realism believe that some of this conflict is not incompatible. Defensive Realism likewise trusts that the way of worldwide political issues has been on a very basic level one of contention for a large portion of mankind's history and some of these contentions are truly beyond reconciliation\(^\text{25}\).

Defensive Realism does not trust that states should fundamentally wind up in real clashes at whatever point they have irreconcilable situation. Collaboration is another alternative for settling irreconcilable circumstance. At the end of the day, guarded authenticity trusts that in any event a few clashes are avoidable and pointless. Additionally, Defensive Realism trusts that states can under numerous conditions in reality conquer the hindrances postured by political agitation to accomplish cooperation\(^\text{26}\).

The reason why defensive realism is the perfect theory for this issues is proven by how India using Act East policy, India shows that IOR issues with China does not merely lead into an actual conflict. India overcome this issues by strengthen their cooperation with another countries.


1.6.3 Threat Perception

Threat is always intimately equated to power, when a states would like to gain the power there is always be a threat that follow this step. In international relations, threat is defined as a situation where one group has a capability or intentions to inflict a negative consequence on another group\textsuperscript{27}. There are two kind of threat which are internal and external threat, external threat is a threat that a states perceive from another states. As for India, this external threat is coming from China. According to Robert O. Tilman there are five dimension that effecting the perception of threat, those are structural dimension, geopolitical system, historical dimension, social–cultural dimension, and economic dimension\textsuperscript{28}. In this case, it is only going to focus on geopolitical system, historical, and economic dimension.

Geopolitical system, if the enemy is far away it will always seems less threatening that the enemy who share the same land border. If China and India do not share Indian Ocean as their maritime border, of course the competition between these countries would never happen. But the fact that how India perceive Indian Ocean as their backyards, and have the special place in Indian Ocean are disturbing for China.

Historical Dimension, Indian Ocean Region is not the first territorial issue that


China and India have. Long before this, there is Sino - India dispute, The westernmost, Aksai Chin, is asserted by India as a feature of the states of Jammu and Kashmir and area of Ladakh yet is controlled and directed as a major aspect of the Chinese independent district of Xinjiang. It is a for all intents and purposes uninhabited high elevation no man's land crossed by the Xinjiang-Tibet Highway. The other huge questioned region, the easternmost, lies south of the McMahon Line. It was earlier alluded to as the North East Frontier Agency, and is presently called Arunachal Pradesh29.

The McMahon Line was part of the 1914 Simla Convention between British India and Tibet, an agreement rejected by China. The 1962 Sino-Indian War was fought in both of these areas. An agreement to resolve the dispute was concluded in 1996, including "confidence-building measures" and a mutually agreed Line of Actual Control. In 2006, the Chinese ambassador to India claimed that all of Arunachal Pradesh is Chinese territory amidst a military buildup. At the time, both countries claimed incursions as much as a kilometer at the northern tip of Sikkim. In 2009, India announced it would deploy additional military forces along the border30.

Nonetheless, India and China keep on disputing Aksai Chin. A practically uninhabited zone between Chinese Xinjiang and Indian-managed Kashmir—and the Indian condition of Arunachal Pradesh, guaranteed by China as South Tibet. China's broad air and rail framework development in Tibet has empowered repetitive military attacks into Indian-guaranteed region. In April 2013, a Chinese infringement in Ladakh, close Aksai Chin, incited a three-week military standoff. Trying to deflect a military episode between outskirt strengths, Beijing and New Delhi consented to a resistance participation arrangement in October 2013, making plans to share data about military activities and practice limitation in case of an encounter in debated zones. This question is still stay indistinct up to this point, despite the fact that both side officially consent to an arrangement yet the strain

between both sides are still there.

Economic dimension, as it has mention before IOR have a great economic potential whether it is as a sea trade routes or as an oil resources. Economic competition between India and China is not something that can be ignored. Both countries have a great will to take over Indian Ocean Region. China known as a country that has a lot of concern on their economic dimension, if China let IOR under the control of India it would be a shame for China because IOR has so many potentials especially as oil resources. Meanwhile for India, IOR is everything. Like what it has mention on background of studies, India depends their economy on IOR even China said India treated IOR as their backyards. This economic competition between India and China over IOR is enough as a reason for India to perceive China as a threat.

1.6.4 Balance of Power

Balance of power is an endeavor of a states or a group of states to protecting itself against another, by matching its power to against the other states. Balance of Power basically can be divided into two ways. First, by increasing their own power such as strengthen their military capability. Second one is by adding their own power that of other states, such as creating a new policy and make an alliance.

There are two ways to engage balance of power system which are, multiple states formed a balance of power by making an alliance with each other. It could be based on the same value, history, religion, or form of government. Or a state can balance against each other by matching their interest in military capability. In this case, India is more into making alliance, and cooperates with other countries to balance China’s power by using Act East policy, rather than strengthen and try to match China’s military capabilities.

1.7 Scope of limitation

The development of IOR finally attract such a clash, the dynamic of what happen in IOR attract a whole world attentions, especially between China and India. This thesis will specifically explain about the balance of power between these two countries. India’s Act East policy going to be the major discussion is this thesis, because the significant development that Act East policy have achieved. The major actors of this issue is China and India, ASEAN countries as the regional actor, also Japan and U.S as the extra regional actor.

Act East Policy was established on 2014, which is why the time limit would be 2014-2016. This paper will analyze more about the latest condition of India – China relations, after the establishment of Act East Policy. The previous Look East Policy will also be presented here, but then again it would be limited for the significant of this thesis.

1.8 Research Methodology

Descriptive method, Descriptive method looks at marvels, gathering of individuals thought or hypothesis with a specific concentrate on truths and states of the subject. An enlightening theory ought to be impartial. The objective is to gather accurate proof and data that give your peruse a far reaching impression of your subject. Descriptive method does not effectively fit into subjective or quantitative research methodologies. Rather it can use components of both, regularly inside a similar review. The term descriptive research alludes to the kind of research question, outline, and information investigation that will be connected to a given theme. Elucidating insights tell what is, while inferential measurements attempt to decide circumstances and end results34.

The purpose of descriptive research is to provide an accurate advisory of a subject that has been researched. If the particular subject of the research is change after the research, the thesis wills remains and image of the subject during the observation process. The most important technique in descriptive method is

---

avoiding any early analysis, instead after gather all the information for making a hypothesis, later it going to be needed as a draw line for diagnosis and analysis on the research\textsuperscript{35}.

Deductive approaches or bottom up research is a method that require, comparison, collects data, and observation in order to draw an exact pattern for the research. Deductive approaches work from the general data to more specific explanation, which is why it called bottom up\textsuperscript{36}.

Deductive approaches is concerning on developing hypothesis base on existing theory. Unlike the inductive approaches that try to develop a new theory towards their research, inductive approaches is more into analysis a case by relate it to the existing theory and draw a conclusion base on the analytical research\textsuperscript{37}. This approach will lead into either confirmation or rejection. In this case, deductive approach will help to draw a conclusion whether Act East policy is effective to countering China or not.

1.9 Thesis Structure

Chapter I Introduction

This chapter introduces the overview of this thesis, the purpose and the basic explanation about the thesis would be served in this chapter. This chapter contains of background of study, problem identification, statement of problems, research question, significance of the study, theoretical framework, scope and limitations of the studies, and thesis structure.

Chapter II India Strategic Environment in Indian Ocean Region

This chapter will provide a deeper analysis about India Strategic Environment. India has a potential to be a new global economic power. However

there will not be any economic growth without peace and stability, and there will not be any peace and stability without military power, which is why military power play a major role in India strategic environment. In this chapter there will be a further explanation about the connection of economic and military dimension towards India strategic environment.

Chapter III Over view of India’s Act East Policy (2014-2016)

This chapter will provide a deeper analysis about India’s Act East policy, whether it is the achievement or the failure of this policy. The main focus of this chapter is how this policy becomes a rebalance policy for India to countering China in Indian Ocean. This chapter will also provide some official statement and relevant data related to Act East policy.

Chapter IV The Implementation of Act East Policy in Countering China Movement in Indian Ocean Region

As a goal of this thesis, this chapter will give a better understanding about the implementation of Act East policy in countering China. This chapter will elaborate about how India use Act East policy to countering China. It will explain the reason why India perceive China as a threat and need something more than look east policy to balancing China.

Chapter V Conclusion

This chapter will conclude and give a clear understanding of how India implement Act East policy in countering China in IOR
CHAPTER II

INDIA’S STRATEGIC ENVIRONMENT IN INDIAN OCEAN REGION

2.1 Geopolitics of Indian Ocean Region

Indian Ocean is such a scaffold among Asia and Europe which makes Indian Ocean has turned into the new worldwide focal point of exchange and vitality streams, with a large portion of the world's holder movement and 70% of its oil shipments navigating its waters. Be that as it may, there is an undeniable threat of this basic locale turning into the center point of worldwide geopolitical rivalry.

Indian Ocean is the busiest conduits and chokepoints, for example, the Suez Canal, Bab el-Mandeb, Strait of Hormuz and the Strait of Malacca. Every one of these chokepoints and conduits are very critical for the rising countries of the world. This is the reason world's major monetary and additionally political focus has moved towards the Asian and African landmasses which outskirt Indian Ocean on the loose. This means to disclose the developing economic and geopolitical criticality of Indian Ocean by highlighting the advancing parts of India, China and the USA in Indian Ocean, and by depicting the land components of Indian Ocean.

2.1.1 Geostrategic importance of Indian Ocean Region

Geo-strategy is basically a branch of geopolitics, geo-strategy usually one of the important factor of foreign policy that deals with geographical factors, constrain, or affect political and military planning. Geographic position has been highlighted as a vital angle in assurance of foreign policy contemplation, for example, the securing of characteristic limits, access to imperative ocean courses,

---


and the control of deliberately critical land regions.

“Indian Ocean over the time has turned out to be a standout among the most vital Oceans of the world concerning the developing financial action of this globalized world. It is the third biggest Ocean of the world being neighbored to Asia in its north, Africa to its west, Indo-China to its east while Antarctica lies in its south. It ranges from north to south from the Bay of Bengal to Antarctica with assessed zone of 9600 kilo meters, while it stretches out from west to east from Southern Africa to the scope of 7800 kilo meters”\(^{41}\).

IOR has dependably been a vortex of worldwide turmoil with authentic blame lines in regional and other different disputes. Given the quick changing advancements crosswise over Asia, the security situation today stays same and is the same as the past. The level of political strength, administration, ethnic and partisan strains, statistic focuses and contrasting pace of financial development make a blend of chances and dangers in the district. As indicated by evaluations, the district has a large portion of the world's energy and other common assets. The spiraling interest for vitality from the 'energy request heartland' of Asia has made the geo-strategic environment of IOR unpredictable\(^{42}\).

### 2.12 Indian Ocean Region Sea Routes

Indian Ocean Region has several choke points, which are Strait of Hormuz, Strait of Malacca, Bab-el-Mandeb, Mozambique Channel, The Sunda and Lombok strait\(^{43}\). Here there will be a short explanation about each of Indian Ocean choke points.


Strait of Hormuz

Connecting Persian Gulf with Arabian Ocean. It is 55 to 95km wide. Usually it convey 3000 vessel of oil tanker. It written on 2011 there are around 14 tankers conveying 17 million barrels of unrefined petroleum and very nearly 2 million barrels of oil based goods go out from the Persian Gulf through Strait of Hormuz.

Strait of Malacca

Placed as the second busiest choke point after Strait of Hormuz. Located between Indonesia, Malaysia, and Singapore, with Indonesia control the most part of sea line but Singapore get the most trading profit from this strait. Malacca Strait connections Asia with the Middle East and Europe, conveying
<table>
<thead>
<tr>
<th>Site</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bab-el-Mandeb</td>
<td>Connecting the Red Sea and Indian Ocean. Located between Arabian Peninsula and the horn of Africa. Mostly the trading between the Europe countries to China, Japan, India and whatever remains of Asia goes through the Bab el-Mandeb regularly. Up to 30% of the world oil, including the greater part of the oil and gaseous petrol from the Persian Gulf traveling west goes through the Horn of Africa day by day.</td>
</tr>
<tr>
<td>The Mozambique Channel</td>
<td>Located in Africa, to be exact it is between Mozambique and Madagascar. It is exceedingly vital conduit which conveys just about 30% of the world's oil shipping and right around 100% of the South Africa's sea shipping. Consequently, a standout among the most genuine concerns is the continuous assaults by Somali privateers in this piece of the Indian Ocean. In spite of the fact that Mozambique fringes this basic and second longest coastline after Somalia, it needs assets to police the channel all alone.</td>
</tr>
</tbody>
</table>
The Sunda and Lombok Straits

The strait of Sunda and Lombok are typically included as the option courses the occasion of conclusion of the Strait of Malacca. The Sunda strait lies between the two Indonesian Islands of Java and Sumatra while associating the Java Sea with the Indian Ocean. Be that as it may, the strait is especially shallow and tight at specific focuses which make it less critical to be utilized for conveying overwhelming oil tankers. The Lombok strait which is another option course to the Strait of Malacca lies between the two islands of Bali and Lombok. The strait is a most secure course and invites supertankers since it is significantly more extensive, more profound and less congested than the Strait of Malacca. Be that as it may, if this strait is utilized rather than Strait of Malacca then it might include 3.5 more days and around 16000 nautical miles which will raise the transportation cost.

2.2 Natural Resources

Indian Ocean Region is quickly developing as a basic intersection connecting the world's real makers and shoppers of normal assets. Presently, more than 66% of the world's oil goes through the locale's waters, while Australia, Indonesia, and South Africa now represent the greater part of worldwide coal sends out, delivery a lot of their item over the Indian Ocean to India, China, Japan, and South Korea,
the world's top shippers. In the coming decades, nonetheless, the common wealth
underneath the ocean will be as vital to securing the area's future welfare as the
business riches going over the sea waves\textsuperscript{44}.

2.2.1 Oil

Indian Ocean is not only for oil trade, but also oil as its natural resources.
The raising demand of oil causes oil wells in much deeper seas have been dug in
the past recent years\textsuperscript{45}. Add up to oil holds held by IOR states as a rate of the
whole world's demonstrated stores are great: IOR states have more than 58
percent of the world's demonstrated stores. When one considers these truths and
the inevitable significance of the SLOCs in the Indian Ocean associating Asia,
Europe, and Africa for the transport of oil, the noteworthiness of the IOR to
whatever remains of the world is startling\textsuperscript{46}. Furthermore, the significant player of
seaward oil drilling and generation in Indian Ocean is India. India has 3.2 lakh sq
seaward zones of sedimentary stores on the mainland retire up to a profundity of
200 meters\textsuperscript{47}.

2.2.2 Natural Gas Hydrate

The Government of India has found expansive, exceptionally improved
gatherings of flammable gas hydrate in the Bay of Bengal. This is the main
disclosure of its kind in the Indian Ocean that can possibly be producible.
Petroleum gas hydrates are an actually happening, ice-like mix of flammable gas
and water found on the planet's seas and Polar Regions. The measure of gas inside
the world's gas hydrate gatherings is assessed to enormously surpass the volume

\textsuperscript{44}Under the Sea: Natural Resources in the Indian Ocean." Stimson Center. Accessed
\textsuperscript{46}Paragraph on Presence of Oil and Gas in Indian Ocean." Short Paragraph. Accessed
May 15, 2017. http://www.shortparagraph.com/natural-resources/paragraph-on-presence-of-oil-
and-gas-in-indian-ocean/769.
of all known ordinary gas assets\textsuperscript{48}.

“Advances like the Bay of Bengal discovery will help unlock the global energy resource potential of gas hydrates as well help define the technology needed to safely produce them,” said Walter Guidroz, USGS Energy Resources Program coordinator. “The USGS is proud to have played a key role on this project in collaboration with our international partner, the Indian Government.”\textsuperscript{49}

This disclosure is the consequence of the most far reaching gas hydrate field wander on the planet to date, comprised of researchers from India, Japan and the United States. The researchers led sea boring, ordinary residue coring, weight coring, down entire logging and explanatory exercises to evaluate the geologic event, local setting and attributes of gas hydrate stores in the seaward of India\textsuperscript{50}.

\subsection*{2.3 Economic Importance for India}

The Indian peninsula swells 1,980 km into the Indian Ocean with half of the Indian Ocean bowl existing in a 1500 km compass of India. Between the Gulf of Aden and Malacca Strait, is seen as India's legitimate reach. India is one a couple of nations on the planet to have developed the advancement to focus minerals from the remote ocean bed. Under the law of the sea, by including the sea channels including territorial zone of 20 km, coterminous zone 40 km, an Exclusive Economic Zone (EEZ) of 320 km, India has tip top rights to examine mineral wealth in a locale of 150,000 square km in the Indian Ocean\textsuperscript{51}.

India imports 70 \% of its oil prerequisites, 4000 tankers come to Indian ports each year and practically 95 \% of Indian trade moves through sea. Any hindrance to our sea ways, shoreline front toward the ocean areas and ports, will cripplingly influence the country's monetary improvement. Ideal around 3.5 million Indians

work in Gulf countries and it is to India's most prominent preferred standpoint to ensure that the earth in Gulf remains stable. The IO is a fundamental conductor for overall trade and exchange. This key locale has overpowering worldwide ocean movement that joins half of the world's containerized payload, 33% of its mass load and two third of its oil shipment. Its waters pass on overpowering movement of oil and oil things from the oilfields of the Persian Gulf and Indonesia, and contain a normal 40% of the world's toward the ocean oil era. Notwithstanding giving valuable minerals and vitality source, the sea's fish are of incredible significance to the circumscribing nations for residential utilization and fare\textsuperscript{52}.

\section*{2.4 Geostrategic dimension India’s Foreign Policy}

Foreign policy of any nation is determined by so many factors, some of them are relatively stable than others and be regarded more basic and unchangeable determinants of foreign policy. It does not mean that other factors are not considerable and have no importance during the formulation of foreign policy of any nation, because foreign policy is never determined by one factor or set of factors, but it is the result of interplay of a large number of factors which affect foreign policy in different ways in different circumstances. Geographical and strategic position of a nation is one of the most important factors in international politics\textsuperscript{53}.

The size and location of the territory, accessibility and character of the frontiers, climate and population, natural resources, capacity of industrial production and transportation facilities are some key issues and forceful features while deciding a place internationally for any state. Great nations acquired much of their powers because geographic location afforded them a dominant strategic position, access to sea lanes or intercontinental transport routes and control over vital natural


India is sheltered by the Bay of Bengal, the Indian Ocean and the Arabian Sea, in the East, South and West and the grand Himalayas in the North. With these frontiers there is a bulk of countries which are located, more or less, at Indian borders, as its borders touching China, Nepal and an erstwhile Russian in the north: in the west land frontiers meet Pakistan and beyond that exist Afghanistan. In the south India has Sri Lanka and in south-east India has been having cordial relations with Indonesia, Malaysia, Vietnam and other nations. It has Bangladesh and Myanmar (Burma) as its neighbors in the east. So far as South-East Asian Countries are concerned, India has not only blood relations with them but also the bond of common customs and culture which are still similar to each other.

"Nehru had said in 1949 that: Look at the map. If you have to consider any question affecting the Middle East, India inevitably comes into the picture. If you have to consider any question concerning South-East Asia, you cannot do so without India. So is also with the Far-East. While the Middle-East may not be directly connected with South East Asia, both are connected with India. Even if you think in terms of regional organizations in India, you have to keep in touch with the other regions. And whatever region you have in mind, the importance of India cannot be ignored. India becomes a kind of meeting ground for various trends and forces and a meeting ground between what may be roughly called the East and the West."

It has explained above that geographical position is a big part of foreign policy making factor for India. Just like how India’s position in Indian Ocean Region affects Act East policy as one of India’s foreign policy.

According to India Prime Minister Act East Policy is more into how India takes a real action to strengthen their relation with South East Asia countries. In 2014 when declare the change from Look East into Act Policy Modi said Earlier, it was 'Look East Policy'. We have had enough of looking east. We now have 'Act East Policy' - a key component of my government's foreign policy.
2.5 Actors in Indian Ocean Region

The battle between India and China over Indian Ocean is not only about these two countries. There also several countries those play a quite significant role in this issue. In this case, those countries will be called as the actor, and it will be divided into major actors, regional actors, and extra regional actors. In the section bellow, there also an explanation about each countries national interest, why these countries would not mind becomes one of the actors of Indian Ocean battle.

2.5.1. Major Actors

2.5.1.1 India

Indian Ocean has been an imperative vital exchange course since the early medieval period, however was significantly practiced by the Europeans in the 16 to 19 century to pick up a financial and political solid footing the region.

Amid the Cold War, India's neutral foreign policy sanctioned by Prime Minister Nehru successfully destroyed the lasting shadow of superpower nearness in the Indian Ocean. In any case, endeavor to China’s ‘peaceful’ rise and enthusiastic gaze towards the Indian Ocean means cautioning signs for Indian diplomacy and security. The unfurling occasions and environment appear to approve the announcement by David Kaplan that "the Indian Ocean could be the 21st century playing field for the real powers." The shadow of the Cold War in India's patio could be inescapable if India neglects to react viably to both China and U.S.

2.5.1.1.1 Economic Interest

India has imperative financial enthusiasm for Indian Ocean and its area. Indian Ocean furnishes India with connection to alternate nations of the world, which basic for India's exchange and trade. The Indian Ocean area offers an

---

immense pool of regular and mineral assets, including oil which gives this locale noticeable quality on the world monetary guide and traits an awesome key criticalness to this district\textsuperscript{58}.

Indian Ocean has a rich living and non-living assets. Late investigation of its mainland rack and remote ocean bed has demonstrated incredible guarantee of oil, gas and mineral assets. The seventies could be fittingly called the time of seas when countries began looking towards the ocean for their survival and thriving. Seas, which cover seven-tenth of the world's surface, contain huge capability of nourishment, hydro-carbons and mineral assets which are presently man's most noteworthy trusts in financial prosperity. Seas guarantee 80 for every penny of the world's fish stock, 90 for each penny of oil and petroleum gas saves and countless mineral assets\textsuperscript{59}.

Indian Ocean is also India’s sea route for trade. So far India’s trade is still depending on Indian Ocean, with Indian Ocean under their authority, India would be able to be a new economic super power country. \textit{It is India's neighborhood that holds the key to its emergence as a regional and global power.-Former Indian foreign secretary Shyam Sara}\textsuperscript{60}.

International trade also plays an important role for India economic development, significant shipping accomplices of India in the Indian Ocean Region are South Africa, Australia, Malaysia, Singapore, Indonesia, Iran, Kuwait, Saudi Arabia, Bangladesh, and Sri Lanka. India likewise has trade and business joins with different countries of the Indian Ocean Region which, in spite of the fact that they are not India fundamental shipping accomplices, have critical monetary association with India. Vital among them are Bahrain, Mauritius, Mozambique, Oman, Qatar, Sudan, Zambia, Tanzania, Nepal, Thailand and China\textsuperscript{61}.

\begin{footnotes}
\end{footnotes}
2.5.1.1.2 Security Interest

Indians frequently say, “We live in a dangerous neighborhood,” with the implication that the Indian government’s room for action is therefore severely limited. India’s security and economic stability has been directly targeted from the ocean. Apart from the high profile incident of sea-based terrorist attack on Mumbai’s financial district in November 2008, there have been incidents of piracy and illegal movement of lethal equipment with serious implications for India’s national security and the safety of the Indian Ocean sea lanes of communications. To add to these new security concerns, the increasing global and regional integration of the Indian economy and the increase in the share of seaborne foreign trade in India’s national income also brought issues relating to maritime security into national security focus. Consequently, India has had to increase its budget for the navy and has set up a new naval command in the Andaman & Nicobar Islands.

In past recent years, India’s naval also play a major role in securing Indian Ocean. “As far the role of the Indian navy is concerned, the maritime border or the maritime balance of forces in the India Ocean suits Indian interests. There are several reasons for that, one is that India’s relations with the US are getting closer and the US has a considerable stake in the maintenance of current maritime order. Here the interest of the Indian Navy and the US converge. So that gives the opportunity to share the growth of the maritime order in such a way that we do not fall prey to the growing tension in the South China Sea or East China Sea and now you will find the tension growing in the Mediterranean. There again the initiative can be of many kinds, one being the development of India’s naval capacity. Second is the development of Maritime domain awareness. The Indian navy has a surveillance mechanism which tracks the movement of ships and gives an idea of the security situation. Another aspect is the development or the relationship between the Pakistan and Chinese navy so if we develop our capabilities enough that will contain the situation very much,” the former Indian ambassador told Sputnik.

2.5.1.1.3 Political Interest

Under Prime Minister Modi’s course, the foreign ministry's enunciation of

---


28
foreign policy has the strong attitude of "the Indian Ocean is India's Ocean". Modi's visits to the Indian Ocean Islands can be found in such manner, with the world nearly observing the political engagements of the visit; from the restored connections inside the Indian diasporas to Modi's clothing standard, to the wide scope of military and nonmilitary personnel help being offered to the deliberately huge islands to veer Chinese impact from the Islands' flow security grasp.

India’s ambition to take over Indian Ocean region grows strongly day by day. India keep working on their bilateral and multilateral relations with other countries to achieve their goals to be the new economic super power country in Asia. The multi-faceted connection amongst Russia and India for instance, this relationship keeps on guaranteeing the vital vision for India's lawn. The second biggest market for deals for the Russian protection industry, India is additionally the main beneficiary of Russian vital weapons. India additionally keeps on being held in high respect inside Russia through a blend of history, political relations, development of participation, and shared traits inside worldwide strategies and intrigue. Russia has noticed the advantages India can give locally and all inclusive in turning into a solid military focus, and will support and supply India to guarantee this ascent of energy and impact. Even though Russia does not have any direct pass in Indian Ocean, but the North-South transportation corridor that has been signed by Russia, Iran, and India seems to be a promising way for India–Russia relations.

The economist Mair Pashayev argue The North–South Transport Corridor has good prospects for freight traffic growth; after all, it links countries with a combined population of more than 2 billion people. Rail and road connections are possible not just with Iran and India, but also with Iraq, Syria and Israel. The ever-increasing importance of cooperation in military technology with the countries of the region, and the organization of the relevant logistics, also needs to be taken into account. I think that we can expect an increase in trade with India and Iran by rail very quickly, as these destinations are among the few that are

---

2.5.1.2 China

The self-assured way China has approached staking its regional claims in the South and East China oceans has clouded its developing enthusiasm for the Indian Ocean. This sea has turned into the new worldwide focus of exchange and vitality streams, representing a large portion of the world's holder movement and 70 percent of its oil shipments.

China's recently discharged defense white paper, while sketching out local dominion yearnings, has underlined a more noteworthy concentrate on the oceans, including an extended maritime part past its sea terrace. The white paper says that, as a component of China's push to build up itself as a noteworthy sea control, its naval force will move center from "seaward waters guard" to "untamed oceans assurance" — a move that clarifies its new concentrate on the Indian Ocean, with the Maritime Silk Road activity at the vanguard of the Chinese terrific system. To make a blue water compel and grow its maritime part, China is putting intensely in submarines and warships, and chipping away at a moment plane carrying warship.

2.5.1.2.1 Economic Interest

Even though China has got the title as the new super power country, China is still lack in some aspects, and one of them is China’s consuming so much energy. Unites States Energy Information Administration has ranked China on the first place in the terms of consumption of the energy and on the second place in the consumption and importation of oil. With the amount of oil, natural gas hydrate...
and mineral that Indian Ocean have, it will be a total benefit for China if China is successfully take over Indian Ocean.

Indian Ocean is also a great sea route that will give a great benefit for China, which is why China starting to build their naval base in Indian Ocean.

“Senior Captain Zhao Yi, associate professor of the Institute of Strategy in China's National Defense University argues Chinese navy ships visited many countries in Indian Ocean Region including India, Sri Lanka, Bangladesh, and Pakistan. Also Chinese navy's presence there is to protect the security of sea lines especially against piracy. The PLA navy provided escort services to over 6,000 ships in Gulf of Aden half of them were foreign vessels. Zhang underline that the presence of Chinese naval ships is not an expansion of the Chinese military”[71].

China also develop some strategy to take over IOR and String of Pearl is one of them, this strategy focus on expand Chinese naval presence along the Indian Ocean periphery so that it can establish prominence through sea lines of communication which are essential with respect to China’s future energy requirements[72]. The first overseas Chinese naval base is being established in Djibouti, China has shown a direct interest in establishing more bases on the Indian Ocean. To have their own commercial port in Indian Ocean will make easier for China to control and develop their economic and maritime security in Indian Ocean, which of course will give a great benefit for China.

2.5.1.2.2 Political Interest

China’s ambition to take over Indian Ocean is basically started from the rise of China, it started from China’s ambition to replace U.S as the center of the world[73]. This ambition that China has, starting to be a concern of U.S and India. Which finally lead to India’s decision to open up its military bases to U.S in

exchange for access to weapons technology to help it narrow their gap with China.

As a piece of their push to fortify their position in Indian Ocean, China has created multi-dimensional associations with Myanmar, Sri Lanka and Bangladesh, which have included real exchanging organizations, interest in foundation advancement, subsidizing of financial needs, and help with building up the vitality generation of these accomplices. Notwithstanding, a basic component has been its interest in the port offices of these countries. These have included Hambantota in Sri Lanka, Chittagong in Bangladesh and the Kyaukpyu profound water port in Myanmar, and also maritime offices on Myanmar's Great Coco Island.

China and Sri Lanka are presently considering setting up a SEZ in Hambantota. Sri Lanka has reported as of late that it was hoping to change over a bit of its obligation to China into value for foundation speculation by Chinese organizations. Sri Lanka has likewise marked on to the Chinese started Asian Infrastructure Investment Bank. While Sri Lanka has guaranteed India that it won't permit China any out and out responsibility for as a component of the Colombo Port venture, its recovery of Chinese activities, as per vital issues master Brahma Chellaney, is probably going to have a long haul geopolitical outcome.

"Sri Lanka, under Maithripala Sirisena’s government, has reversed course and is returning into China’s embrace, in part because of its precarious balance-of-payments situation" says Brahma Chellaney.

2.5.1.2.3 Security Interest

Indian Ocean has transformed into a requirement for China in light of its sea and security interests as it fills in as a state of joining in China's calculative

---


security interests related to its abroad vitality and exchange shipments. More than 70 percent of China's foreign made vitality supplies are transported through transportation ways in the Indian Ocean Region, with major fundamental checkpoints at the Malacca Strait.78

To secure its national interest China is extending its military stance and maritime modernization in the Indian Ocean. The praiseworthy to China's unfurling Indian Ocean strategy is, in January 2014 maritime bore led by a three ship Chinese naval force squadron where the biggest land and/or water capable Chinese landing ship which is Changbaishan alongside two destroyers which are Wuhan and Haikou partook. The decision of Lombok Strait close Indonesia as the penetrate area has been a key decision which shows to the Indo-Pacific district that China's battle achieve now reaches out toward the eastern Indian Ocean. Most importantly, the guideline driver behind China's vital look into the Indian Ocean can be comprehended in its yearning for extraordinary power status filled by a blasting economy which is fundamentally guided by the mission for economic and energy security. It is along these lines, imperative to evaluate China's vital advantages and arrangements of being a potential maritime player in the Indian Ocean.79

However China argues that China naval presence in Indian Ocean is not merely the expansion of China military to take over Indian Ocean, it is purely to protect security sea lines from piracy and terrorism. "So I do not agree that the presence of Chinese naval ship is expansion of the Chinese military, Senior Captain Zhao Yi, associate professor of the Institute of Strategy in China's National Defense University said"80.

---

2.5.2 Regional Actor

Region means a small geographical area, in this case is Indian Ocean region. There several states in this region, which are Australia, Bangladesh, Comoros, India, Indonesia, Iran, Kenya, Madagascar, Mauritius, Somalia, Mozambique, Oman, Seychelles, Singapore, Myanmar, Thailand, Sri Lanka, Philippines, South Africa, and etc. Actor in international relations means that the one whose play a role in the particular case. This lead to the definition that regional actor in IOR is the states or non-states actor that plays a role in this particular case.

2.5.2.1 ASEAN

South East Asia countries are located in Indo-Pacific region that relatively unstable and still lack in its security. This contains of some noteworthy flashpoints and has its offer of fringe issues, demonstrations of psychological oppression and covering oceanic cases. This is really why South East Asia nations are all the more concentrating their sea worry on East Asia, while the IOR has gotten less consideration. Southeast Asia is frequently viewed as a particularly sea sub-area, and as a sea connect between the Indian and Pacific Oceans. From multiple points of view, it is the geographic focal point of gravity for the more extensive Indo-Pacific locale.81

The rise of China and India in IOR placed ASEAN in difficult situation. ASEAN seems to trap in the middle of the battle between these two. Moreover with all the potential that IOR has, all the world attention is getting into IOR in recently, as a home of 2 billion individuals and fills in as a worldwide vitality parkway with about 50 percent of the world's holder movement and 70 percent of the world's oil based goods going through its waters. In a complex, globalized and related world, the IOR could be the worldwide hall that is most challenged among the colossal forces.82

Following the fact that ASEAN member countries are also part of IOR, it is

proven that ASEAN member countries will follow the trends and pay more attention to IOR\textsuperscript{83}. In the next section below, there will be further explanation about ASEAN interest towards IOR.

2.5.2.1.1 Interest

IOR is important for ASEAN trade because the major crude oil from ASEAN countries is coming from Middle East and of course this trade needs IOR as the trade route. A high volume of oil is conveyed via ocean through the restricted straits in the northwest and upper east of the Indian Ocean. The Straits of Hormuz are the world's most critical oil gag point. The United States, specifically, joins awesome vital significance to the security of the Straits of Hormuz, and to the security of the Malacca Strait, as the key stifle focuses driving in and out of the Indian Ocean. These and other stifle focuses are additionally of major key enthusiasm to Northeast Asian nations, and in addition to ASEAN. The wellbeing and security of transportation are necessities that possibly give the premise to sea collaboration in the IOR\textsuperscript{84}.

Maritime security is also one of the main concerns of ASEAN in IOR. Maritime terrorism, piracy, illegal fishing, drugs trafficking are threats that cannot be taken lightly. Piracy and furnished burglary adrift are the constant maritime issues in IOR, and the piracy issue in Malacca strait is the worst, there were 79 piracy incidents during 2009-2014. This piracy issue is seems like unstoppable, it was proven in 2014, where the piracy incident keep happen and happen again even though they already an anti-piracy operations by the Malaysian, Indonesian, and Singaporean navies\textsuperscript{85}. Securing the Ocean is now part of ASEAN big concern because if this piracy keep happening in ASEAN countries territory it will be unstable condition for ASEAN itself, which is why there is the anti-piracy operations that Indonesia, Malaysia, and Singapore have, even though it was


proven that this operation is not enough to overcome the piracy.

ASEAN interest in IOR is not as dangerous as what China or India has, basically ASEAN main concern is too keep their economic stability and push down the maritime issue in IOR. So far there is not any concern of ASEAN to take over IOR, ASEAN is in the neutral zone which is why they try to keep the stable situation by trying to rebalance the major actors by strengthen their relations with India.

Sourabh Jyoti Sharma - Department of Political Science, Delhi University, argues “ASEAN, as a potential stabilizer in the region, and its member countries cannot afford to ignore these trends, and should pay increased attention to promoting links with all important actors in the IOR, and particularly with an emerging great power like India. Rather than being able to pick and choose policy options, this has become a security imperative for ASEAN. China’s naval inroads in the region via its string of pearls strategy, and its ‘historical’ claims to ‘own’ the entire South China Sea, together with the benignly viewed rise of democratic India’s naval prowess, are fraught with the prospect of protracted maritime disputes.”

2.5.3 Extra Regional Actor

2.5.3.1 Japan

Indian Ocean is curtailly become the battlefield for India and China. China influence in Indian Ocean keeps getting stronger and stronger. China’s will to take over Indian Ocean give a warning signal for Japan. As a country that rely their economic stability on maritime transport for export-import. Japan takes this battle issue quite seriously by join US-India alliance to rebalance China. US and India has an annual Malabar exercises in the Bay of Bengal for the past 8 years, and in 2015, for the first time Japan join this exercises and becoming the permanent member. So what is actually the interest of Japan to involve in the battlefield between China and India in Indian Ocean Region?

---


2.5.3.1.1 National Interest

Indian Ocean choke points such as Malacca Strait, Strait of Hormuz, and Persian Gulf are such an important spot for Japan economic stability. Malacca Strait is the principle entry between the Indian Ocean and the South China Sea and in this way a crucial help for Japan's global trade. As much as 33% of global exchange and 50% of the world's oil go through the Strait of Malacca and the Strait of Hormuz. Likewise 90% of Japan's oil necessities originate from the Persian Gulf.88

Large amount of gas hydrate that found in Indian Ocean is another magnetism of Indian Ocean. This gas hydrate invention is the result of the government of India, Japan, and U.S scientist. This revelation is the aftereffect of the most far reaching gas hydrate field wander on the planet to date, made up of researchers from India, Japan and the United States. The researchers led sea penetrating, customary residue coring, weight coring, down hole logging and expository exercises to evaluate the geologic event, territorial setting and attributes of gas hydrate stores in the seaward of India. If this gas hydrate project is succeed to be a new source of energy it will bring a great benefit for Japan, India, and U.S, as the countries whom started this research.89

Despite those economic interests above, Japan also has their own security interest Japan in IOR, maritime security is one of the aspect that Japan could actually proud of, Japan navy is one of the best in Asia, Japan has total 114 warship and 45,800 volunteer personnel. The most powerful of Japan’s surface combatants are the Kongo class of guided-missile destroyer. The Kongo destroyers depend on the first U.S. Naval force Arleigh Burke–class Flight I destroyers fit as a fiddle and deadly implement. Same like the Burke class, the heart of the ship is the Aegis Combat System, equipped for following and drawing in range air-barrier dangers. It additionally gives a national ballistic-rocket guard framework for all of Japan—

only two Kongos can secure the majority of the nation\textsuperscript{90}.

2.5.3.2 United States

U.S has always been involve in Indian Ocean, it all started from the Second World War. At that time U.S become the main warrantor of safety in Indian Ocean. In 1948, U.S establishes their naval base in Persian Gulf, not long after it became the Middle East Force in 1949. For the last 50 years, U.S naval presence in Indian Ocean has grown stronger than ever. There are two landmarks that U.S took in order to strengthen their presence in Indian Ocean. First was the establishment of U.S rented the British Island of Diego Garcia in the southern Indian Ocean for fifty years, starting in 1966. The island has been occupied by around 5000 British and American soldiers, and it was arranging ground for the American wars in Afghanistan and Iraq. The other significant development of the American maritime presence in the sea was the Persian Gulf War. The seventh Fleet situated in the Pacific was chiefly in charge of maritime operations amid this war. To connote expanded U.S. duty to the Middle East, the locale got its own particular armada in 1995, situated in Bahrain. This is obviously, been intensely required in every single consequent operation in the area since\textsuperscript{91}.

2.5.3.2.1 Interest

Same with Japan, Indian Ocean SLOCs are the main reason of U.S presence in IOR. U.S goal is to keep Indian Ocean’s SLOCs remain free and tangential. U.S is totally aware of the importance of Indian Ocean choke point that provides the best sea route trade to Asia and Europe. It will be a major disadvantage for U.S if they lose their free pass in Indian Ocean SLOCs especially in the Persian Gulf. Persian Gulf is one of the busiest choke point in IOR, the world major trade are happen in here, not to forget the fact that U.S has fight since a long time ago to


have their position now in Persian Gulf. Geopolitically speaking, it is true that U.S has nothing to do with Indian Ocean. However economic and security stability is enough for U.S to keep an eye on Indian Ocean. This is where economic and military linking together. U.S presence in Indian Ocean is not something new anymore, U.S has been dominate Indian Ocean since World War II, with the significant development of IOR it give a lot of benefit for U.S economically, which is why U.S will never let go their presence in IOR. Indian Ocean is one of the alternative ways for U.S to keep their economic stability and paying their debt. Indian Ocean become one of U.S priority nowadays because for U.S there is not any biggest threat than a debt, and with its potential, surely IOR would help U.S paying their debt.

Admiral Michael Mullen, ex-Chairman of the Joint Chiefs of Staff explained “The most significant threat to our national security is our debt. And the reason I say that is because the ability for our country to resource our military ... is going to be directly proportional – over time, not next year or the year after, but over time – to help our economy. That’s why it’s so important that the economy move in the right direction, because the strength and the support and the resources that our military uses are directly related to the health of our economy over time.”

Competition between India and China is sort of an impede U.S. if China’s ambition to take over IOR becomes true, there is no way U.S will still got their free pass, this is the reason why U.S strengthen their naval base in IOR and do some joint military with India and Japan to keep an eye on Indian Ocean.

2.6 India’s Strategic Environment

Strategic Environment is a decision making method that has a full consideration of the environment to make some policies, programs, or plans.

---


which is why geopolitics is the element of strategic environment. Geopolitics is all about politics, interest, power and geographical location. In this case, it is pretty much of what kind of strategy that India uses to tackle down their geopolitical issue in IOR. So far, India focus in three particular element which are, military, economic and the combination of military and economic dimension,

2.6.1 Military

Base of the unstable political situation in their region, and India’s concern about terrorisms and piracy that keep happening in IOR, for India it is not just a threat for their peace but also threat for India’s stability, which is why India keep trying to strengthen their military even more, especially Indian navy.\(^\text{96}\)

The development of India maritime expansion proved with the increasing number of exercises with the foreign navies, coordinated mechanisms for maritime security operations, and enhanced training, technical and hydrographic cooperation with friendly maritime forces. For the regional cooperation development especially for IOR, India has Indian Ocean Naval Symposium (IONS). India also engaging their maritime security cooperation by doing some join military with other countries in IORA.\(^\text{97}\)

2.6.2 Economy

India is one of the countries in Asia that has a stable and high growth rate of economic dimension. In the recent past years India’s concern towards their economic dimension keep increase, for India it is no longer geopolitics that they concern more, but geo-economic. To keep their economic stability, there should be economic security and trade security as well. The new dangers to India will include dangers to its monetary advantages, and this thusly will infer that India would need to overlook geological limits and really set itself up to secure its interests even past


its land fringes. Securing Indian Ocean SLOCs is additionally some portion of India's financial security concern, on the grounds that being a developing monetary power India's vitality needs have developed and India needs to secure its ocean paths of correspondence and stifle focuses in the Indian Ocean including the Strait of Hormuz, Bab-El-Mandeb, Cape of Good Hope, Mozambique Channel and the Malacca Straits.

2.6.3 The Combination of Economic and Military Dimension

Like what it has been mentions before, India took their economic concern to whole another lever which is economic security. Basically economic security is when military take a part in economic concern. Indian Air Chief Marshal Shashindra Pal Tyagi argues “no economic growth is possible without peace and stability, and no peace and stability is possible, in turn, without military power” India shows their military effort to securing their economic interest by cooperating extensively with other militaries in the region including the US, Singapore and Japan. India argue that U.S and India has the same perspective towards economic security which is keep the SLOCs in Indian Ocean free, so there will not be any distraction for the free flow energy and ensuring peace and stability around the world.

CHAPTER III

OVERVIEW OF INDIA’S ACT EAST FOREIGN POLICY

---


3.1 Look East to Act East Policy

Look East Policy was establish in 1991 under the leadership of Narashima Rao. Even though 1991 is the official year for Look East policy, look east policy still need 5 years to make it through the External Affair Ministry Annual Report. Look East Policy was made based on the situation at that time, post-cold war era is the hardest time for India, without Soviet Union on their side India was so unstable. Look East policy is one of India effort to stabilize their economic and strategic relations with East and South East Asia countries.

India former Prime Minister I.K Gujral stated that: “What look east really means is that an outward looking India, is gathering all forces of dynamism, domestic and regional and is directly focusing on establishing synergies with a fast consolidating and progressive neighborhood to its East in Mother Continent of Asia”

The first step for Look East policy was developing trade and investment linkages with ASEAN member countries. After that it expanded to other countries such as Australia, Japan and South Korea. The concentration of India Look East Policy was to accentuation on political, conciliatory, enhanced connection and upgraded trading relations, the second stage rotated around reinforcing of financial relations, defense and security participation other than fortifying connections in different ranges.

Look East Policy underline on territorial integration, change and advancement, quick monetary development and improvement of the North Eastern part of India, adjusting the approach of concentrating on geological closeness of areas, sub-local participation and focus on free trade agreement. LEP has passed

---

on India nearer to ASEAN nations, yet was not totally prepared to tap the open ways to a further cooperation together. The difficulties that were confronted by ASEAN inside and the monetary emergency that it confronted additionally kept Indian economic and strategy producers reluctant about the LEP being considered important as a policy\textsuperscript{107}.

There so much achievement that LEP has achieved, that was not just India has advanced from a discourse accomplice to the present status as a strategic partner of ASEAN yet has likewise settled strategic partnership on respective premise with numerous ASEAN states and Japan, Australia and South Korea. It can likewise be said that after 2012, the Indian government kept on working towards what it called the third stage that was named as an "Enhanced LEP"\textsuperscript{108}. Ambassador Rajiv Sikri as the former Special Secretary (ER) and Secretary (East) in the Ministry of External Affairs stated\textsuperscript{109}.

"ASEAN wanted closer ties with India to balance the influence of China. Singapore played a particularly important role in creating awareness of India’s strategic importance. You would have noticed that there is a domestic political and public consensus on India’s LEP. No party has ever questioned the desirability of closer engagement with Southeast Asia. More could have certainly been done to build relations with the Southeast Asian countries, but the overall balance sheet during this period is satisfactory"\textsuperscript{110}

However, everything will always have two sides with them, good and bad, and so does LEP. India Look East Policy is not only about an achievement but it also has its own failure. So far the biggest failure of Look East Policy is how this policy is actually fail to involve the North Eastern part of India\textsuperscript{111}.

North East Federation of International Trade (NEFIT) chairman R C Agarwal said:\textsuperscript{112}

“Although in the initial stage the focus of the policy was much on ASEAN and proved a success but in the North East perspective it became a failure gradually. Till date there was virtually no role for states of the North East while neighboring China had focused on developing its backward regions through greater economic ties with ASEAN. While India is watching and contemplating, China has gone ahead in building new highways linking Kunming (Yunnan) with Northern Myanmar and Thailand. It is unfortunate that though the region is a natural bridge between India and Southeast Asia, lack of infrastructure and development has plagued the region. The entire infrastructure of roads, railway, air transport and communication would have to be revamped to serve the objectives of the Look East policy. The policy would provide a bridge between the rest of India and Southeast Asia, of which the Northeast will forever remain an underbelly.”

LEP achievement may be not yet an unequivocal determinant in the vital progressive of the Asia-Pacific, the agreement only get through South East Asia region. India – ASEAN agreement is actually less beneficial for ASEAN. This agreement has less market access and it does not cover a lot of issues that happening at that time, compare to other agreement that ASEAN has with another country. Basically India defensive defense approach towards trade negotiation makes the agreement kind of counterproductive. India hold themselves for giving as much market access as was requested in the trade negotiations. The imprint stuck and ASEAN was less magnanimous when it came to their merit.

India trade negotiation with SEA states never considered basic substances. Pushing made fares into ASEAN markets requires Indian makers to have the capacity to import shoddy contributions from the locale. In any case, defensive requests from household makers did not give that a chance to happen. Thus, sends out have scarcely prospered through the ASEAN FTA. The merit FTA with ASEAN has been finished up however is yet to come into constrain. However, if history is one of the things that they hold into, good faith is not justified. India's greatest pushed in all administration part transactions is to get further market access for its experts. ASEAN arrangements have not been an exemption. The issue is that while respective exchange understandings may formalize proportional get to, real development of experts is considerably harder to accomplish. A few barricades

obstruct such development. The most vital among these is shared acknowledgment of capabilities. Mutual recognition agreements or MRA are basic for gifted individuals to have the capacity to relocate. Acknowledgment should be concurred on by the affirming organizations from various nations. However, arranging MRAs between various organizations is troublesome in view of protectionist weights. Enabling specialized experts from remote nations to hone on home turf is a cumbersome test115.

Under the leadership of Prime Minister Narendra Modi, Look East policy turns into Act East policy116. Act East policy is the upgraded version of Look East policy, Act East policy was establish during India – ASEAN Summit in Myanmar on November 2014117. The base, and target continues as before yet to give stimulus and increment its significance and concentrate on it, the strategy was overhauled. However, Prime Minister Modi’s responsibility regarding stability in SEA region won't really come to the detriment of East Asian assignation. India’s North-eastern states can't be effectively gotten to from the territory without a hand of Bangladesh, in conclusion is maintaining a good relations between India and SEA countries will be critical to upgrading its property network with Southeast Asia. Furthermore, since getting to be noticeably Prime Minister, Modi has pushed a 'Look East, Link West Policy' indicating a more extensive Indo-Pacific conceptualization of India's area118.

Even though Act East policy and Look East policy has the same goals for India development but it slightly clear that Act East and Look East has deferent main focus119. India former Prime Minister Narashima Rao created Look East policy as a way to get out from economic crisis that India face at that time, because back in 1992 after the collapse of Soviet Union India does not really has anyone to

support their economic development, which is why India turn around and embrace South East and East Asia countries to have bilateral or multilateral relations with India. Back in that day India – ASEAN bilateral trade grew from $3 billion in early 90’s to $12 billion in 2003 and keep growing until $79 billion in 2012\textsuperscript{120}.

Act East policy not only focus on economy but also security and geo-politic, especially after the rise of China. Geo-politic becomes such a big concern for India. To make it easier to understand the similarities and differences of Look East and Act East policy there will be a simple table that will be provided below\textsuperscript{121}.

<table>
<thead>
<tr>
<th>Look East Policy</th>
<th>Act East Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus on South East Asia</td>
<td>Focus on Asia - Pacific</td>
</tr>
<tr>
<td>Driven by Economic Interest</td>
<td>Driven by Economic, Politic, and Security Interest</td>
</tr>
<tr>
<td>Fail to involve the North Eastern part of India.</td>
<td>Underlines current geopolitics of the region</td>
</tr>
<tr>
<td>Strategic partnerships are mainly limited in South East Asia Region</td>
<td>Provide the North Eastern region of India to connect with another countries in the neighborhood</td>
</tr>
<tr>
<td>Mostly focus on Economic</td>
<td>Extended strategic partnership with Japan, RoK, and U.S</td>
</tr>
<tr>
<td></td>
<td>Not only focus on economic, but also focus on politic, and security</td>
</tr>
</tbody>
</table>


3.2 India Act East Policy

3.2.1 Objectives

Through Act Policy, India has been able to develop their strategic relationship with Indonesia, Singapore, Vietnam, Malaysia, Japan, Republic of Korea (RoK), Australia, U.S and of course ASEAN, with Act East policy, India would like to upgraded its relationship with all countries in Asia – Pacific Region.122

India Minister of State for the external Affairs Gen. Dr. V. K. Singh Explain: “The Objective of Act East Policy is to promote economic cooperation, cultural ties and develop strategic relationship with countries in the Asia-Pacific region through continuous engagement at bilateral, regional and multilateral levels thereby providing enhanced connectivity to the States of North Eastern Region including Arunanchal Pradesh with other countries in our neighborhood. The North East of India has been a priority in our Act East Policy (AEP). AEP provides an interface between North East India including the state of Arunachal Pradesh and the ASEAN region. Various plans at bilateral and regional levels include steady efforts to develop and strengthen connectivity of Northeast with the ASEAN region through trade, culture, people-to-people contacts and physical infrastructure (road, airport, telecommunication, power, etc.). Some of the major projects include Kaladan Multi-modal Transit Transport Project, the India-Myanmar-Thailand Trilateral Highway Project, Rhi-Tiddim Road Project, Border Haats, etc.”123

Even though Act East policy was designed to embrace India relations with other countries in Asia – Pacific, ASEAN is still a big part of Act East policy. South East Asia countries are still the main focus for this foreign policy, especially Myanmar and Vietnam. ASEAN – India Plan of Action for 2016 until 2020 has been espoused in August 2015 which identifies concrete initiatives and areas of cooperation along with political-security, economic and socio-cultural. In the civilization area, India tries to strengthen their relation with ASEAN by Buddhism and Hinduism that expected to develop a new contact and connectivity with people in both sides. Through AEP India – ASEAN agreement is not only stopping on economic bilateral or multilateral relations but also security interest. Build up a

closer relation in countering terrorism, working together to maintain peace and stability also promote maritime security like what it has been on International Law are being pursued

There are several projects that India has with ASEAN countries especially in infrastructure as additional bilateral and regional plans. One of the major ongoing project is Kaladan Multi Modal Transit Transport Project, the India-Myanmar-Thailand Trilateral Highway Project.

There are several projects that India has with ASEAN countries especially in infrastructure as additional bilateral and regional plans. One of the major ongoing project is Kaladan Multi Modal Transit Transport Project, the India-Myanmar-Thailand Trilateral Highway Project.

In the past recent years India seems to focus more on CMLV (Cambodia, Myanmar, Laos, and Vietnam) the reason why India seems to prioritize CMLV is because, these countries are seeing as the highest foreign direct investment growth in the region. Under the umbrella of Act East policy, India tries to deepen their relationship with CMLV.

On the other hand, U.S was welcoming and supporting India Act East policy in Asia–Pacific "We are well aware of the Look East policy, but we warmly welcome to this new shift 'Act East' policy," a senior administration official told PTI ahead of the three-nation Asia-Pacific visit of U.S President Barack Obama to China, Myanmar and Australia.

"We think that India’s conception of Indo-Pacific, the notion that India can be working with us on both trade liberalization agenda in East Asia, but also a security agenda is very welcome," the official said on condition of anonymity

3.3 Act East Policy Achievement

These are some of Act East Policy achievement for these past two years:

- Strengthen India - ASEAN relations. India trying to promote a better relations with another ASEAN countries through Myanmar and Thailand. Modi has allocated $1 billion to promoting India - ASEAN relations on India - ASEAN summit in Kuala Lumpur, November 2015. Now, India - ASEAN relations is not only about economic but it already escalate to security and defense, strategic partnership, political, and combating terrorism. In terms of counter terrorism India – ASEAN have a special awareness of the rising and how ISIS influences the terrorism in the region. India also build up their defense partnership with ASEAN member states in advanced. India Prime Minister Narendra Modi explain the importance of ASEAN for India on 14th ASEAN Summit in Vientiane, Laos:

“Our ties are a source of balance and harmony in the region. The substance of our strategic partnership covers economic, security, socio-culture...ASEAN-India Plan of Action (2016-20) has served us well in fulfilling our objectives. We have already implemented 54 out of 130 activities have already been implemented”

- India - Japan relations, Act East policy also brought a great impact for India - Japan relations. As a states who actually have been face a real nuclear attack and nuclear disaster, Japan agreed to sign civilian nuclear deal with India Japan

resolved to put $35 billion in India, a joint arrangement on building a rapid railroad, and collaboration on the Delhi-Mumbai Industrial Corridor, and additionally joint support in the Malabar activities and defense cooperation, provide evidence of how serious this bilateral relation is whether it is in the terms of economic, strategic partnership or even technological partnership\textsuperscript{131}. India and Japan has an ambition to build a stronger partnership for safer and stable world, and it was stress out on their joint statement.

“Stressing the role of India and Japan for stability and prosperity in the Indo-Pacific region, the two Prime Ministers reiterated the need to further consolidate their security and defence cooperation. They welcomed the entry into force of the two Defence Framework Agreements concerning the Transfer of Defence Equipment and Technology and concerning Security Measures for the Protection of Classified Military Information. They underscored the need to further expand defence engagement through greater two-way collaboration and technology cooperation, co-development and co-production, by expediting discussions for determining specific items including through the Joint Working Group on Defence Equipment and Technology Cooperation. The two Prime Ministers appreciated the successful Annual Defence Ministerial Dialogue held in New Delhi, Japan's regular participation in the Malabar Exercise and the International Fleet Review off the coast of Vishakapatnam. They reaffirmed their desire to further deepen bilateral security and defence dialogues, through the 2+2 Dialogue, Defence Policy Dialogue, Military-to-Military Talks and Coast Guard-to-Coast Guard co-operation”\textsuperscript{132}

- India - China, in May 2015. Modi pay visit, Modi deliver the strong message for Xi Jinping, this message is more like a warning for Chinese force to stop a crossing China- India border. Actually this one is not the first visit that Modi have done to China. The first visit is on September 2014, at that time Modi warning is more into orally, but then on May 2015 Modi give China’s warning letter about this issue\textsuperscript{133}. The Minister of State in the Ministry of External Affairs, V.K. Singh explain about India and China border issue:

“During the recent visit of Prime Minister to the People’s Republic of


China, the discussions with Chinese leadership were comprehensive and substantive. Various issues of significance, including the India-China boundary question, were discussed in a frank and cordial manner. The two sides made a positive assessment of the important progress made through the mechanism of Special Representatives. The two sides have agreed to appoint a Special Representative (SR) to explore the framework for a boundary settlement from the political perspective of the overall bilateral relationship. 18 Rounds of SR Talks have been held till date. India and China are committed to resolving bilateral issues through dialogue and peaceful negotiations and in a fair, reasonable and mutually acceptable manner.134

3.4 Challenges and Opportunities

Even though India has already set their goals for Act East Policy, there will always be some challenges and obstacles in a way. India already set a perfect goal for AEP but in reality, AEP is like a double-edged sword. India moves fast to build a better relationship with East Asia and Asia – Pacific region countries. However India seems too focused about East and Asia – Pacific so India forgot about their number one partner which is ASEAN. In 2015, India – ASEAN trade was waning into $59 billion, dropping from $68 billion in 2014. This was unfortunate because India and ASEAN had set a target of reaching US$100 billion in merchandise trade by 2015135. India previous Prime Minister Manmohan Singh believe that India – ASEAN trade would be boost and there will not be any dropping again in the future. “It gives me great pleasure to see that our commemorative summit on Thursday coincides with the conclusion of negotiations for the FTA in services and investments. This represents a valuable milestone in our relationship. I am confident it will boost our economic ties in much the same way the FTA in goods has done,” Prime Minister Manmohan Singh said here while addressing the summit on the inaugural day.”136

On the seminar about ‘Idea of ASEAN’ that held at Nehru Memorial

Museum and Library, New Delhi. February 2 2017. India Secretary (East) explains more about India – ASEAN bright economic partnership in the future and for these past recent years.

"India and ASEAN share deep economic ties. ASEAN is India's 4th largest trading partner, accounting for 10.2% of India’s total trade. India is ASEAN’s 7th largest trading partner. Investment flows are also robust both ways, with Singapore being the principal hub for both inward and outward investment. The ASEAN-India Free Trade Area in Goods, Services and Investment has been in place since July 2015. Deeper economic integration with the dynamic ASEAN region is therefore an important aspect of our engagement with ASEAN. The ASEAN-India Trade Negotiating Committee has been also reconstituted. It met for the first time in April 2016, to take stock of a host of issues which have been identified for revival of India-ASEAN Trade. Together these will facilitate a qualitative shift in our trade and investment relationship".

So far it is still hard for India to bring their relationships with East Asia countries to another level. So far, it was only some ordinary diplomacy rather than a major deal. Even so, India still has the potential to develop their relations with East Asia countries, especially in the terms of energy and economy, because as the matter of fact China, Japan and Republic of Korea are well known as the fast growing countries in the terms of economic. India explains how India sees Rok as a potential partner on India – Republic of Korea Joint Statement for Special Strategic Partnership (May 18, 2015).

"India sees the ROK as an indispensable partner in its Act East's strategy, and the ROK and India recognize the value of the bilateral partnership and its contribution to bringing peace, stability and security in the Asia Pacific Region.


President Park informed Prime Minister Modi about ROK’s Northeast Asia Peace and Cooperation Initiative (NAPCI). Prime Minister welcomed ROK’s desire to enhance cooperation and security among countries in the Asia-Pacific region. The two leaders agreed that the two sides should work together to find complementarities between NAPCI and Act East Policy to achieve shared goals.”

India’s pivot to Asia – Pacific is also a double – edged sword. By running this plan there is a big chance for India to bring their cooperation with U.S to another level, because it would be a win-win engagement for both sides. For India, having U.S in their side would bring a lot of benefit especially for their security interest, and for U.S, India would be a bridge for U.S to keep an eye on IOR. However there is also a risk that India and U.S interest would be overlapping each other.

This quotation below was quoted from official website of India Ministry of External Affair, under the title of India – U.S Relations: The Search for a Transformative Moment (June 24, 2013)

“The relationship between India and the United States has strengthened spectacularly and brought substantive gain to both countries… Every nation seeks partners and friends. India and the United States are no exception, but we are currently tasked to nurture the strategic partnership that we already have in place and to which we are mutually committed to preserve and protect. The pressures and difficulties posed by our domestic politics and economics, the unresolved issues of the world, must not deter us. The challenge before us is to reconcile competing self-interests and combine them into enlightened mutual interest. That is not a simple matter of persuasive arguments and attractive power point presentations. We both have constraints of democracy, which are exacerbated by the different levels of development and corresponding demands of our respective economies, societies and people… Finally in the realm of defense, we hope our relationship is not merely a buyer-seller relationship, but a true strategic partnership involving joint research, manufacture of equipment, training of personnel and military exercises.”

144“India-U.S. Relations: The Search for a Transformative Moment.” Ministry of External Affairs,
3.5 India Ambition Project Power 2020

India ambition to be a new super power is not something that can be taken lightly, their goal is to be a super power country by 2020, with Modi’s motto Sabka Saath, SabkaVikas (Collective efforts, Inclusive Growth) India is totally ready to take over the world. India proves that their ambition is not a joke, and Act East policy is a part of this big project that India has. Act East policy is not only about economic bilateral relation, India expand the uses of Act East policy to another level. During his visit on Asian Business Leader Conference 2016 in Malaysia, Modi underline this issue.

"Under the leadership of His Excellency the Prime Minister, Malaysia is moving towards its goal of achieving developed country status by 2020. It has also shown resilience in coping with the global economic situation. The timeless ties between India and Malaysia are reinforced by the presence of a large Indian community. A recent symbol of our historic links is the Torana Gate in the heart of Kuala Lumpur which connects two great nations and two great cultures. In recent times, we have forged a Strategic Partnership. My visit to Malaysia in November last year served to reinforce this strategic engagement across a range of areas. Close relations with Malaysia are integral to the success of our Act East Policy. India's initiatives including a Project Development Fund and Line of Credit have given a huge fillip to India-ASEAN cooperation."

In that occasion Modi does not only talk about India – Malaysia but also India – ASEAN vision in the future.
3.5.1 Military

In 2015 Global Fire Power ranked India as one of the strongest country in the terms of military. India got a fourth place, after U.S, Russia, China and UK. India put a lot of effort to develop their military, and naval building is one of the proof of how serious India with their project power. In 2015 India government approved more than 16 billion USD to build unconventional naval warship and nuclear power submarines. India decision to construct naval vessel and submarines is viewed as a feature of administration’s arrangement to build up their domestic defense industrial base. Moreover this action also seen as endeavor by India to reinforce its naval defense regarding to their concern about China’s expanding naval presence in Indian Ocean Region.

India military expert Chietigj Bajpaee explains about India ambitions and plan for Indian naval in the near future:

"India has ambitious plans for the development of a 160-plus-ship navy, comprising three aircraft carrier battle groups by 2022. More than 40 warships and submarines are on order or under construction at the country's three major shipyards. These include stealth destroyers, anti-submarine corvettes and stealth frigates. These vessels will supplement and in some cases replace the country's older destroyers. With respect to India's aircraft carriers, in addition to procuring the INS Vikramaditya (formerly the Admiral Gorshkov) from Russia in 2013, India is also constructing the country's first home-made carrier with the INS Vikrant due to be inducted by 2018-19 and plans for the development of the larger INS Vishal as part of the indigenous aircraft carrier-II (IAC-II) project. The Indian Navy also has a particular focus on enhancing the country's submarine fleet with the construction of Scorpennes from France, the leasing of submarines from Russia, and upgrades to India's Russian and German-made submarines. The development of Arhant-class nuclear-powered submarines has also completed the development of India's nuclear triad. Supporting the growing fleet of vessels, the navy is also inducting MiG-29K multirole aircraft and Kamov-28 and 31 helicopters to deploy from its aircraft carriers. It has also developed nuclear-capable submarine-launched ballistic missiles (SLBM), land-attack cruise missiles, and a submarine-launched supersonic missile that modifies its BrahMos cruise missile."
Indian Naval visit to Thailand is one of the real examples of the correlation between India project power and Act East policy. In compatibility of Act East policy, Indian Navy Eastern Fleet under the command of Rear Admiral Alejendra Bahadur Singh, which already got the Vishisht Seva Medal (VSM is an awarded to recognize a distinguish service of an exceptional order to all rank of Indian armed forced) as a Flag Officer commanding Eastern Fleet thus has South East Asia and Southern of Indian Ocean as its area of responsibility. As a part of this naval visit, there also Indian very own INS Satpura commanded by Captain Hari Krishnan, and INS Shakti which is a great fleet tanker and support ship, commanded by Captain Vikram Menon. This visit was a four days visit that aimed to strengthen bilateral relation and join army operation between India and Thailand navies. Amid the visit that India navy do in Thailand, there are several activities that India naval has done such as official calls, reception on board, open the ship for visitors, guided tours for Indian naval personnel and professional interaction between personnel of both the navies, are planned.

3.5.2 Economy
In the terms of economy India predicted by Economist Intelligence Unit to reach the third spot replacing Japan, leaving only China and U.S as the first and second competitors for India.India can possibly be another monetary super power because of its substantial populace, a long standing custom of vote based system, and stable government framework with peaceful moves, convenient location for trade which vicinity to a big oil exporters, a vast English-talking populace, gigantic designing instruction that is step by step enhancing in quality, and an arrangement of Research and Development establishments. India's present shortcoming is restricted worldwide reach.

India has enough population to make a GDP figure big enough to become a super power. A country's GDP Precipitate increases as a large number of its population moves away from agriculture to service sector and industries. Increasing literacy rate and quality of education will also work in India's favor.157

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>China</td>
<td>18,509,313</td>
<td>30,920,974</td>
<td>36,733,666</td>
<td>46,196,090</td>
<td>57,516,077</td>
<td>70,069,387</td>
<td>86,035,423</td>
<td>103,333,716</td>
<td>122,889,424</td>
</tr>
<tr>
<td>2</td>
<td>India</td>
<td>8,027,931</td>
<td>12,366,000</td>
<td>16,691,510</td>
<td>21,637,541</td>
<td>27,880,283</td>
<td>35,592,134</td>
<td>44,929,129</td>
<td>54,962,175</td>
<td>67,410,341</td>
</tr>
<tr>
<td>3</td>
<td>United States</td>
<td>18,898,393</td>
<td>22,296,102</td>
<td>25,915,681</td>
<td>30,838,084</td>
<td>35,775,116</td>
<td>41,037,206</td>
<td>46,871,087</td>
<td>51,802,543</td>
<td>57,393,627</td>
</tr>
<tr>
<td>4</td>
<td>Indonesia</td>
<td>2,034,834</td>
<td>3,109,398</td>
<td>3,911,307</td>
<td>6,438,480</td>
<td>8,642,943</td>
<td>10,651,405</td>
<td>13,426,265</td>
<td>16,403,435</td>
<td>19,934,638</td>
</tr>
<tr>
<td>5</td>
<td>Brazil</td>
<td>3,077,661</td>
<td>3,827,604</td>
<td>4,689,245</td>
<td>5,615,490</td>
<td>6,700,061</td>
<td>7,916,640</td>
<td>9,204,536</td>
<td>10,595,138</td>
<td>12,073,673</td>
</tr>
<tr>
<td>6</td>
<td>Russia</td>
<td>3,473,763</td>
<td>3,988,130</td>
<td>4,812,284</td>
<td>5,749,220</td>
<td>6,700,492</td>
<td>7,944,403</td>
<td>9,144,700</td>
<td>10,421,005</td>
<td>11,757,382</td>
</tr>
<tr>
<td>7</td>
<td>Vietnam</td>
<td>2,200,134</td>
<td>2,844,374</td>
<td>3,567,234</td>
<td>4,473,530</td>
<td>5,445,719</td>
<td>6,209,711</td>
<td>7,340,497</td>
<td>9,410,352</td>
<td>11,090,299</td>
</tr>
<tr>
<td>8</td>
<td>Nigeria</td>
<td>1,105,343</td>
<td>1,525,900</td>
<td>2,046,728</td>
<td>2,710,167</td>
<td>3,574,107</td>
<td>4,652,310</td>
<td>5,861,160</td>
<td>7,581,083</td>
<td>9,849,467</td>
</tr>
<tr>
<td>9</td>
<td>Japan</td>
<td>4,402,925</td>
<td>5,517,230</td>
<td>6,285,747</td>
<td>7,681,426</td>
<td>9,125,265</td>
<td>10,763,277</td>
<td>11,549,413</td>
<td>12,590,128</td>
<td>13,917,111</td>
</tr>
<tr>
<td>10</td>
<td>Germany</td>
<td>3,812,004</td>
<td>4,514,888</td>
<td>5,164,509</td>
<td>5,870,430</td>
<td>6,561,762</td>
<td>7,260,282</td>
<td>7,962,477</td>
<td>8,614,582</td>
<td>9,229,264</td>
</tr>
<tr>
<td>11</td>
<td>United Kingdom</td>
<td>2,609,728</td>
<td>3,250,501</td>
<td>3,845,467</td>
<td>4,492,514</td>
<td>5,003,201</td>
<td>5,566,475</td>
<td>6,338,370</td>
<td>7,252,193</td>
<td>8,000,188</td>
</tr>
<tr>
<td>12</td>
<td>Turkey</td>
<td>1,576,253</td>
<td>2,043,718</td>
<td>2,566,327</td>
<td>3,394,715</td>
<td>4,040,106</td>
<td>4,712,203</td>
<td>5,629,464</td>
<td>6,685,640</td>
<td>7,736,525</td>
</tr>
<tr>
<td>13</td>
<td>France</td>
<td>2,646,948</td>
<td>3,159,724</td>
<td>3,725,756</td>
<td>4,409,137</td>
<td>5,202,841</td>
<td>5,753,071</td>
<td>6,463,414</td>
<td>7,223,748</td>
<td>8,109,320</td>
</tr>
<tr>
<td>14</td>
<td>Saudi Arabia</td>
<td>1,051,176</td>
<td>1,214,530</td>
<td>2,569,046</td>
<td>3,094,717</td>
<td>3,623,195</td>
<td>4,274,061</td>
<td>4,835,257</td>
<td>5,664,471</td>
<td>6,388,784</td>
</tr>
<tr>
<td>15</td>
<td>Philippines</td>
<td>742,251</td>
<td>1,113,547</td>
<td>1,490,812</td>
<td>1,845,830</td>
<td>2,341,247</td>
<td>2,940,162</td>
<td>3,533,636</td>
<td>4,091,074</td>
<td>4,900,378</td>
</tr>
<tr>
<td>16</td>
<td>Italy</td>
<td>2,173,957</td>
<td>2,618,767</td>
<td>2,933,768</td>
<td>3,372,790</td>
<td>3,644,344</td>
<td>4,039,018</td>
<td>4,818,007</td>
<td>5,297,885</td>
<td>5,769,191</td>
</tr>
<tr>
<td>17</td>
<td>Vietnam</td>
<td>591,156</td>
<td>812,667</td>
<td>1,079,700</td>
<td>1,471,570</td>
<td>1,883,033</td>
<td>2,381,293</td>
<td>2,877,296</td>
<td>3,370,076</td>
<td>3,819,034</td>
</tr>
<tr>
<td>19</td>
<td>South Korea</td>
<td>1,894,918</td>
<td>2,438,301</td>
<td>2,781,510</td>
<td>3,166,760</td>
<td>3,601,286</td>
<td>4,026,551</td>
<td>4,453,429</td>
<td>4,863,966</td>
<td>5,259,059</td>
</tr>
<tr>
<td>20</td>
<td>Canada</td>
<td>1,626,414</td>
<td>1,852,287</td>
<td>2,387,888</td>
<td>2,729,917</td>
<td>3,165,099</td>
<td>3,612,587</td>
<td>4,038,448</td>
<td>4,456,932</td>
<td>5,001,638</td>
</tr>
</tbody>
</table>


When we talk about India economic super power ambition and Act East policy, there is no way India – ASEAN relationship could be separated from this issue. India and ASEAN relationship started from Look East policy and back then it only focus on economic subject. Even though now, India – ASEAN is more than economic partner, economic development is still a big part India – ASEAN relationships. India placed ASEAN at the core of India's Act East Policy and at the center of our dream of an Asian century, saying that as young entities but old civilizations, India and ASEAN made great partners. India – ASEAN economic cooperation will not stop to develop and bring a benefit for both parties. Here is the official statement about this issue from India Secretary (East), Ministry of External Affairs. Preeti Saran on Inaugural Session of the International Relations Conference on ‘India’s Look East - Act East Policy: A Bridge to the Asian Neighbourhood’ (Pune, December 13, 2014).\footnote{Address by Secretary (East) at the Inaugural Session of the International Relations Conference on ‘India’s Look East - Act East Policy: A Bridge to the Asian Neighbourhood’ (Pune, December 13, 2014).” Ministry of External Affairs, Government of India. Accessed May 17, 2017. https://www.mea.gov.in/Speeches-}
“As ASEAN moves towards the ASEAN Community by 2015, India looks forward to a more integrated region and is working closely with ASEAN member-states to enhance connectivity in all its aspects - physical, institutional and people-to-people. Myanmar is our land-bridge to ASEAN and we have maritime boundaries with several ASEAN countries. India-ASEAN relations are today a reflection of the complementarity of interests between the two partners. India and ASEAN rank second and third in the world in terms of demography, accounting for a combined population of 1.8 billion. We are also among the largest and fastest growing economies in this century. ASEAN is India's fourth largest trading partner, with ASEAN-India annual trade standing at over US$ 76 billion in 2013, having registered an average growth of 22% per annum over the last decade. The signing of a Free Trade Agreement in Goods in 2009 has given a spurt to bilateral trade and the agreed goal is to enhance trade to US$ 100 billion by 2015. Our aspiration is to double it further to US$ 200 billion by 2022. Investment flows are also substantial both ways, with ASEAN accounting for approximately 12.5% of investment flows into India since 2000. FDI outflows from India to ASEAN countries over the last 7 years (April 2007-March 2014) were over US$ 31 billion while FDI equity inflows into India from ASEAN countries during this period were over US$ 25 billion. With the signing of the India-ASEAN Agreements on Trade in Services and Investment earlier this year and their expected entry into force in July 2015, we hope that the economic engagement between the two sides will expand substantially and the trade and investment balance, currently in favor of ASEAN, will be rectified.”

3.6 India Political Diplomacy and Soft Power

India has globally known for their political stability, there is not any much issue happening related to India local government. India Prime Minister Narendra Modi well known for using a soft power to engaging and extending India bilateral and multilateral relation with other countries. Modi uses, India culture and entertainment such as Bollywood and Hinduism to get closer to some countries.

Under the umbrella of Act East policy, India and Japan finally come through

---


a Joint Statement during Modi visit to Japan in November 2016. There are actually quite a lot of agenda that India and Japan talk about in their joint statement. Both countries agree that their first historical connection was both have a common Buddhist heritage, usually India would use Hiduism as their soft power, but it turn out quite different this time. India use Buddism to connect with Japan. As a democratic states, both believe that it would be easier for India and Japan to build a strong and long-term bilateral relations that has a great partnership in political, economic, and strategic interest. Another main point of this joint statement is also how India and Japan agreed to become an alliance in Indo-Pacific issue. Japan came with "Free and Open Indo-Pacific Strategy” and India came with “Act East Policy”, both believe that there is a way so synergize those two strategy and working together to keep Indo-Pacific to be free and open.

These are some main points that has been explained above about India – Japan Joint statement that quotes from India’s official government website:

"The two Prime Ministers appreciated the deep civilizational links between the people of the two countries, including the common heritage of Buddhist thought, and underscored their shared commitment to democracy, openness, and the rule of law as key values to achieve peaceful co-existence. They welcomed the high degree of convergence in the political, economic and strategic interests of the two countries that provides an enduring basis for a long-term partnership. The two Prime Ministers underscored the rising importance of the Indo-Pacific region as the key driver for the prosperity of the world. They stressed the core values of democracy, peace, the rule of law, tolerance, and respect for the environment in realizing pluralistic and inclusive growth of the region. In this context, Prime Minister Abe appreciated Prime Minister Modi’s active engagement in the region under the Act East Policy and briefed Prime Minister Modi on the Free and Open Indo-Pacific Strategy. Prime Minister Modi appreciated Japan’s greater engagement in the region under this strategy. They recognized the potential for deeper bilateral cooperation and synergy between the said policy and strategy. They further stressed that improving connectivity between Asia and Africa, through realizing a free and open Indo-Pacific region, is vital to achieving prosperity of the entire region. They decided to seek synergy between India's Act East Policy and

Japan's Expanded Partnership for Quality Infrastructure,” by closely coordinating, bilaterally and with other partners, for better regional integration and improved connectivity as well as industrial networks based on the principles of mutual consultation and trust”\textsuperscript{163}

CHAPTER IV

THE IMPLEMENTATION OF ACT EAST POLICY IN COUNTERING CHINA’S PRESENCE IN INDIAN OCEAN REGION

4.1 China’s Presence in Indian Ocean Region

China also has a great ambition to dominate Indian Ocean. String of Pearls strategy was born from this ambition that China has. String of Pearls itself is a foreign policy theory on China’s intention in Indian Ocean. The strategy includes and is maintained by the use of economic, diplomatic, political and military, which mean by using this strategy People Republic of China, is trying to dominate every maritime aspect in IOR164. To make it easier to understand, author provides a clear map about the goals of String of Pearls.


According to Political analyst and Editor in Chief of Strelok Analysis, Igor Pejic there are several goals that China has successfully establish by using String of Pearls, those are:

“An upgraded airstrip on Woody Island in the Paracel archipelago located 300 nautical miles west of Vietnam, a container shipping facility in Chittagong, Bangladesh. China has started the construction of a deep water port in Sittwe, Myanmar, a navy base in Gwadar, Pakistan has been constructed. Beijing provided US$250 million to cover the initial construction cost, a pipeline through Islamabad and over the Karakoram highway to Kashgar in Xinjiang Province, and intelligence-gathering facilities on islands in the Bay of Bengal near the Malacca Strait and the Hambantota Port in Sri Lanka.”

Gwadar port is such a big deal for China, Gwadar port was opened in 3007 with and outset funding from China around $200 million, at first, Gwadar port is seen as a failure and waste because Pakistan was unable to use it affectively. China use Gwadar port to avoid Malacca dilemma. So far, more than 80% of Chinese oil import travel through Strait of Hormuz.

As we can see from the map above, Gwadar port has a strategic location which is between South, Central, and West Asia, and it is so close to the Straits of Hormuz. Those are why it is crucial for China to have a naval base in Gwadar.

---

port. China has signed a deal with Pakistan about infrastructure and energy that value USD 46 billion, this deals also included the development of Gwadar port as one of their main point. Other than that The Chinese Overseas Port Hoding Company has signed an agreement in 2013 which allowed them to take over Gwadar Port for 40 years, and it has been fully operated at end of 2015¹⁶⁹.

Actually Gwadar Port is not the only ace that China has. China actually got the bigger one, which is CPEC. CPEC or The China – Pakistan Economic Corridor is 3,218km highways, railways, and pipelines that connect Gwadar Port to Xinjiang. CPEC is an absolute goal for China, because it connecting China to Europe and Asia¹⁷⁰.

---

¹⁶⁹"Understanding China’s interest in Gwadar.” n.d. forpakistan.org/understanding-chinas-interest-in-gwadar/.

---
Ocean and South China Sea, but with this new route the longest time it will take it only 10 days, it absolutely beneficial for China trade. In the map above it clearly shows why China would give $46 billion for the development of CPEC. Gwadar-Kashgar is an economic corridor that will incorporate 2,000km transport link for China. Kashgar is located in northwestern China which is the closest to Pakistan\textsuperscript{171}. If China succeeds with these whole CPEC projects, it will be a game changer for China. And of course India would not just stand there and do nothing.

4.2 Act East Policy Implementation

By using Act East Policy, India create a closer ties with some of these strong countries in Asia – Pacific region such as Japan and U.S. Actually it does not stop there, India also strengthen their relation with ASEAN member countries such as Vietnam, Myanmar, Indonesia, Malaysia, and Singapore. India use Act East Policy to collect an ally\textsuperscript{172}. Rather than create a real conflict with China in order to dominate Indian Ocean, India choose to cooperate with another countries to strengthen their power and position in IOR. India also build up their relation with China by using Act East Policy because at what it was mention before, cooperation is another option for resolving conflict of interest.

4.2.1 India - ASEAN

ASEAN is still and always being the main pillar for Act East Policy. Back then during the cold war and the collapse of Soviet Union, ASEAN was the only hope for India. India – ASEAN relationship started to get stronger by the time of Look East Policy which basically this policy is focusing on South East Asia region. However it seems like it does not stop there, ASEAN still and will always be a


major actor for Act East Policy, along with the development of their economic cooperation India and ASEAN also develop defense and security cooperation. Here is the detail that writer took from India Official Government Website¹⁷³:

“Of paramount importance, along with connectivity and economics, is cooperation on defence and security. India has developed a vibrant defence relationship with some of the Asean member states, with regular holding of joint military exercises. The Navy has been the most active, considering the huge maritime dimension to India-Asean relations. It is imperative to protect the sea lanes of communication and counter non-traditional threats such as piracy, smuggling, transnational crimes and drug trafficking which require strong coordinated action. Then again, the heightened threat of extremism and terrorism has evoked a high level of concern. India and some Asean members have been regularly holding both bilateral and group level naval exercises and maritime patrolling. India is gradually expanding to army-to-army level exercises with members such as Thailand. Singapore has been accorded an artillery firing range in India for practice. Air force-to-air force level exercises are expected to be the next level”¹⁷⁴

India intensively approaching ASEAN member states by doing several exchange bilateral visit. However in this particular case, we only talk about 2 countries out of 10 member states of ASEAN which is Myanmar and Vietnam. The reason why it will only talk about Myanmar and Vietnam is because even though India has strong bilateral relations with Indonesia, Thailand, and Singapore, these countries do not really have an issue with China. It is different with Vietnam and Myanmar that has a long history with China¹⁷⁵.

4.2.2 India – Vietnam

India and Vietnam has the same concern towards China, Vietnam – China tension is already there since 1979 after the Sino-Vietnamese war¹⁷⁶. India is

trying to hold Vietnam hand for changing the game. If China gets Pakistan as their alliance, India will hold ASEAN member states’ hands, U.S and Japan. India is trying to shows China that the game is not over and by using their soft power and Act East Policy, India proves that it will never be easy for China to dominate Indian Ocean Region\(^\text{177}\).

India needs Vietnam, especially Na Trang port is one of the examples why India needs Vietnam, India uses Na Trang port not only for maritime warships, this will not only help India to strengthen position in the region, but it also useful as a rebalancing tool for China aggressive presence in IOR. While the forward base in Na Trang has not yet been made accessible, Indian maritime warships are augmented a special benefits when berthing at any Vietnamese port\(^\text{178}\).

During his visit to Vietnam on September 2016, India Prime Minister Narendra Modi underline that it is time for India and Vietnam to work together to face the regional challenges, which lead them to upgrade their relations to the next level which is “Comprehensive Strategic Partnership”. Modi also stated that “Vietnams is a strong pillar of India Act East Policy”\(^\text{179}\).

Narendra Modi: “I believe that a strong India-Vietnam partnership would lead to prosperity, development, peace and stability for our people, and in the wider region. Vietnam is a strong pillar of India’s Act East Policy. Our bilateral ties are based on strong mutual trust and understanding, and convergence of views on various regional and international issues.”\(^\text{180}\)

During this visit, there is a Joint Statement that both have agreed on. This Joint Statement mainly talking about political relations, defense and security. Both countries agree that regional security situation in Asia need a big concern. On the last Joint Statement in 2015 Modi shows how serious India is about promoting defense cooperation with Vietnam by providing a new line of Credit


for Vietnam\textsuperscript{181}.

“Both sides welcomed the signing of the contract for Offshore High-speed Patrol Boats between M/s Larsen & Toubro and Vietnam Border Guards utilizing the US$100 million Line of Credit for defence procurement extended by India to Vietnam. Prime Minister Modi announced a grant of US$ 5 million for the construction of an Army Software Park at the Telecommunications University in Nha Trang.”\textsuperscript{182}

Even though it is just a year gap than the last Joint Statement in 2015, Indian and Vietnam make quite a good progress, some of those are, naval visits, extensive training and capacity building, India also help Vietnam with the cyber security, and counter terrorism. Both India and Vietnam are happy with the result of their Defense cooperation\textsuperscript{183}.

“The two Prime Ministers expressed satisfaction at the significant progress made in defence cooperation, including exchange of high level visits, annual high-level dialogue, service-to-service cooperation, naval ship visits, extensive training and capacity building, defence equipment procurement and related transfer of technology, and cooperation at regional fora such as ADMM-Plus...They agreed to an early conclusion of the MOU for cooperation between the National Security Council Secretariat of India and the Ministry of Public Security of Vietnam, emphasized the need to establish the Deputy Ministerial level dialogue and to enhance cooperation on traditional and non-traditional security matters, cyber security, counter-terrorism, transnational crimes, disaster management and response, and undertaking training and capacity building programmes”\textsuperscript{184}

India and Vietnam was a long-term partner, along with the rise of China, India and Vietnam grow closer and develop their defense cooperation to the next level. India needs Vietnam because of their port, India also give training to a lot of

\textsuperscript{181} Joint Statement between India and Vietnam during the visit of Prime Minister to Vietnam. (n.d.). Retrieved from https://www.mea.gov.in/bilateral-documents.htm?dtl/27362/joint+statement+between+india+and+vietnam+during+the+visit+of+prime+minister+to+vietnam

\textsuperscript{182} Joint Statement between India and Vietnam during the visit of Prime Minister to Vietnam. (n.d.). Retrieved from https://www.mea.gov.in/bilateral-documents.htm?dtl/27362/joint+statement+between+india+and+vietnam+during+the+visit+of+prime+minister+to+vietnam

\textsuperscript{183} Joint Statement between India and Vietnam during the visit of Prime Minister to Vietnam. (n.d.). Retrieved from https://www.mea.gov.in/bilateral-documents.htm?dtl/27362/joint+statement+between+india+and+vietnam+during+the+visit+of+prime+minister+to+vietnam

Vietnamese sailors in submarine operations and underwater warfare. The ongoing “comprehensive underwater combat operations” training for these Vietnamese sailors is in progress at the Indian Navy’s INS Satavahana (Submarine School) in Visakhapatnam. Together India – Vietnam would be a quite strong opponent for China.

4.2.3 India – Myanmar

As a neighboring countries Myanmar has known for being China ally for so long, they share the same border, and there is not so much upside down in China – Myanmar relations. The only problem that China and Myanmar has is the conflict in Myanmar border which actually affect China and kills some of Chinese there. However, now it seems like India is trying to change the game now, it is actually quite interesting how India builds up their relation with Myanmar by using Act East Policy.

Geopolitically speaking, Myanmar is important for India. Myanmar is not only sharing the same border with China, but also with India. Myanmar is the only ASEAN member country that actually shares the same border with India, with this

http://www.myanmar-embassy-tokyo.net/images/Location-Map.jpg


good strategic position it would be beneficial for India to build a good relation with Myanmar\textsuperscript{187}.

Building up their relation with Myanmar is part of the extension of India Act East Policy, for the first time in 25 years, India visit Myanmar to strengthen their relationship which in that visit in 2011, India shows that they are serious about this partnership by committed to some projects with Myanmar that actually worth over 1,2 billion dollar\textsuperscript{188}.

On July 2015, India and Myanmar has their first Joint Statement. Actually there is not any specific issue that India and Myanmar talked about in this Joint Statement. However there are still some of the important points that need to be highlighted in this Joint Statement. One of those important point that writer would like to highlight on is that how the both parties agreed about the importance of border security, and agreed to negotiate to have a bilateral MoU on Movement of People across the Land Border. Another interesting part of this Joint Statement is that fact that India and Myanmar agreed to work on their maritime security cooperation in the Bay of Bengal which ia a vital spot for both countries\textsuperscript{189}. Here are the official statements that are taken from India official government website\textsuperscript{190}.

\textit{"Both Ministers alluded to the importance of sound border management as an intrinsic part of maintaining border security. In this context, they agreed that negotiations should be conducted to enable early conclusion of the bilateral MoU on Movement of People across the Land Border... Referring to the ongoing discussions between the two sides on maritime security, both Ministers agreed that Maritime Security Cooperation in the Bay of Bengal is vital for both countries"}\textsuperscript{191}


\textsuperscript{191}“Joint Statement by India and Myanmar on First Meeting of the India-Myanmar Joint
By building up this relationship India proves of how serious they are about getting closer to every country in Asia – Pacific region, even though Myanmar is China long – term partner, India is still trying their best to get Myanmar on their side. India – Myanmar would possibly be something more in the future and with the great geographical position, and a large amount of energy resources that Myanmar has, it would be beneficial for India to have Myanmar as their ally. Even though so far there is not much going on with these two countries, India and Myanmar is still showing a progress for their bilateral relations which is the high level visit between both countries in 2016\textsuperscript{192}.

4.2.4 India – Indonesia

Indonesia and India partnership even started long before look east policy established. The former leader of India and Indonesia, Jawaharlal Nehru and Soekarno work hand in hand supporting the independence of Asian and African countries. There has been a fast improvement of bilateral relation between India – Indonesia ever since the establishment of LEP in 1991, whether it is in terms of politic, defense and security, also economic and cultural\textsuperscript{193}.

Indonesia turn to be one of the most important partners for India in SEA region, even India Prime Minister Narendra Modi stated it himself “\textit{Indonesia is our most important partner as part of the Act East policy. We have shared economic and strategic interests,}”\textsuperscript{194}

Last year on December 12, 2016, Indonesian President Joko Widodo was visiting India by the invitation of India Prime Minister Narendra Modi. There are


several agreement that India and Indonesia has signed on by both country. The first one is MoU on Youth affairs and Sports Cooperation, Joint Communiqué on Illegal, Unregulated and Unreported (IUU) Fishing and To Promote Sustainable Fisheries Governance. And the last one is their Joint Statement that is actually quite interesting because they talked about India – Indonesia maritime cooperation in this Joint Statement\textsuperscript{195}.

"As strategic partners and maritime neighbours, the two leaders emphasised the importance of further consolidating the security and defence cooperation between the two countries. In this regard they directed the Ministers for early convening of the Defence Ministers’ Dialogue and the Joint Defence Cooperation Committee (JDCC) Meetings to review and upgrade the existing Agreement on Cooperative Activities in the Fields of Defence” to a substantive bilateral Defence Cooperation Agreement. The Leaders noted the successful completion of Staff Talks between the Armies (August 2016) and the Navies (June 2015) of the two countries that have resulted in enhancement of defence cooperation between the two armed forces and agreed that Air Force Staff Talks would be held at an early date. Both sides agreed to increase the frequency of defence exchanges, training and joint exercises, including among Special Forces. They also tasked the two Defence Ministers to explore collaboration between defence industries for joint production of equipment with technology transfer, technical assistance, and capacity building cooperation”\textsuperscript{196}

Both parties agreed to renew their old defense cooperation agreement and work on their defense cooperation more than before, now it is not only about naval cooperation but also air force cooperation. There will also be a Joint Training that both parties would have in the future. With all this agreement India and Indonesia seems to be a quite strong security partner. However, India – Indonesia Joint Statement does not actually stop here, both parties also talk about Indian Ocean and their cooperation in IORA (Indian Ocean Region Association) in this new Joint Statement\textsuperscript{197}.

“The Leaders noted that India and Indonesia, as two large countries straddling the Indian Ocean, have a high stake in ensuring the effectiveness of Indian Ocean Rim Association (IORA) and in promoting regional cooperation in the areas identified by the Organization, and in the Indian Ocean Naval Symposium (IONS). Prime Minister Modi congratulated President Widodo on Indonesia’s able leadership as Chair of the IORA and the convening of the First IORA Summit next year.”

With the possibility of Indonesia took a chair of IORA, seems like what Modi said as “Indonesia is our most important partner as part of the Act East policy” would make sense. It would be such a real beneficial for India to draw a closer tie with Indonesia. The maritime cooperation that India and Indonesia are working on now is a hope from both parties to keep the freedom of navigation and over flight in Indian Ocean Region like what they also stated on their Joint Statement.

“The two Leaders reiterated their commitment to respecting freedom of navigation and over flight, and unimpeded lawful commerce, based on the principles of international law, as reflected notably in the United Nations Convention on the Law of the Sea (UNCLOS).”

4.2.5 India – U.S.

India – U.S has quite good relationship history. There are not so much blunder that is actually happen between India and U.S. back then, when it is actually still a ‘Look East’. U.S is already supporting India to develop this foreign policy

---

more. US Secretary of State Hillary Clinton said in 2011 “We’ve encouraged India’s ‘Look East’ policy as a way to weave another big democracy into the fabric of the Asia-Pacific, not just to Look East, but to engage East and Act East”.

When Modi finally took a step further which is change Look East to Act East in 2014, U.S give such a warm welcome for Act East policy. U.S stated that they are looking forward to develop India – U.S relationship to the next level. U.S also stated that this would be more than just an economic and trade agenda, U.S will welcome India to discuss about security matters and be a partner in order to overcome some issues in Asia – Pacific region. U.S Senior Administration Official has gave a statement about India – U.S relations and the potential of Act East Policy. Unfortunately he keeps the condition to be anonymity. However this statement was taken from India Official Government website.

“We are well aware of the Look East policy, but we warmly welcome to this new shift ‘Act East’ policy, we think that India’s conception of Indo-Pacific, the notion that India can be working with us on both trade liberalization agenda in East Asia, but also a security agenda is very welcome. We are looking forward to welcome India more in the Asia Pacific region. Rules, norms and institutions are fundamental way to ensure economic openness, ensure peaceful resolution of dispute.”

Before the Joint Statement in 2016, India – U.S is actually already having U.S – India Joint Strategic Vision for Asia – Pacific and Indian Ocean Region in January 25, 2015. There is not a lot of real agenda that India and U.S talked about in this Joint Statement. This Joint Strategic Vision is actually only talk about how India and U.S realize the importance of Asia – Pacific and Indian Ocean Region. Both agreed to make a closer partnership whether it is in terms of politic, economic,

---

and security challenges in the region. \(^\text{206}\)

"Regional prosperity depends on security. We affirm the importance of safeguarding maritime security and ensuring freedom of navigation and over flight throughout the region... In order to achieve this regional vision, we will develop a roadmap that leverages our respective efforts to increase ties among Asian powers, enabling both our nations to better respond to diplomatic, economic and security challenges in the region." \(^\text{207}\)

On June 2016, India and U.S has their Joint Statement, in this recent Joint Statement, India and U.S talk about a lot of things but the highlight point is that their agreement on securing the domains: land, maritime, air, space, and cyber. \(^\text{208}\)

This one is actually quite contrast to compare with the Joint Strategic that they have before. In Joint Strategic Vision on 2015, India and U.S were only discussing about general matter like how they want to create a peace in the region without mentioning a real action that both going to take. However in this Joint Statement, U.S and India are quite clear to explain what the real goals that both parties want by developing this relationship and what kind of action that they would do in order to achieve their goals. \(^\text{209}\)

Maritime security is becoming one of the main agenda that U.S and India agreed on their Join Statement. This was also their first meeting regardless maritime security dialogue that India and U.S have. India and U.S have the same point of view about how important it is to ensure the freedom of navigation, over flight, and

---


exploitation of resources according to the international law. Other than that there are also some military cooperation that India and U.S going to have. There are joint exercises, training and Humanitarian Assistance and Disaster Relief (HA/DR)\textsuperscript{210}.

India – U.S Joint Statement 2016 form Indian Government Official website:

“The leaders applauded the completion of a roadmap for cooperation under the 2015 U.S.-India Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region, which will serve as a guide for collaboration in the years to come. They resolved that the United States and India should look to each other as priority partners in the Asia Pacific and the Indian Ocean region. The leaders affirmed their support for U.S.-India cooperation in promoting maritime security. They reiterated the importance they attach to ensuring freedom of navigation and overflight and exploitation of resources as per international law, including the United Nations Convention on the Law of the Sea, and settlement of territorial disputes by peaceful means. The leaders applauded the enhanced military to military cooperation between the two countries especially in joint exercises, training and Humanitarian Assistance and Disaster Relief (HA/DR). They expressed their desire to explore agreements which would facilitate further expansion of bilateral defense cooperation in practical ways. In this regard, they welcomed the finalization of the text of the Logistics Exchange Memorandum of Agreement (LEMOA)\textsuperscript{211}.

Another interesting point from this joint statement is the LEMOA agreement. LEMOA or Logistic Exchange Memorandum of Agreement, basically this agreement would allowing both parties to be able to use each other’ military base facilities and develop a closer defense ties between India and the U.S. logistic support supplies that we are talking about in here are including foods, water, billeting, transportation, petroleum, oils, lubricants, clothing, communication services, medical services, storage services, training services, spare parts and components, repair and maintenance services, calibration services, and port services. Here is the detail about LEMOA that taken directly from India


government official website\textsuperscript{212}.

“LEMOA is a facilitating agreement that establishes basic terms, conditions, and procedures for reciprocal provision of Logistic Support, Supplies, and Services between the armed forces of India and the United States. Logistic Support, Supplies, and Services include food, water, billeting, transportation, petroleum, oils, lubricants, clothing, communication services, medical services, storage services, training services, spare parts and components, repair and maintenance services, calibration services, and port services. Reciprocal logistic support would be used exclusively during authorized port visits, joint exercises, joint training, and humanitarian assistance and disaster relief efforts. Logistics support for any other cooperative efforts shall only be provided on a case-by-case basis through prior mutual consent of the Parties, consistent with their respective laws, regulations and policies. Provision of Logistic Support, Supplies, and Services from one Party to the other would be in return for either cash payment or the reciprocal provision of Logistic Support, Supplies, and Services. The Agreement does not create any obligations on either Party to carry out any joint activity. It does not provide for the establishment of any bases or basing arrangements. The Agreement will significantly enhance the operational capacity of the Indian Armed Forces, including in their response to humanitarian crises or disaster relief”\textsuperscript{213}

U.S influence and power is a good back up for India, having U.S on their back would be a good step to help India raising its power. They both need each other. India needs U.S as a new resource of technology, investment, and military equipment. And according to the International Relation scholar Tien-sze Fang, India is U.S gate to Asia and Indian Ocean region as a particular\textsuperscript{214}. Together U.S and India cooperation would be strong enough to at least maintain freedom of navigation and over flight in Indian Ocean Region as what both countries agree on their Joint Statement.

4.2.6 India – Japan

India – Japan relationship is actually started long ago even before Look East Policy was officially established. India and Japan starting to be an economic partner after the cold war and both maintaining to have a good partnership. the game on


was on 2007 when Japan, India and U.S started the Malabar Exercise as their very first joint military exercise, it shown that maritime security and maritime cooperation took a big part of India – Japan relationship.

Japan has known for their strong naval security, getting Japan on their side to strengthen their naval security is beneficial for India. The Maritime cooperation that India and Japan have is not only limited to defense or navy but can include other commercial activities which can be maritime in nature. The converging points of maritime cooperation between India and Japan require closer attention to the strengthening of two trilateral partnerships215.

The latest Malabar exercise that India, U.S, and Japan has on 10 – 17 June 2016 that held in Japan is quite special because that was their 20th edition of Malabar exercise, that was one of the agenda that these three countries have under the umbrella of Act East Policy and growing relations that they have. The essential point of the twentieth release of Malabar-16 was to build the ability of military equipment among the three naval forces and build up a typical comprehension of methodology for Maritime Security Operations. The extent of Malabar-16 included proficient cooperation in harbor and an assorted scope of exercises adrift, including complex surface, sub-surface and air operations216.

“The exercise witnessed participation of the Indian Navy (IN), the United States Navy (USN) and the Japan Maritime Self Defence Force (JMSDF). The Harbour Phase (10-14 Jun 2016) was conducted at Sasebo (Japan) and the Sea Phase (14-17 June 2016) was held off Okinawa in the Western Pacific Ocean”217

Aside from their trilateral relationship with U.S, India and Japan itself have working on their goal as maritime partner in Indian Ocean Region. India and Japan hold their goal to keep Indian Ocean free and open for any kind of trade activity. One of the main plans that Japan – India has announced is their plan to develop corridors connecting Asia and Africa through the Indian Ocean.218 According to

Indian International Relation expert Darshana Baruah this corridors project could be a game changer for India and Japan to countering China presence in Indian Ocean Region\textsuperscript{219}.

“This project could be a significant strategic counter to China’s Maritime Silk Road. Given India’s current priority on developing infrastructure, this corridor will likely aim to develop ports connecting Asia and Africa. India’s new \textit{maritime strategy} focuses largely on expanding its reach across the Indian Ocean by increasing domain awareness through a network of radar stations with friendly nations”\textsuperscript{220}

\textbf{4.3 Act East Policy as India’s rebalances policy}

Act East policy seems to be more than a foreign policy for India, with the rise of China and China presence in Indian Ocean Region, Act East policy seems more like rebalance policy for India. Under the ties of Act East policy, India builds strategic partnership with ASEAN member counties, Japan, and U.S.\textsuperscript{221}

India – U.S partnership under the extension of Act East policy seems to be a good opportunity for India to rebalance China. On April 2016 US Defense Secretary Ashton Carter visited New Delhi to meet India Prime Minister Narendra Modi.\textsuperscript{222}

“\textit{Modi had underscored the strategic significance of bilateral defense ties and also set priorities to further implement the Joint Strategic Vision for the Asia-Pacific and Indian Ocean Regions. He had termed the vision as one reflecting the growing strategic convergence between the US ‘rebalance’ and India’s ‘Look East-Act East’ policy}”\textsuperscript{223}

India's AEP, Japan's Democratic Security Diamond and the Asia

\texttt{maritime-partner-pub-66192.}
Rebalance strategy of the U.S. have strategic commonalities, and they could together shape the security architecture in the Asia Pacific in coming years. Since 2015, Japan has become a permanent invitee to the Malabar naval exercises.

India's defense relationship with Vietnam has also taken a leap. In 2016, the two sides upgraded their ties from a Strategic Partnership to a Comprehensive Strategic Partnership. India also extended a $500 million credit line to Vietnam to boost its defense preparedness. India will also train Vietnam's Sukhoi-30 fighter pilots, as New Delhi has decades of experience with Russian military hardware.

India builds up their relations with other potential countries and plans some project to secure Indian Ocean and their position in Indian Ocean Region. Using their soft power, India chose to cooperate with U.S, Japan, Vietnam, Myanmar and other countries using Act East policy to rebalance China presence in Indian Ocean Region. Even though Indian Ocean Region turn to be a battlefield of interest between Indian and China it is not unnecessary bring these two countries to a real conflict.

CHAPTER V

CONCLUSION

India Prime Minister Narashima Rao establish Look East Policy in 1991. This policy has conveyed India closer to ASEAN countries, yet was not completely ready to tap the open doors to a further alliance. Monetary crisis that faced by ASEAN at that time makes it hard to perceive LEP and in India in the other hand also find it difficult to go deeper with ASEAN by using LEP because the monetary crisis that ASEAN faced.

Under the leadership of Prime Minister Narendra Modi, Look East policy turns into Act East policy. Act East policy was establish during India – ASEAN Summit in Myanmar on November 2014. The basic goals and the main pillar or Look East and Act East is remain the same, however there are several things that actually has been upgrade which is Act East not merely focus on economic but also political and defense area.

Even though Act East policy and Look East policy has the same goals for India development but it slightly clear that Act East and Look East has deferent main focus. India former Prime Minister Narashima Rao created Look East policy as a way to get out from economic crisis that India face at that time, because back in 1992 India does not really has anyone to support their economic development, which is why India turn around and embrace South East and East Asia countries to have bilateral or multilateral relations with India. Back in that day India – ASEAN bilateral trade grew from $3 billion in early 90’s to $12 billion in 2003 and keep growing until $79 billion in 2012. Act East policy not only focus on economy but also security and geo-politic, especially after the rise of China. Geo-politic becomes such a big concern for India.

The rise of China affects the region and India itself. China interest towards Indian Ocean Region is not something that could be taken lightly. China has approached Pakistan as one of their agenda of String of Pearls. String of Pearls itself is a foreign policy theory on China’s intention in Indian Ocean. The strategy includes and is maintained by the use of economic, diplomatic, political and
military, which mean by using this strategy People Republic of China, is trying to dominate every maritime aspect in IOR.

Indian Ocean itself is very special because of all the potential that it has which make it believe able that whoever controls the Indian Ocean Region would be able to dominate Asia. Indian Ocean connecting Asia, Europe and Africa, which makes Indian Ocean become a center of shipping routes of the world, Indian Ocean also has the busiest choke point the world which support the trade sustainability of the world. There are also natural resources that Indian Ocean has such as oil and gas hydrate that are still not yet fully used.

A real battle between India and China in Indian Ocean Region leads India to implement Act East Policy as a rebalance policy to counteract China presence in IOR. Under the ties of Act East policy, India builds strategic partnership with ASEAN member counties such as Indonesia, Myanmar, Vietnam, Japan, and U.S. India and Vietnam has the same concern towards China, Vietnam – China tension is already there since 1979 after the Sino-Vietnamese war. India needs Vietnam, especially Na Trang port is one of the examples why India needs Vietnam, India uses Na Trang port not only for maritime warships, this will not only help India to strengthen position in the region, but it also useful as a rebalancing tool for China aggressive presence in IOR.

Myanmar was a long-term partner for China, with great geographical position that Myanmar has which is across the Bay of Bengal and Adaman Sea, it is beneficial for India to build a good relation with Myanmar. By building up this relationship India proves of how serious they are about getting closer to every country in Asia – Pacific region, even though Myanmar is China long – term partner, India is still trying their best to get Myanmar on their side. As the extension of India Act East Policy, India visit Myanmar for the first time in 25 years which is in 2011. On July 2015, India and Myanmar have their first Joint Statement, hoping that there will be more cooperation happen in the future,

India and Indonesia was a longtime partner, even before Look East Policy was established. However the current government wants to further deepen the relationship with East Asia and has therefore rightly titled its policy as ‘Act East’.
With the possibility of Indonesia as the new chair of IORA. It would absolutely beneficial for India to keep Indonesia on their side.

India – U.S partnership under the extension of Act East policy seems to be a good opportunity for India to rebalance China. They need each other at certain point. As a super power country U.S support would help India in a lot of aspect especially in terms of politic and strategic partnership. However U.S also need India as a bridge to Asia, the development of Asian countries cannot be taken lightly, by maintaining a good relationship with India, it would be easier for U.S to build up or deepen their relation with other countries in India neighborhood

India's AEP, Japan's Democratic Security Diamond and the Asia Rebalance strategy of the U.S. have strategic commonalities, and they could together shape the security architecture in the Asia Pacific in coming years. Since 2015, Japan has become a permanent invitee to the Malabar naval exercises.

India builds up their relations with other potential countries and plans some project to secure Indian Ocean and their position in Indian Ocean Region. Using their soft power, India chose to cooperate with U.S, Japan, Vietnam, Myanmar, Indonesia and other countries using Act East policy to rebalance China presence in Indian Ocean Region. Even though Indian Ocean Region turn to be a battle field of interest between Indian and China it is not unnecessary bring these two countries to a real conflict.
**BIBLIOGRAPHY**

**Online Resources:**
"Asean.. the pivot of India’s Act East policy." n.d.


*India-Indonesia Bilateral Relations.* 2016.

"India-Indonesia Joint Statement during the State visit of President of Indonesia to India." n.d. http://mea.gov.in/bilateral-documents.htm?dtl/27805/IndiaIndonesia_Joint_Statement_during_the_State_visit_of_President_of_India.


"India’s Act East Policy so far and beyond." Last modified May 12, 2016.
www.gatewayhouse.in/indias-act-east-policy-far-beyond/.

"Indonesia 'most important' partner in India's Act East Policy: PM Narendra Modi - The Financial Express." n.d.


*India-US Joint Statement during the visit of Prime Minister to USA (The United States and India: Enduring Global Partners in the 21st*


**Journal:**

**DEFENCE DIPLOMACY IN SOUTHEAST ASIA.** Singapore: S. Rajaratnam School of International Studies, 2010.


**Presentation:**


Perwita, Anak A. "Strategic Environment and POWER." Presentation, Strategic Environment, President University, Cikarang, Bekasi, n.d.

Perwita, Anak A. "Threat Perception." Presentation, Strategic Environment, President University, Cikarang, BEkasi, n.d.

Perwita, Anak A. "Geopolitics as an Element of Strategic Environment." Presentation, Strategic Environment, President University, Cikarang, Bekasi, n.d.