INDIA’S GROWING INFLUENCE IN STABILIZING REGIONAL SECURITY IN SOUTHEAST ASIA

By

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Biography

Group Captain Sarabinder Singh Atwal is assigned to the Air War College, Air University, Maxwell AFB, AL. He is a fighter pilot in the Indian Air Force and has a wide operational experience. He graduated from the National Defense Academy with a Bachelor’s Degree in Science and achieved his Masters in Defense and Strategic Studies from Defense Services Staff College, India. He has commanded a frontline fighter squadron and has held various staff appointments.
Abstract

The decline of the Soviet Union and poor economic growth of India forced India to make dramatic changes in its foreign policy and make a shift from non-alignment to engagement with developed nations in general and Southeast Asia in particular. India’s Look East Policy was drafted in 1991 with an aim of building economic and diplomatic ties with Southeast Asian nations. It also served in enhancing India’s growing strategic importance in the region, build military cooperation and enhance confident of Southeast Asian nations in India. The present Prime Minister of India Mr. Narendra Modi has further given impetus to engagement with Southeast Asian nations with the ‘Act East’ policy. This paper examines how India’s Look East Policy has enhanced India’s strategic engagement in Southeast Asia and its growing economic and strategic importance in the region. Growing assertiveness of China in the region is a cause of concern for not only Southeast Asian nations but also for the United States, which seeks peace and stability in the region. The paper then explores the US-Indo relations, which have enhanced its economic and military engagement Post-Cold War. Extension of US-India defense framework and participation of India in various military exercises has further strengthened the strategic partnership between the two nations. In the end, the paper explores the growing strategic importance of India in the region, greater politico-military engagement of India with Southeast Asian nations and greater enhancement of economic and defense cooperation between US and India is the way forward for ensuring security in Southeast Asia.
Introduction

Post-independence, India’s Foreign Policy was based on non-alignment and it maintained a healthy distance from power politics and bloc rivalry that existed between United States of America (USA) and Union of Soviet Socialist Republics (USSR) during the Cold War period. The decline of the Soviet Union, a valuable trading and diplomatic partner that supported India in UN and the end of the Cold War, coupled with the economic crisis in 1990 forced India in reorienting its security and foreign policy.¹ In 1991, the then Prime Minister of India, Narasimha Rao along with the Finance Minister Dr. Manmohan Singh (later Prime Minister of India) initiated economic reforms and ‘Look East Policy’ focusing on engagement with Southeast Asia.² Following the reforms, Indian economy grew rapidly with an average growth rate of 6.3% per annum during 1998-2006³ and as per the World Economic Outlook (WEO) Update in April 2015, the projected GDP growth rate in 2015 and 2016 is 7.5%.⁴

China's economic and military strength has had a significant impact on the world in general and Southeast Asia in particular. China’s bilateral trade with the ten members of the Association of Southeast Asian Nations (ASEAN) has grown tenfold, from $32 billion in 2002 to $350 billion in 2014.⁵ While the economic investments have promoted growth in Southeast Asia, China’s military growth and claim to territory in the South China Sea have caused security concerns amongst Southeast Asian nations. The Southeast Asian nations, therefore, are seeking regional partners to assist in counterbalancing the military assertiveness of China. India is strategically located vis-à-vis both continental Asia and the Indian Ocean Region. Andaman and Nicobar Islands provide India with a strategic location at the entrance of Strait of Malacca, through which more than 60,000 shipping vessels transit each year.⁶ India also shares a deep-rooted civilizational, historical, cultural and economic linkages with the Southeast Asian region. These factors further provide impetus to India’s influence in
Southeast Asia. With the present dynamic leadership in India, its growing economy, strategic location in Asia and professional armed forces, India has the potential to play a lead role in stabilizing regional security in Southeast Asia.

The US has maintained its influence in Southeast Asia since the defeat of Japan in World War-II. While peace and security of the region are a priority for the US, economic potential and trade in the Southeast region is equally important to the US. To meet the security challenges in Southeast Asia and the Pacific, US battles to enhance its presence under a tight budget and sequestration. Increasing Chinese assertiveness in the South China Sea, continued threat to the sovereignty of Taiwan, declaration of Air Defense Identification Zone (ADIZ) and the issue of Senkaku Islands are areas of concern for the entire Asian region. Another central security issue in South Asia is China’s “String of Pearls” strategy, wherein China has developed naval-base ports and naval-base-use-related ports in Gwadar (Pakistan), Chittagong (Bangladesh), Hambantota in Sri Lanka and Kyaukphyu (Myanmar). While China claims that these ports would secure its energy supply route in the Indian Ocean, US and India are not entirely convinced and view it as a Chinese threat to its interest in the region. The US has close diplomatic and military ties with Southeast Asian countries, stronger Indo-US relations can further enhance US interests in the region.

**Thesis**

How can India with its growing economy and strategic influence in Asia play a lead role in enhancing regional security and order? Further, how do India’s efforts facilitate the U.S. pivot to Asia?

**Foreign Policy**

**India’s Foreign Policy, Post-Independence – End of Cold War**

India’s first Prime Minister Pt. Jawaharlal Nehru, who was highly influenced by MK Gandhi’s philosophy of non-violence, decided that as a nation India would abstain from being
a part of any of the two power blocs, USA and the USSR, however, it would continue to maintain cordial relations with both the superpowers in the interest of India. Nehru’s approach to foreign policy was based on the need to establish mutually beneficial relations with as many nations as possible in order to reduce economic and political dependence on few selected nations. Nehru also propagated the policy of global disarmament and reducing the tension between the two superpowers so that they could reduce their military spending and divert their funds and resources for the development of underdeveloped non-western nations that were still finding their feet after achieving independence from colonial rule.

India achieved prominence in the world arena by establishing diplomatic relations with most nations, actively participated in the growth of United Nations by contributing peacekeeping forces and promoting freedom of nation who were still under colonial rule.

Even though India gained importance in the international arena, internal political challenges, poor economy, famine, infrastructure development and security issues with belligerent neighbors restricted its global reach. India’s foreign policy was centered on non-alignment however, there was a shift towards building closer ties with USSR due to geopolitical pressure in the 1960s and 1970s from the US, China and Pakistan. Dissolution of USSR marked the end of cold war and the emergence of a unipolar world with the US as the only superpower. Change in the global political and economic structure, unstable Indian government from the end of 1989 till mid-1991, internal political crisis, declining economy and no well-defined post-cold war foreign policy, India was forced with no choice but to change the entire foundation of Indian foreign policy.

Look-East Policy

To overcome the economic and changing global environment challenges, steer the country on a path of economic progress and enhance the strategic influence, the then Prime Minister of India, Narasimha Rao in Jun 1991 initiated a new foreign policy – the ‘Look
East’ Policy (LEP). This policy not only focused on capitalizing on the economic success of the Southeast Asian countries but also enhancing the politico-military engagement. Another catalyst in forcing India’s decision to open up to the world market was the balance of payment crisis in July 1991 wherein India liberalized its economy under the authority of International Monetary Fund (IMF). According to G.V.C. Naidu, the broad objectives of the LEP was a multi-faceted and multi-pronged approach to firstly, establish strategic links with Southeast Asian countries, evolve closer political links with Association of Southeast Asian Nations (ASEAN) and develop strong economic bonds with the region. Secondly, enhance strategic influence in the Asia-Pacific region and thirdly, provide an opportunity for investment and trade. Yashwant Sinha, then India’s Minister of External Affairs brought out that the first phase of LEP was focused on trade and investment linkages with ASEAN and the second phase comprised of negotiating Free Trade Agreements, enhancing defense cooperation and expanding air, land and sea links with Southeast Asian nations. Another nation that changed its policies and took steps to enhance its economy and modernize its military in the 1990s was China.

China’s rising economic and military has worried ASEAN countries as they fear that China could dominate the region thus, shifting the balance of power. ASEAN countries have encouraged India’s greater involvement in the regional integration process in order to assist in maintaining the atmosphere of multipolarity as a useful counterweight to China’s growing power. However, Indian leaders have averred that their aim is to expand India’s strategic weight in Southeast Asia and not to enter into rivalry with China. Explaining the rationale behind India’s Look East policy, former Prime Minister, Dr Manmohan Singh (who was the Finance Minister when the policy was launched) noted that, “India’s Look East policy was not merely an external economic policy, it was also a strategic shift in India’s vision of the world and India’s place in the evolving global economy. Most of all it was about reaching out
to our civilizational neighbors in Southeast Asia and East Asia." Thus, LEP and recognition of India’s economic, political, security and cultural potential by ASEAN countries have enhanced India’s role in the Southeast Asian region.

**Act East Policy**

To provide momentum to the LEP, Prime Minister Narendra Modi unveiled an upgraded ‘Act East Policy’ during the ASEAN-India Summit in Myanmar on 12 November 2014 and has stressed the need to further strengthen ties with Southeast Asian countries. While expressing the seriousness of the present government in boosting economic and diplomatic ties with these countries, he said, “A new era of economic development, industrialization and trade has begun in India. Externally, India’s ‘Look East Policy’ has become ‘Act East Policy.’” The unveiling of the Act East Policy was a deliberate attempt to signal a more action-oriented policy towards East Asia in general and Southeast Asia in particular. In fact, the very next day, while addressing the East Asia Summit the Prime Minister reiterated this point.

During the 10th East Asia Summit, Prime Minister Modi emphasized the importance of South East Asian region and informed that his government had increased its engagement with the region. Prime Minister also shared the vision of East Asia Summit, focusing on the strategic, political, and economic and security concerns in the region and reaffirmed that The East Asia Summit was the key forum for shaping the collective future of the region. On cyber security, he asked the nations to cooperate with a stronger commitment to working closely to overcome the challenge. Assertiveness expressed in India’s foreign policy will boost the Indian economy and enhance India’s strategic image and importance in the world in general and Southeast Asia in particular.
**Indian Economy**

Post-independence, while the emphasis of the government was to build the infrastructure and steer the Indian economy on a path of progress, the economic measures adopted did not live up to the expectations. Internal politics and unstable governments were impediments to trade and economic policies. India’s global trade in the 1950s was 2.5% however, this reduced to 0.5% at the beginning of 1990s. By 1991, inflation was 17%, the budget deficit was 8.5% of the Gross Domestic Product (GDP) and India’s external debt was over $50 million. The Financial Crisis in 1991 became the driving factor in introducing the LEP and Indian Ministry of External Affairs created an Economic Division in order to ensure that Indian’s economic interests formed a part of the foreign policy.

**Indian Economy Post LEP**

The Narasimha Rao government introduced various economic reforms and amended the trade and commerce legislation in order to abolish the license-quota raj. Devaluation of Indian currency (Rupee), easing of the trade and investment restrictions, liberalization of the financial sector and increasing private investment in the industry were some other reforms that were welcomed by the International Monetary Fund (IMF). Additionally, India’s reformation of the Foreign Direct Investment (FDI) policies and LEP, which focused on the economically progressive Southeast Asia opened the doors for Indian markets to foreign investments, capital inflow and technological development, resulting in an increase in India’s FDI by $43 billion between 1991 and 2005. Post-cold war, acknowledgment of India’s economic potential and strategic political objectives by ASEAN has resulted in an increase in trade between ASEAN and India from $44 billion during 2009-10 to $77 billion in 2014. Economic collaborations with ASEAN and India has been an integral part of the foreign policy.
India and ASEAN

Amongst the ASEAN, Singapore is the largest investment contributor to India and there is scope for larger investment from other nations, especially, in the backdrop of India’s initiatives of ‘Make in India’, ‘Digital India’, Smart Cities’, etc. Bilateral trade in goods and services is likely to be augmented by the ASEAN-India Trade-in-Services and the ASEAN-India Investment Agreements thus, providing avenues to channelize more investments between ASEAN and India. Trade liberalization and economic integration have been two compelling regional issues that form the core of Regional Comprehensive Economic Partnership (RCEP) and US centered Trans-Pacific Partnership. The backdrop of these efforts is the US ‘pivot to Asia’/ ‘rebalancing’ strategy, prevailing maritime disputes in the region and a range of free trade agreements (FTAs).³¹

Connectivity between India and Southeast Asian nations will enhance the pace of trade. India-Myanmar-Thailand Trilateral Highway and the Kaladan Multimodal Transit Transport projects will provide the necessary boost to the economy. Further, negotiations on a Trilateral Motor Vehicles Agreement have been concluded and negotiation on Maritime Transport Cooperation Agreement with ASEAN will strengthen maritime connectivity.³² Since 2003 India has been working towards a Partial Open Skies Agreement with ASEAN and the Ministry of Civil Aviation has adopted an Open Sky Policy on Cargo for ASEAN nations. At present Open Sky Policy for Passenger Traffic is restricted and out of a total of 18 destinations of tourist and business interests that are available to ASEAN countries in Tier II and III cities, only 7 have been utilized.³³ Enhancement of connectivity between India and Southeast Asian countries would greatly increase the trade and further develop the economy.

India’s Strategic Interests and Armed Forces

India is the seventh largest country in the world with a landmass of 3.3 million square kilometers, a land border of 15,500 kilometers and a coastline of over 7500 kilometers. It is
strategically located vis-a-vis both continental Asia and the Indian Ocean Region. The Andaman and Nicobar Island territories in the Bay of Bengal are strategically located close to Straits of Malacca and the island territory of Lakshadweep and Minicoy Islands in the Arabian Sea are located along the sea lanes of communication running from the Persian Gulf and the Red Sea. Thus, the vast expanse of the Indian Territory, both continental and maritime, places India at the strategic location of trade links and exclusive economic zones. For the overall growth and development of the country, a secure, stable and peaceful environment with not only the immediate neighbors but, also the extended neighbors in Southeast Asia is in the best interest of India. Therefore, India continues to pursue active collaborative engagements with its neighbors with a view to promoting mutual understanding and regional peace and stability.

Considering the geostategic location of India, Manjeet S Pardesi has defined India’s three main security related interests in the Southeast Asian region. Firstly, it is to maintain a stable balance of power, secondly, to ensure the security of the Malacca Strait and thirdly, to ensure the freedom of navigation in the South China Sea. Therefore, post-cold war, India enhanced its political, military and economic engagement with Southeast Asian region as part of the LEP. In fact, during the same period, China increased its military assertiveness by claiming the Spratly and Paracel Islands, Philippines proposed the withdrawal of US troops from the Subic Bay naval base and the end of the Vietnam-Cambodia War increased the strategic uncertainty in Southeast Asia. Political disputes directly affect the economic stability in this region as it has one of the busiest sea-lanes in the world, with almost 20 percent of world’s oil supply transiting through the region. These factors inspired some Southeast Asian nations to regard India as a useful partner to offset Chinese power in the region. India has maintained its stand that it does not want to be a competitor to China as it wants to maintain peace and stability in the region rather than a single great power that
dominates Southeast Asia. These thoughts were re-emphasized in 2005 by India’s Minister of Defense, Mr. Pranab Mukherjee (present President of India), that India’s Look East strategy was based on the principle of “the maintenance of an equitable strategic balance” as it was “vital for Indian security.”

India has been particularly concerned about the security of valuable sea resources, piracy, narcotics trade, poaching and terrorism in the region. Particularly, Andaman Sea has been a vulnerable area as it is a lucrative region that is not only close to the main shipping lane, but also provides as a mid-point between India and Southeast Asian countries. India is also concerned about the vulnerability of the maritime traffic from organized terrorist groups. India is well positioned to assist in the Indian Ocean security concerns and the Indian Navy patrols the region and holds joint exercises with Southeast Asian countries. To meet the growing energy demands, India depends on import of energy resources and the Indian-owned Oil and Natural Gas Corporation Limited Videsh owns a large stake in offshore oil and gas fields in Sakhalin in the Russian Far East and has also been involved in hydrocarbon exploration offshore Vietnam in the South China Sea. The South China Sea and the Strait of Malacca are utilized for transportation of oil and gas thus, the “the freedom of navigation” in the South China Sea is in the best interest of India.

Defense Cooperation with Southeast Asian Nations

Personnel of foreign armed forces regularly train at Indian defense institutions like the National Defense Academy (NDA), Indian Military Academy (IMA), Defense Services Staff College (DSSC), and National Defense College (NDC) and at several other specialized technical and non-technical institutes. While conducting courses in India, India also provides military capacity-building assistance to various Southeast Asian states. For example, Indian Air Force (IAF) in Oct 1994 trained 100 personnel of Royal Malaysian Air Force (RMAF) on MiG-29 and IAF Training Team was stationed in Malaysia from Feb 2008 for a period of
two years to impart flying and technical training to RMAF personnel on Su-30MKM aircraft. India has also assisted Singapore in developing its anti-submarine warfare capabilities and has trained Thai marine aviators after Thailand acquired an aircraft carrier from Spain in 2000. $100 million military credit line to Hanoi has been extended by India to Vietnam to build its defense-industrial base.

In furthering the mutual cooperation with Southeast Asian countries, as a goodwill gesture, India in 2003 gifted Lao National Army with twenty-five TATA jeeps and in 2009 with 20 static line parachutes. Indian Army training has also conducted training capsule for personnel of Lao National Army on Unexploded Ordnance (UXO), mines and Improvised Explosive Devices (IED) in 2011 and 2012. In August 2007, India and Japan elevated their relationship to a ‘Strategic and Global Partnership,’ and on 25 January 2010, India and Republic of Korea have also enhanced their relationship to a strategic partnership. India’s Enhancement of relationship with Southeast Asian countries provides an opportunity and relatively more freedom for military engagements to India and assists in protecting its interests in the Indian Ocean Region.

**Military Exercises**

Indian armed forces have held joint military exercises with Southeast Asian nation to enhance politico-military engagements and Indian Navy has been in the forefront in the conduct of these engagements. In Oct 2015, Exercise-Malabar, a trilateral exercise between Indian, Japanese and US naval forces was conducted. This annual high-end war fighting exercise featured maritime patrol and reconnaissance operations, surface and anti-submarine warfare, air defense exercises (ADEX) and visit, board, search and seizure (VBSS) operations. In pursuit of India’s LEP and ‘Act East’ policy, India has periodically held joint naval exercises with Singapore, Malaysia, Indonesia, Thailand, Vietnam and Philippines. In May 2015, Indian Navy participated in a bilateral exercise SIMBEX with the Republic of
Singapore Navy and thereafter, took part in an exercise with Indonesian Navy with an aim to further strengthen bilateral ties between the two countries and foster interoperability in Maritime Operations and Search and Rescue between the navies. In June 2015, India also participated in an exercise with Royal Malaysian Navy achieving interoperability in communication and search and rescue procedures.

Due to a shortage of airspace in Singapore, Royal Singapore Air Force (RSAF) signed a defense agreement with India in 2007 to use one of its air bases to conduct joint exercises. This has provided a unique opportunity to RSAF to not only use the Indian airspace for their training but also utilize the air-ground firing range. RSAF and Indian Air Force conduct regular joint bilateral exercises, which have further enhanced the defense cooperation between the two countries. Singapore is the first country that has been allowed to deploy its military assets and troops in India for training and joint exercises with their Indian counterparts. This not only indicates the strong ties and increasing cooperation between Singapore and India but also indicates the growing confidence Southeast Asian nations have in India.

**Human Assistance and Disaster Relief (HADR)**

During the Tsunami in 2004, India along with USA, Japan and Australia formed a coalition to help the Tsunami affected areas. When a 7.8 magnitude earthquake struck Nepal on 25 April 2015, India was first to respond with the relief aid and the rescue team. Even during a major drinking water crisis due to fire in water distillation plant in Male, Maldives on 04 September 2014, India was the first to respond by sending Indian Air Force’s three C-17 and three IL-76 aircraft and deployed Indian Navy warship, which has the capability to produce drinking water using their onboard desalination plants, to transport drinking water to Male. The promptness with which India has responded to disaster relief operations in Southeast Asia reflects the responsibility that the nation shares in the region.
Indian Defense Industry

The Department of Defense Production of the Ministry of Defense is responsible for the indigenous production of equipment used by the Indian Armed Forces. It comprises of 41 Indian Ordnance Factories under the control of the Ordnance Factories Board and eight Defense Public Sector Units. Over the years, Indian Defense industry has grown and today apart from meeting the demands of the Indian Armed Forces it exports defense-related items to various countries. For example, in November 2014, Mauritius signed a deal with Hindustan Aeronautics Limited (HAL) to acquire Dornier aircraft for maritime surveillance. HAL also exports Forward Passenger Doors for A320/A321, Gun Bay Door and Wire Harness for Boeing F/A 18, Boeing 777 Up lock Box and other equipment including software.

To fulfill the medium-lift requirements of Indian Army, Navy, Air Force and Coast Guard, indigenously built Advanced Light Helicopter (ALH), known as Dhruv, by HAL is being used extensively. HAL has exported Dhruv helicopter to Ecuador, Suriname, Myanmar, Mauritius, Turkey and Peru. Indian shipbuilding industry has grown over a period of time and has sold warship and patrol boats to Vietnam, and are building two off-shore patrol vehicles (OPV) for Sri Lankan Navy. Indian Space Organization (ISRO) has achieved great heights in satellite launch technology and has launched not only Indian satellites but also foreign satellites. Until September 2015, it had launched 51 foreign satellites and has signed a contract for launching 23 foreign satellites simultaneously. Prime Minister Narendra Modi’s initiative of ‘Make in India’ is based on four pillars to boost entrepreneurship in India, not only in manufacturing but also in other sectors. It also provides a unique opportunity to invest in India, thereby promoting trade and economic growth and investments from Southeast Asian nations.
Indo-US Cooperation

Post-independence, India remained non-committed to any power bloc, as a result, in spite of being two democratic nations with several overlapping security interests, Indo-US partnership was never on the ascent. It improved for a short period of time after the Korean War, when India was a member of United Nations armistice commission, however, subsequently at the height of Cold War, no substantial progress took place between the two countries. Post-Cold War, the building of Indo-US relations was slow and India’s nuclear test in 1998 did stall the progress for some time. However, during the George W. Bush administration, relations improved for better as it viewed that India would play an important role in future US policy in Asia. On 30 May 2009 at the Shangri-La Dialogue in Singapore, former U.S. Secretary of Defense Robert Gates stated that “we look to India to be a partner and net provider of security in the Indian Ocean and beyond.” Growing strategic convergence, signing of the first US-India defense framework in 2005, further extension of this defense framework agreement by 10 years on 03 June 2015 and the conclusion of the nuclear cooperation agreement have strengthened the pillar of a strategic partnership between the two countries. Tellis and Mohan view that India is important to the United States effort to maintain its international primacy while the United States is essential to India’s attainment of its great power ambitions.

Military Engagements

The signing of the Defense Framework Agreement between US and India in 2005 opened up the avenues for mil-mil interaction between the two countries and they now conduct bilateral exercises on a regular basis. Bilateral dialogue mechanisms in the field of defense include Defense Policy Group (DPG), Defense Joint Working Group (DJWG), Defense Procurement and Production Group (DPPG), Senior Technology Security Group (STSG), Joint Technical Group (JTG), Military Cooperation Group (MCG), and Service-to-
Service Executive Steering Groups (ESGs). In 2004 for the first time, United States Air Force (USAF) and Indian Air Force (IAF) carried out a joint exercise, Ex Cope India and since then they have been regularly conducting air exercises. In fact, in 2008 for the first time, IAF participated in the exercise Red Flag, and in 2014, for the first time Indian Navy ship took part in Rim of the Pacific (RIMPAC) exercise. Acquisition of C-17 and C-130 aircraft from the US has enhanced IAF strategic lift capability and interoperability with USAF due to common operating equipment between the two air forces.

**Way Forward**

China’s growing assertiveness in Asia with the imposition of ADIZ, claim over the South China Sea and the Senkaku islands as part of China’s Anti-Access/Area Denial (A2/AD) has reinforced the furtherance of President Barack Obama’s ‘Pivot to Asia’, a ‘rebalance’ of American foreign policy. As part of security dimension of the pivot, 2,500 marines rotated to Darwin, Australia and enhancement of mil-mil cooperation with Southeast Asian partners. Further, US is also deciding to turn its regional allies in Asia into active security providers, with the most significant implications being the future role of Japan.

China’s ‘String of Pearls’ strategy of developing naval ports and bases in Pakistan, Sri Lanka, Bangladesh and Myanmar while building strategic relationships and developing a capability to establish a forward presence along the sea lines of communication (SLOCs) that connect China to the Middle East possess a security imbalance in South Asia. While the security of SLOCs is important for China’s growing economy, their increasing naval capability and presence in the Indian Ocean concern not only India but the entire South Asia. Growing regional influence also concerns the US, as it not only threatens the regional stability but also US allies and friends especially Taiwan.

While delivering the keynote remarks at the Association of the U.S. Army annual conference on 14 October 2015, Defense Secretary Ashton B. Carter said, “For the seventh
year in a row Congress has failed to pass a defense appropriations bill in time for the fiscal year, and for four years the Defense Department and other agencies have struggled against sequestration impacts.\textsuperscript{81} As part of sequestration, U.S. Army plans to close certain bases and reduce their strength by 40,000 troops and 17,000 civilian employees by 2017.\textsuperscript{82} The impact of the reduction in budget and troops at a time when the geostrategic security situation is posing additional challenges especially the situation in the Middle East and military assertiveness of China is likely to be felt by the US military in the near future. Under these prevailing situation, US needs to look forward to enhancing cooperation with countries in Pacific Asia especially India, with which it has enhanced its partnership in the last decade. Increasing cooperation between the two countries can also be advantageous for India as it actively pursues its Act East Policy for economic growth. Additionally, this cooperation also increases the confidence of South Asian nations in India and assists India in increasing its influence in the region. In the long term, India looks forward to continued US support on various international issues that are in India’s best interest.

**Conclusion**

The end of the cold-war era and poor economic growth forced India to reforms its foreign policy, rebuild political ties with US and rest of the world in general and Southeast Asia in particular. Revision of the foreign policy also necessitated building new economic linkages and LEP focused on political, economic and military cooperation in the region. LEP provided India an opportunity to establish bilateral relations with Southeast Asian countries, build trade and economic relations and provide a greater role in the security of the region. In fact, India’s rejection of economic self-reliance in favor of trade promotion at the domestic level transformed India’s foreign economic relations thus, leading to a larger economic engagement with the US, IMF, WTO, Southeast Asia and China.\textsuperscript{83} Prime Minister Narendra Modi has further given impetus to the LEP by replacing it with Act East Policy and this thrust
to the foreign policy will strengthen the Indian economy and political influence in the
Southeast Asian region.

India’s geographical location gives it a dominant position in the heart of the Indian
Ocean, with major global energy and trade sea lanes of communication passing very close to
Indian-controlled waters. Thus, it is in the greater interest of India to ensure maritime
security in the region. China’s increasing military assertiveness in the region, military
utilization of ‘String of Pearls’ strategy, implementation of ADIZ, claiming of the South
China Sea and the disputes on ownership of Senkaku and Spartly Islands is a cause of
concern for the region and Southeast Asian countries look forward to India for neutralizing
this concern. With the building of trust between India and ASEAN and greater enhancement
of military interaction, India can greatly influence in stabilizing the regional security in this
region. The US is equally concerned with China’s rise and assertiveness in the region and
President Obama’s rebalance of power in East Asia would require more engagements with
the allies in the region. Increasing US engagement in middle-east, concerns on the rise of
China and sequestration leading to a reduction in strength of the army poses new challenges
to the US military. With the growing partnership between India and US and increasing Indian
economic, political and military influence in Southeast Asian region, US can engage India
strategically in playing a stabilizing role in the region. India will benefit immensely from
greater US engagement as it increases its trade with SE Asian countries. It will not only
increase the confidence of Southeast Asian countries in India but also provide India with
greater diplomatic, economic and military access in the region.
Notes

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14 Ibid., 202.

17 Malone, Does the Elephant Dance? 203.


19 Pardesi, Is India a Great Power? 17.


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24 Kelly, Looking Back on Look East, 87.

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