

India's Look East Policy: A Global Perspective

Roluahpuia

The Look East Policy (LEP) initiated in 1991 was a real turning point in India's economic policy. Initiated along with the New Economic Policy (NEP) of 1991, the LEP emerged as an important strategy for India to make foray in Southeast and East Asian countries. The attempt of India to enter into closer economic relationships can be viewed from three different lens - regional and sub-regional integration, proliferation of Free Trade Agreements (FTAs) and re-orientation of domestic economic policy which altogether are pursued after the launching of the policy. This paper is an attempt to provide a detail analysis of the historical background of the policy. It then analyzed the policy from the three strategies by equating with global happenings.

Keywords: India's Look East policy, Northeast India

Introduction

The Look East Policy (LEP) came along the same time when the New Economic Policy (NEP) of 1991 was undertaken. The policy therefore was implemented under the context of globalization. It therefore becomes quite clear that the policy was design in line with the new economic policy which has free trade as its fundamental principles. Thus the new economic policy of 1991 waved an adieu to the long years of economic development pursued under the Import Substitution Industrialization (ISI) strategy. With the high economic growth achieved since the apogee of economic success after 1991, India began to occupy an increasingly important place in the world economy and a prominent place in the international structure of power. The Look East Policy (LEP) then emerged as important politico-economic strategy and reveals clear signs of what India wants to achieve as an international player.

The article is divided into four sections. The second part of this paper provides a background on the factor which led to the initiation of the policy. The third section which is the main thrust of this paper comprise of three important strategies which are pursued under the policy- the first being the regional as well as sub-regional cooperation's, the second is the proliferation of Free Trade Agreements (FTAs) and the re-orienting of domestic policy as the third strategy. The focus of the paper lies on this three strategies which are pursued under the policy by making criss-cross analysis with global happenings.

Roluahpuia is currently pursuing in M.A. in Development Studies at Tata Institute of Social Sciences (TISS).

India's Look East Policy (LEP)- The Backdrop

The much hyped Look East Policy (LEP) came at the time when India was reverting to free market economy by undertaking the massive economic reforms in 1991 which commonly is known as the New Economic Policy (NEP). India joined the world economy by opening up its economies and removing numerous restriction policies which were earlier pursued from the eve of independence. In simple words, the New Economic Policy (NEP) marks a strategic shift with the turnaround made in the economic policies of the country. From then onwards, India open up its economy by gradually liberalizing its certain sectors of its economy by reducing tariffs and relaxing controls over Foreign Direct Investment (FDI).

India at independence has a highly closed economy with the State playing a massive role. The dominant view on the role of the State in the 1950s and 1960s in the literature on development economics was that the Government had an important role to play, and it should undertake activities that would compensate for “market failure” (Rangaranjan 1998: 259). The assumption of a closed economy also led to the adoption of the strategy of import substitution industrialization (ISI) strategy. Thus, Import Substitution Industrialization (ISI) emerged as an important pathway of development. The defining policy characteristics of this phase of development were the introduction and enhancement of the Import Substitution Industrialization (ISI) strategy with a tight protectionist policy by putting in place numerous restrictions in trade. In other words, the State was playing a massive role in all the fundamental sectors extending from social security to infrastructure and industrial development. Therefore, until 1991, India's development strategy had been guided by industrialisation through import substitution. The Import Substitution Industrialization (ISI) then was a dominant development strategy particularly pursued by countries that were newly freed from colonialism. This grew out of the strong desire by these new independent countries (NICs) to pursue their own development process and protect their respective national economies. Much of the countries of Asia, Africa and Latin America adopted this strategy of development which means replacing industrial imports with domestic production. In the early years, it proved to be a successful strategy and many countries who adopted achieved high economic growth.¹

However, the ISI strategy failed to work and delivers the expected growth rates gradually. Therefore the potential of ISI seemed to have exhausted during the early 1980s, and stagflation and sever foreign exchange shortages became the domination problems. Therefore, many of the countries such as countries of Latin America (LA) faced with the same problems i.e. falling real incomes and heavy-debt. In India, by the mid-1960s, however, not only was the once-for-all stimulus offered by import substitution, but the ability of the state to continue to provide the stimulus to growth was also undermined by its inability to raise the adequate resources (Chandrashekhhar & Ghosh 2002: 3).

The major crisis that India was facing such as high fiscal deficit and balance of payment forced India to undertake massive economic reforms in 1991 with fundamental restructuring made in the economy of the country. Rangaranjan (1998) points out two key elements of the changes- the first relates to stabilization policy and the second is what he calls the structural reform policies. Furthermore, he notes that the former in

tended to correct the lapses while the latter intends to accelerate economic growth over the medium term. Thus, the new economic reforms denoted a significant departure from the previously economic policies which were protectionist in nature.

Amidst the New Economic Policy (NEP) was the much-hyped Look East Policy (LEP) which was launched in the same year. With the NEP signaling a major shift in India's economic policy, in the same way, the LEP signals as well as bring a new chapter in India's economic policy. The situation then becomes contrast to the pre-1990s era when India was concentrated mainly on the West, particularly on European countries and the United States. From here onwards, India began to knock the doors of its neighboring South Asian countries along with countries of Southeast and East Asia. From then onwards, there has been a continuous effort since to move closer to the Southeast Asian countries (Kishan 2009: 17).

The Look East Policy (LEP) also came at the time when the global economic orientation was undergoing change, particularly with the disintegration of Soviet Union. Apart from this, the success of the East Asian Tigers also pushed India policy planners and decision-makers the need to maintain closer ties with these countries. Moreover, with China ever rising political and economic influence in this region, the LEP then become a viable strategy to contain Chinese influence. Thus, a two reasons why LEP has become more so fundamental is that it will helped in pushing up India's dream of achieving high economic growth by capitalizing on the fast growing Asian economies, particularly the East Asian countries and to check on China increasing influence in the region. One measure adopted by India to specifically check China influence in the region are the formation of sub-regional groupings initiated by India such as the Mekong-Ganga-Cooperation (MGC) and the Bay of Bengal Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) which purportedly excludes China. This summarizes the fact that in regional groupings initiated by India, China is purportedly excluded even if the grouping countries are having a closer proximity with it.

The Look East Policy (LEP) has been implemented in two phases- the first phase extends from the period 1991 to 1997 in which attention was paid mostly on trade and investment linkages apart from being Association for South East Asian Nations (ASEAN) centered. This period witnessed India's active attention to the dynamic ASEAN markets, and the latter's intention in taking advantage of the former's rising potential and business opportunities of a growing and more open Indian market (Santarita, J.B., 2011; 90). The second phase was implemented with more enthusiasm as well as ambitions in all aspects extending from wider trade agreements to issues related to security concerns. So the phase two lifts up the policy to a higher level with the incorporation of new agenda such as wider economic integration along with defense diplomacy. Hence, the second phase is marked by increased Free Trade Agreements (FTAs) and increasing focus on geo-strategic ties.

From the above discussion, it can be well understood that the Look East Policy (LEP) is an integral part of India's new economic policy. The economic reforms of 1991 put an end to the "protectionist" regime by opening up the economy. It was on this line that LEP was implemented under which India consistently tries to foster better relations with its neighboring countries and develop economic relations by increased trade and

investment. Moreover, the booming of the East and Southeast Asian countries further pushed India to make foray in these countries as India itself with the opening up of its economy was in search for markets. Overall, the LEP was implemented to serve varied politico-economic objectives as well as strategic purpose.

The Look East Policy- A Three Pronged Strategy

As much as the economic reforms of 1991 set a benchmark in India's economic history, so is the Look East Policy (LEP). It was out of the new economic reforms that the LEP was born and nurtured all along. This move of India signals a new trend of India's foreign policy with an attempt to increase economic engagement with Southeast Asia and led to a new chapter in which India strived to take advantage of new opportunities by actively engaging in this part of the region through increased trade and investment or in short economic cooperation. Therefore, with the changing policies, India begin to look the nearest as well as the farthest eastern countries which until the implementation of LEP were shut from India's foreign policies.

The essential philosophy of the Look East Policy is that India's future and economic interests are best served by greater integration with Southeast Asia (Chachavalpongpan, P., 2011; 55). To further fulfill the objectives of the policy, three important strategies or dimensions are identified- the first is increasing regional and sub-regional groupings. The increasing regional and sub-regional cooperation are on the rise with the implementation of the LEP which was strikingly in contrast to the autarkic process pursued during the greater part of the 'fifties' by most of the newly independent countries of the region (Boh 1962: 543). The second is the proliferation of Free Trade Agreements (FTAs) in economic relations which was more intense after the second phase, i.e. 1997 and the third is the re-orienting of domestic policies with special focus given to the Northeast region of the country.

Although it is true that there equally are other related dimensions or strategies to be discussed such as in the area of strategic cooperation, this paper will be limited to the three dimensions or strategy given above. Thus, all these strategies can be seen as India's attempt to diversify its international economic relations, along with its attempt to increase, broaden and expand its area of operation.

Regional and Sub-regional Integration

India's fast-evolving relationship with its neighboring countries has been one of the crucial aspects under the Look East Policy (LEP). With the coming of the LEP, concrete steps were taken to build stronger ties through regional integration and establish economic integration institutions in all sub-regions. This regional integration are characterized by open regional arrangements with the aim of booting trade and investment across countries. Regional integration in Asia, particularly South Asia has entered a new form of beginning with India playing a key role. This is an interesting break from India's previous outlook where the sub-region was almost completely ignored and very little effort was made to either develop a regional approach or build linkages with neighboring countries (Kaul, M. M., 2006; 313).

Regional integration has fairly a long history and regional integration of various

forms played an important part of a development strategy. It was widely a common form of practice and is now becoming more widespread in various parts of the world regardless of the countries being developed or developing, capitalist or socialist, North or South. The European Economic Community (EEC) formed in 1951 is one of the dominant integration schemes in developed market economies. On the same line, the Council for Mutual Economic Assistance (CMEA) established in 1949 represents the regional integration scheme of socialist countries. An interesting feature of this is that the dissolving¹ of CMEA in 1991, European Customs Union (ECU) emerged which is a key strategy for Russia for re-integrating its post-Soviet space.

Coming down to the global South, regional as well as sub-regional groupings are a common phenomenon. In Africa, The Economic Community of West African States (ECOWAS), East African Community (EAC), the Common Market for East and Southern Africa (COMESA) are some among the various sub-regional groupings. In line with this, Asia too has a long history of groupings. Mention may be made of Association of Southeast Asian Nations (ASEAN) and South Asia Association for Regional Co-operation (SAARC). The formation of ASEAN dates back to 1967 which at present act as one of the main economic integrating forces in Asia.

India too has been a member of various regional groups such as South Asia for Regional Co-operation (SAARC). With the Look East Policy in full swing, regional integration between India and its neighboring countries, particularly East and Southeast Asia increased considerably. As Haokip (2011) puts it: "The essential philosophy of the Look East Policy is that India must find its destiny by linking itself more and more with its Asian partners and the rest of the world, and that India's future and economic interests are best served by greater integration with East and Southeast Asia".

Furthermore, the LEP was implemented at the same time when India was undertaking a paradigm shift in economic policy which came to known as the New Economic Policy (NEP). What is so significant about this period was the fact that it was during this period that regionalism exploded followed by trading agreements around the world (Kaul, M.M., 2006, Batra, A., 2010). Countries of East, South and Southeast Asia are coming together to build a closer ties and deepen their relationship, particularly in the areas of economic, politic and strategic concerns. They are now moving towards closer economic and trade co-operation and co-ordination and India has played a leading role as an initiator. What stands in sharp relief in the architecture of the world economy as it is evolving today is the emergence of regional trading blocs which are acquiring ever greater salience (Acharya, A., 2011; 77).

Under the LEP, various regional groupings are formed. This is amply demonstrated by the newly formed sub-regional groupings such as the Bay of Bengal Initiative for Multi-Sectoral and Economic Co-operation (BIST-EC) formed in the year 1997; The Mekong Ganga Co-operation (MCG) in 2000. This drive of regional integration is engineered for increased economic growth, free trade and economic development as the main goals. Furthermore, India is now one of the full dialogue partners of ASEAN and also a member of the ASEAN Regional Forum (ARF). The logic for deepening and widening ASEAN integration seems to have been further legitimized with recent global change (Guerrero, 2010). Thus, what we can conclude from here is that regional

groupings have multiplied over the years and this particularly has been an important strategy of the Indian State to forge closer ties with its neighboring countries. On top of this, it has become essential for the creation of confidence measure between the partner countries and thus opened the way for a deeper project of co-operation in the form of economic and commercial integration.

The other sub-regional groupings includes the South Asian Growth Quadrangle (SAGQ) comprising Bangladesh, seven northeastern states, West Bengal, Nepal and Bhutan; South Asian Business Forum under South Asia Sub-regional Economic Cooperation; and the Kunming Initiative for integrating the resource rich areas of Yunan province of China, northern Myanmar, North East India, Bangladesh, Nepal and Bhutan into Asian communication network (Chakraborty, G., 2012). Thence, the Look East Policy is an attempt to forge closer and deeper economic integration with its eastern neighbors as a part of the new *realpolitik* in evidence in India's foreign policy, and the engagement with Association of South East Asian Nations (ASEAN) is the recognition on the part of India's elite of the strategic and economic importance of the region to the country's national interests.

This regional integration has expanded to cover a wide spectrum of areas extending from economic cooperation to security concerns. However, the objectives related to economic development have been more empathized associated to the regional integration process. In the meanwhile, the proposal of deepening ties under this regional integration arrangement can also be seen as a part of India's attempt to expand its influence and strengthen its position as a global player. Therefore, regional integration equally has proved to be an essentially important political tool.

In all the regional and sub-regional integration mentioned above, the one commonality is the fact that they all aimed to promote development by eliminating trade barriers and open up their market among the member countries. All this phenomenon are an outcome of the logic that regional integration leads to expanding market and promotes competition by eliminating barriers to trade among member countries. In addition to this, regional integration has become more so important as national economies as a whole increasingly depends on the degree and extent of economic ties with other national economies which is more intense under globalization.

Free-Trade Agreements (FTAs)

International trade is not yet totally free, but it is arguably more open than it has ever been in modern history (Campa, J. M. and Sorenson, T.,L., 1996; 263). This has been an outcome of the expansion of the General Agreement on Tariffs and Trade (GATT) accompanied by the signing of countless bilateral and regional trade agreements. More importantly, the post-1945 US insistence on a liberal trading order reflected Washington's attempts to create a bulwark against Communism, an ideological stance reinforced by America's hegemonic position at the time (Baltho, A., 1996; 253). They at present are altering the world trade landscape (Liu, X, 2008; 237) due to the greater openness it demands along with the increasing economic integration and trade networks. Thus, there is no point in history where the idea of free trade has played such important role in designing domestic and foreign policies.

Free trade has been a fundamental determinism of a market economy. Under the LEP, trade links are being forged by India with countries of Southeast and East Asia. The Free Trade Agreements (FTAs) are a clear indication of a trend towards increased trade liberalization and attempt to widen up the Asian markets. This development is interesting, as the usual incentive for regional integration is followed by massive elimination of trade barriers which includes tariff reduction and freer trade between the participating countries. Free Trade Agreements (FTAs) has become a crucial aspect under India's attempt to deepen economic ties. Thus economic reorganization and liberalization becomes prerequisite for India to pursue its objective of deepening economic ties, in other words, economic integration under the policy. Thus, Free Trade Agreements (FTAs) evolved as a strategy to realise this objective. In the words of our Prime Minister, Manmohan Singh (2007):

In the present phase of our "Look East" policy, we in India seek to deepen our economic integration by entering into Free Trade or CEPA, both with ASEAN as a whole and with individual countries of the region. Such agreements are already under different stages of discussion or implementation with Singapore, Thailand, Malaysia and Indonesia. This web of mutually beneficial partnerships can be brought together in a Pan Asian FTA that could light up the future of this region.

Following this, India began to enter into FTAs with South, Southeast and East Asian countries. It was during this period i.e. 1992 that ASEAN embarked upon the ASEAN Free Trade (AFTA)¹ which aims to promote the region's competitive advantages through the single production unit. At the global level, the formation of AFTA added a further dimension to the changes under way in the international political economy in the late 1980s and early 1990s in that it marked the formation of a preferential trade bloc in the (greater) East Asian region, a region where such arrangements had been much less popular than elsewhere in the world during the postwar period (Bowles, P. & Maclean, B. 1996; 320). With the aim for a wider Asia economic integration, the ASEAN + 4 was formed with India as making the fourth member². The case for ASEAN+4 as a potential trade bloc in Asia is propose on the basis of the encouraging trends evident in intra-trade bloc trade (Baitra 2007:183)

Moving forward, there is an unprecedented increase in signing FTAs activity since the 1990s, in other words, a rush of FTA activity by India with its neighboring countries. India has inked a number of FTAs with regional groups along with individual countries. The South Asia Free Trade Area (SAFTA) is one example of being India being a member of FTAs under regional groupings. SAFTA is a strategy by members of SAARC countries to pursue a regional economic integration by increasingly opening up their respective economies. In the same way, under BIMSTEC, the member countries have agreed upon a plan for a Free Trade Pact by 2017 and in addition to that, India, Sri Lanka and Thailand have committed to trade liberalization by 2012 (Kaul 2006: 316).

India has recently inked an FTA with Thailand, Korea and Japan particularly. The recent FTA with Thailand was signed on October 2003 which aims to set up a free trade covering goods, services and investment in 10 years. The Indo-Thai FTA covers as many

as 84 items and several areas in the first phase including services, investment, economic co-operation and goods like food items, tourism, auto parts, electronic goods³. On the other hand, India has entered into a Comprehensive Economic Partnership (CEPA) which is a free trade agreement signed with South Korea in 2010 followed by Japan in 2011. Under the India-Korea CEPA, it is expected that export from both countries will boost with the reduction of tariffs on 90 per cent of Indian goods and 85 per cent for Korean goods in terms of value under CEPA. In the same way, the India-Japan CEPA covers more than 90 per cent of trade with a vast gamut of service, investment and other trade-related issues. Both of these agreements are expected to provide fillip to the ongoing India-Korea trade relationship.

From the above discussion, it can be well understood that Free Trade Agreements (FTAs) in this part of the globe is a recent phenomenon until the 1990s and under this process, it is also quite clear that market-led process of integration is in its full swing. It also reveals that India is increasingly getting linked with its neighboring countries particularly the East Asian countries.. Furthermore, the LEP has very well accommodated the concept of free market principles and thus, FTA is now one of the major building blocks of India engagement with South, Southeast and East Asian countries. This the India's Look East Policy (LEP) have now proved to be a successful strategy for India in its attempt of becoming a global super power.

Re-orienting Domestic Policy: Look East Policy and the Northeast

It is a well known fact that countries who have moved from protectionist to a market economy undertake numerous changes in their domestic economic policies as well as towards their foreign policies. Hence, the re-orienting of their economic policies to the requirements of the free trade has been of prime importance. It was on this same background that India undertook its Economic Reforms in 1991. More importantly, the neo-liberal Washington Consensus are the framework through which majority of the countries were orienting their new economic policies.

The changing domestic policy is analysed with the Northeastern states in particular which are closet to Southeast and East Asia and is the only corridor for India to reach through this part of the world. The Indian State have introduced numerous new policies particularly for the Northeast apart from the changes made to the already existing ones. Re-creation of region was necessary for pioneering trade and market niches through the northeastern region towards the Southeast Asia (Charaborty, G., 2012). With these changes, the Northeast has been re-invented and re-imagined over time. This can be related to what Das (2010) calls the "extended" Northeast where he argue that the way the space (region) is imagined in official circles sets in motion many new imaginaries drawing generously but not exclusively from the region's past history. Furthermore he notes, the new policy rethinking has opened up many a possibility that breaks open the given contours of the Northeast as a region.

The North-East is at the centre of Look East Policy (LEP) primarily because of its favorable location as it shares international boundary with China, Myanmar and Bangladesh. Therefore, it is the only 'gateway' for India to reach Southeast and East Asia. It in particular become an important focal point and is a solid domain in orchestrat-

ing India's LEP. Following this, various new policies are being design and charted out particularly for the North-East in line with the objectives of the LEP and to further integrate the region.

The various attempts made by the Central Government are expressed on the newly amended policies such as the North East Industrial and Investment Promotion Policy, 2007 (NEIPP, 2007) which provides numerous subsidies for setting up industrial units in the region. The policy documents notes:

North East Industrial and Investment Promotion Policy, 2007 (NEIIPP, 2007) issued by the Ministry of Commerce and Industry (Department of Industrial Policy and Promotion) vide O.M. No.10 (3)/2007-DBA-II/NER, dated the 1st April, 2007, the Government of India is pleased to make the following Scheme of Capital Investment Subsidy for industrial units in the North Eastern Region (NER) comprising the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura with a view to accelerating the industrial development in the NER (NEIPP, 2007).

The policy also made the whole region a Special Economic Zone (SEZ) (Haokip, 2011 & Chongloi, 2012) which implies that benefits under SEZs will be directly applicable to any industrial units set up in the region. Of the many incentives it lays down under the NEIPP, some of them includes the 100% exemption on income tax and excise duty for finished products made in the North-Eastern Region, all the eligible industrial units shall be given capital investment subsidy at the rate of 30 per cent of their investment in Plant and Machinery and this will be applicable to units in the private sector, joint sector, cooperative sector as well as the units set up by the State Governments of the region¹. Apart from this, numerous subsidies were given in the area of transport, infrastructure, training, so on and so forth.

Moreover, numerous infrastructural projects ranging from building of highways, railroads and air networks are underway to connect the Northeast with its neighbors. For increasing connectivity, India-Myanmar-Thailand Trilateral Highway and the Trans Asian Highway running from Saurashtra to Singapore via Moreh, Tamu to Thailand then from Thailand to Kuala Lumpur to Malaysia till Singapore are underway. Moreover, India has built 165 kilometer long Indo-Myanmar Friendship Road connecting Tamu and Kalaymyo-Kalewa (Haokip, 2011; 4). There is also a plan to construct a 1, 360km Trilateral Highway from Moreh (India) to Mae Sot (Thailand) through Bagan (Myanmar) (cited in Goswami, N., 2009; 8). Besides this, efforts are underway to improve sea as well as air connections. Various initiatives such as Kaladan Multi-Modal Transit Facility aims to establish connectivity between Indian ports and Myanmar ports. The Sixth Sectoral Summit of NEC on Air connectivity in Aizwal declared *inter-alia* the objective of operationalizing up to 50 airports/airstrips in the Northeastern region by the end of the eleventh five year plan, providing up to 600 flights per week within the region.

The re-orientation of domestic economic policies has been one of the determining factors for country to enter into the world economy. The *rai-son d'être* of such policy changes emerged from the idea of belief in the principles of *laissez-faire*. The Northeast, due to its geographical proximity to the Southeast Asian countries occupies an important place under the LEP. With this, new policies are charted out to integrate the region into the policy along with the objective of elevating the region out of the shackles of insur-

gency, poverty and underdevelopment. However, looking at the present state of the region and the paternalist approach by which the policies are drafted, the region is open up to new opportunities as well as to new dangers.

Concluding Remarks

In the light of the above discussion, it is understandable that the reverting of India's economy to free market, in other words, capitalist economy which was in total contrast to the previous economic initiatives was a turning point in India's economic history. From this paradigmatic shift, the Indian economy has taken a definite upward trend and is now one of the fastest growing economies of the world. Therefore, to achieve higher economic gains, India has been enthusiastic to expand its economic networks with South-east economies which overtime have earned a large share of global trade. It was at this background that the LEP was implemented which was expected to speed up the economic growth with the greater integration with countries of Southeast and East Asia.

Under the LEP, India has successfully found herself a place in this Southeast Asian region which can be seen from the various regional groupings and sub-regional groupings. Of importance here is the position that India occupies now in the ASEAN which is a member of ASEAN Regional Forum (ARF) in July 1996 and finally to a Summit Level Partnership in 2002. Over the years, the LEP has emerged as multi-dimensional approach, particularly after the 1997, i.e. after the East Asian crisis which are expressed with the signing of Free Trade Agreements (FTAs) among regional groups as well as between individual countries. From the 1997 onwards, with the LEP entering its second phase, trade and investment has increased significantly. In this way, the LEP has increasingly become a vehicle to push up India's participation in Asia economic integration.

In ending, it comes to no surprise that the initiatives undertaken under LEP are driven by neo-liberal principles. This put into question the long term implications of the such policy in the long run, particularly for backward economies like the Northeast region, which is which at least in the rhetoric sense is occupying an important place in the policy. However, it is a well-known fact that free trade has not served every country equally nor the benefits trickle down automatically. Yet, it is true that trade and investment may, or will increase significantly to the extent of overall Gross Domestic Product (GDP) with freer trade policies. However, what remains or left unanswered is on the issue of its distribution and the share of such benefits. This applies to the case of Northeast as well which is to see enormous entry of domestic and foreign investments due to the rich resource it have. Therefore, blindly implementing the free trade dogma in such a situation may not be benefitted by people of the region or even in the country at large. Therefore, it can also be concluded that the LEP reveals the simple fact on how the Indian state is more concerned about pandering to the neo-liberal creed of free trade.

Notes

ⁱ For details on ISI Success stories, see Peet, R., & Hartwick, E. (2009). Ch-3 From Keynesian Economics to Neo-liberalism page number 67 in *Theories of Development: Contentions, Arguments, Alternatives*.

- ii For details on this, see Soldaczuk, J. (1994). An ECU Area for Central Europe. *Russian and East European Finance and Trade*, 30 (1), 90-96.
- iv It was only in 1992 that ASEAN became an economic entity when members decided to establish the ASEAN Free Trade Area(AFTA).
- v It was ASEAN+3 which comprise of China, Japan and Korea till India was a member. It was formed with the idea of extending of AFTA to Northeast Asia to create a greater East Asia trade and grouping. For more details, see Kwan, K. Y., & Qiu, D. L., (2010). The ASEAN+3 Trading Bloc in *Journal of Economic Integration*. 25(1). 1-31.
- vi For a more details on the agreement, see India Thailand Free Trade Agreement available online at http://www.thailaws.com/law/e_laws/freetrade/FTA_India-Thailand.pdf
- vii For details on the North East Industrial and Investment Promotion Policy (NEIIPP), 2007, see http://assam.gov.in/pdf/NEIIPP_2007.pdf and also Central Capital Investment Subsidy Scheme, 2007 for incentives and subsidies available online at http://dipp.gov.in/English/Policies/Notification_NEIIPP_27July2007.pdf

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