

India in Transition: Journey from ‘Look East’ To ‘Act East’ Policy

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ABSTRACT

Since 1992, India started to give importance to South and South-East Asian countries, to expand her trading activities. In fact, they share common interests spanning trade, tourism, investment, joint ventures, counterterrorism, climate change mitigation, natural disaster relief, and so on. Through Look East Policy, India has developed various bilateral and multilateral trade relations with the South and South-East Asian nations. And, since 2014, under Narendra Modi regime, India witnessed a significant shift from the Look East Policy to the Act East Policy. This transition emphasized the policy's rebranding towards proactive engagement with the ASEAN countries. Therefore, the primary objective of this paper is to analyse the paradigm shift from the Look East Policy to the Act East Policy. To fulfil this, the article will first assess the evolution of the Look East Policy, and the challenges faced by it. Secondly, it will observe the key initiatives taken under the Act East Policy, and examine how they are different from those of the Look East Policy. Finally, the paper will make a critical evaluation of the effectiveness of the Act East Policy in addressing India's strategic objectives in enhancing regional stability and promoting economic development in the South and South-East Asia.

Keywords: *South and South-East Asia, Look East Policy, Act East Policy, ASEAN countries, paradigm shift*

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INTRODUCTION

After the end of the Cold War, Southeast Asia witnessed a shift in its regional security dynamics. With disintegration of the Soviet Union and fading influence of superpower rivalry, States in the Southeast Asian region started having more space to assert their autonomy and pursue regional security cooperation. The end of Cold War overlapped with the phase of globalization. Southeast Asian countries, particularly the newly industrialized ones like Singapore, Malaysia, Thailand, Indonesia, and the Philippines, after they liberalised their economy, experienced rapid economic growth and increased foreign direct investment. Some countries in Southeast Asia underwent political changes, partly influenced by the changing global environment. The political changes include shifts toward more democratic governance in certain nations.

Concurrently, the economic liberalization of 1991 opened avenues for India to forge closer economic ties with Southeast Asian nations, leveraging their burgeoning markets and industrial potential. The economic liberalization in India sought to attract Southeast Asian investment, creating an impetus for the nation to articulate a strategic vision beyond its immediate borders. India recognized the economic dynamism of Southeast Asia and aimed to integrate itself into the regional economic architecture. The Look East Policy, initiated in the year 1992 by then Prime Minister P.V. Narasimha Rao, went beyond economic considerations. The policy emphasised cultural and diplomatic ties with Southeast Asian nations,

particularly the ASEAN nations. In 1992, India became a sectoral dialogue partner of ASEAN, formalizing its engagement with the regional bloc. This partnership laid the foundation for increased cooperation across various sectors. The relationship was elevated to a full dialogue partnership in 1996, emphasizing broader cooperation in political, economic, and security domains.

In 2014, India rebranded the Look East Policy as the Act East Policy, reflecting a more proactive and comprehensive approach. The renaming signified a shift towards greater engagement and action in the region. India-ASEAN relations have witnessed a positive evolution, transitioning from diplomatic engagements to comprehensive partnerships covering economic, strategic, and cultural dimensions. The ongoing collaboration aims to foster regional integration and contribute to the prosperity and stability of the Indo-Pacific region. The initiation of the 'Look East Policy' was a response to India's quest for economic opportunities. This policy has evolved into the action oriented 'Act East Policy'. It was formally articulated by Prime Minister Narendra Modi at the 12th ASEAN India Summit and the 9th East Asia Summit in November 2014.

Prospects of Look East Policy

Following the launch of the Look East Policy, India has significantly bolstered its bilateral relations with all the countries in Southeast Asia. Among the longstanding ASEAN members, Singapore has emerged as India's most

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prominent bilateral partner, closely followed by Malaysia, Indonesia, and Vietnam. High-level visits by Heads of State from most of these nations made deepening of diplomatic ties quite evident. In addition to this dual-track diplomacy, initiatives to promote trade, tourism, cultural activities, academic exchanges, and more have been actively encouraged to cultivate friendly relations between the citizens of both the regions. Special attention has been directed towards Cambodia, Laos, Myanmar, Vietnam, where India sees ample opportunities to extend the influence of its soft power. India has also entered into bilateral Free Trade Agreements (FTAs) with Thailand and Malaysia and other significant economic cooperation agreements with Indonesia, Malaysia, and Singapore. Notably, Myanmar holds a special place in India's strategic and security considerations. The nation's geographical location has enabled her to play an important role as the land bridge connecting India and ASEAN.

The economic dimension has assumed a prominent role in India's interactions with ASEAN. Following India's elevation to a Sectoral Dialogue Partner, the ASEAN-India Joint Sectoral Cooperation Committee (AIJSCC) was established in March 1993. This committee identified four key areas for cooperation: trade, investment, tourism, and science and technology. Over the period spanning from 1995 to 2010, economic cooperation between India and ASEAN saw significant growth. India's trade with ASEAN has experienced impressive growth, escalating from \$2.3 billion in 1991-92 to \$50 billion in 2010-11. Among the ASEAN nations, Singapore is India's largest trading partner, accounting for approximately 9% of Foreign Direct Investment (FDI), followed by Malaysia, Indonesia, and Vietnam. A detailed analysis of bilateral trade between India and ASEAN countries reveals growth across various sectors, including minerals, fuels, oils, organic chemicals, plastics, rubber and rubber products, gems and jewellery, iron and steel, and electronic equipment, among others. Joint ventures have also played a significant role in investment between India and ASEAN countries. A notable achievement of the Look East Policy was the signing of the India-ASEAN Free Trade Agreement on August 13, 2009, in Bangkok. This agreement is poised to create substantial growth opportunities, benefiting both India's trade with ASEAN and its relations with Japan, Australia, and the Republic of Korea. This agreement is expected to further boost not only India's economic growth but also its relations with its East Asian neighbours, all thanks to its economic potential and reforms.

Look East Policy – Challenges

The Look East Policy has undoubtedly gained significant momentum and strategic depth in India's foreign policy. India's continuous high-level dialogues with ASEAN countries, China, and Japan offer her the opportunity to safeguard and advance her national, regional, and global interests. It also positions India as an integral part of the Asia-Pacific community, collaborating with countries in the region. Despite notable progress, India still lags behind other major powers in terms of geopolitical and economic

significance. India faces several challenges on the path of making the Look East Policy a success. Southeast Asia and India's neighbouring South Asian regions are increasingly becoming hubs for transnational crimes, including terrorism, narcotics trafficking, drug trade, and small arms smuggling. Maritime route security and piracy have also emerged as mutual concerns.

Another challenge lies in the intricate strategic triangle formed by India, the U.S., and China. These relationships are inherently marked by competition and tensions, as each seeks to exert greater influence in the region. China's growing economic and strategic influence in the region necessitates a diversified relationship between India and Southeast Asia. China is particularly concerned about the growing strategic alignment between India and the U.S., aimed at constraining China's emerging strategic presence and interests in the region. In fact, tensions could arise if China intensifies its grip in the Southeast Asian region, potentially posing a threat to India's presence in the region. Also, India-ASEAN relations lack the depth, content, and direction seen in China's, Japan's, and South Korea's relations with Southeast Asia. Despite sharing common land and maritime boundaries, India has not fully capitalized on the emerging alignment with Southeast Asia. Issues such as natural disasters, epidemics, local conflicts, environmental degradation, shared maritime spaces, and the exploitation of natural resources have compounded the problem. The absence of regional trans-border infrastructure allows separatist groups and criminal elements to exploit neighbouring territories for illicit purposes. India's diplomatic efforts, including the trilateral India-Myanmar-Thailand highway project and the establishment of land and air links to facilitate trade, may inadvertently create new challenges related to cross-border migration and refugee issues.

India's Transition - Act East Policy

In 2014, since the formation of new government in the centre, the government upgraded the "Look East Policy" to "Act East Policy". The focus of the Look East Policy was to increase economic integration with the Southeast Asian countries. On the other hand, the focus of the Act East Policy is economic as well as security integration. The Act East Policy was launched at the East Asian Summit in Myanmar in November 2014, with keeping the following objectives in mind.

1. Promotion of economic cooperation, cultural ties and develop strategic relationships with countries in the Asia – Pacific region through continuous engagement at regional bilateral and multilateral levels.
2. Increasing the interaction of the north- eastern Indian state with other neighbouring countries.
3. Searching for alternatives of the traditional business partner like, more focus on the Pacific countries in addition to the Southeast Asian countries.
4. Curbing the increasing impact of China in the ASEAN region.

Experts comment that under the Act East Policy, the Indian government is focussing on 3 Cs (culture, connectivity, and commerce) to develop better relations with the ASEAN nations. In order to ensure the success of the policy, the NDA government is working to bridge the gap between India's north-east states and the ASEAN region through people to people contact, trade, culture and physical infrastructure (airport, road, power telecommunication etc.). Some of the major project include Kaladan Multi-Modal Transit Transport Project, the Indian – Myanmar-Thailand trilateral highway project, border Haats and Rhi-tiddim Road project etc.

In 2014, after the Look East Policy got shifted to the Act East Policy, global security and economic environment witnessed significant changes. However, as an outcome of China's aggressive position and the Belt Road Initiative (BRI), coupled with the emerging geopolitical construct of the Indo-Pacific, the regional stake holders such as ASEAN, U.S., Japan, Australia and India are yet to form an unbind stand on the Indo-Pacific concept as well as a regional security architecture. The Act East Policy appropriately fits into the current scenario as India is set to take up a larger role in the regional security environment while keeping the centrality of ASEAN intact. New Delhi seeks to create a platform for mutual development in the Indo-Pacific and engage with likeminded nations in the quest for rules-based order that promotes transparency respect for sovereignty and international law, stability and free and fair-trade framework, India and Asia can be a partner in the Indo-Pacific to play a constructive role and build a regional order.

Achievements of the Act East Policy

Over the last decade, through the Act East Policy, India has been able to substantially deepen its political and strategic relationships with the key ASEAN countries. Bilateral relations with Vietnam, Indonesia, Malaysia, and Singapore have been upgraded to Comprehensive Strategic Partnerships. This reflects a higher degree of trust and alignment in foreign policy goals. These developed ties have facilitated increased diplomatic exchanges, security cooperation, and joint military exercises. As for example, India's regular and active participation in ASEAN-centric platforms such as the East Asia Summit (EAS), ASEAN Regional Forum (ARF), and the ASEAN Defence Ministers' Meeting Plus (ADMM+) reflects its support for ASEAN centrality and unity. India has leveraged these platforms to collaborate on issues such as maritime security, cyber governance, counter-terrorism, and disaster relief. Moreover, naval exercises, white shipping agreements, and enhanced coast guard cooperation have also strengthened India's maritime presence and helped maintain regional peace and stability.

The economic goals of the Act East Policy have seen modest gains. Bilateral trade between India and ASEAN has escalated, but with persistent imbalances. India's exports have diversified to include pharmaceuticals, petroleum products, engineering goods, and textiles. Imports from ASEAN nations continue to be led by electronics, machinery, and agricultural commodities.

Further efforts were being made in the last few years to deepen cooperation in newer sectors such as semiconductors, digital services, fintech, and green energy. India's strength in software and digital public infrastructure complements ASEAN's manufacturing capabilities. India and Malaysia, in particular, have discussed partnerships in semiconductor packaging and testing. India's fintech platforms like UPI are also being explored for cross-border payments with selected ASEAN partners. Financial cooperation has also expanded through the ASEAN-India Fund, ASEAN-India Green Fund, as well as the ASEAN-India Science and Technology Fund.

The Act East Policy's focus on improving regional connectivity has led to progress in physical and digital linkages. The India-Myanmar-Thailand Trilateral Highway and its planned extensions to Laos and Cambodia are major infrastructure undertakings. Delays due to geopolitical and logistical challenges failed to curb the project's strategic importance. Maritime connectivity has improved through new shipping services, linking the Indian ports to their ASEAN counterparts. Air connectivity has developed significantly, with an increasing number of direct flights between India and ASEAN cities, enhancing both tourism and professional travel. In the digital domain, discussions on linking India's digital payment systems with ASEAN counterparts are progressing. Platforms such as UPI and Aadhaar have the potential to contribute to digital public goods and improve regional fintech ecosystems.

Cultural cooperation has been a consistent strength of the Act East Policy. India's restoration of civilizational heritage sites in ASEAN countries - such as Angkor Wat in Cambodia, My Son in Vietnam, and Vat Phou in Laos - has enhanced its image as a partner in cultural preservation. Religious diplomacy, particularly through Buddhist circuits and Ramayana trails, has reinforced shared historical and spiritual linkages. Initiatives like the Mekong-Ganga Dhamma Yatra and celebrations of Bali Jatra have revived maritime and cultural memory. Diaspora engagement has also strengthened India's presence, especially in Malaysia and Singapore. Indian cultural centres across ASEAN have hosted exhibitions, film festivals, and academic exchanges, furthering soft power diplomacy.

India has significantly expanded educational and capacity-building partnerships under the AEP. IIT campuses in Malaysia and Thailand represent a major leap in academic engagement. These initiatives, alongside vocational training centres and AYUSH programs, support ASEAN countries in meeting skill shortages and public health goals. India offers numerous scholarships to ASEAN students in fields ranging from engineering to governance. Collaborations between universities, think tanks, and civil service training institutions have helped foster regional understanding and innovation.

Hurdles in Implementing the Act East Policy

The return of great power rivalries, particularly between the United States and China, has highly impacted the

regional strategic environment. ASEAN's once advantageous position between the two powers has now become a space of tension and competition. The weaponization of economic interdependence, the securitization of trade, and growing strategic contestation have created an unstable external environment. This dynamic has placed additional strain on ASEAN cohesion and complicated India's engagement strategy.

India's ambitious connectivity projects, such as the India-Myanmar-Thailand Trilateral Highway, have been impeded by a combination of infrastructural and political factors. The instability in Myanmar and its contested territorial control has emerged as a major bottleneck, both in physical construction and diplomatic alignment. Additionally, border management issues and underdeveloped linkages in India's Northeast continue to hinder seamless connectivity with Southeast Asia.

India's economic engagement with ASEAN has remained below its potential. The trade deficit with ASEAN countries has widened, and India's decision to withdraw from RCEP has reduced its leverage in regional economic frameworks. Moreover, tariff and non-tariff barriers, bureaucratic delays, and lack of harmonization in standards have discouraged greater trade and investment flows. While initiatives like the IPEF offer some alternatives, they remain uncertain in structure and political sustainability. ASEAN's deeper integration with China through RCEP and other mechanisms has further marginalized India's role in regional economic integration.

Despite shared cultural heritage, India's cultural presence and influence in Southeast Asia have diminished in recent years. South Korea is giving a tough competition to India's soft power. The declining prominence of Indian cinema and culture on popular media platforms, replaced by Korean entertainment, reflects a weakening of India's soft power appeal. This has implications for the visibility of Indian values, tourism, and public diplomacy in ASEAN.

One of the persistent criticisms of the Act East Policy is its implementation gap. Despite ambitious announcements, several initiatives have suffered from delays, fragmented execution, and lack of inter-ministerial coordination. The absence of a dedicated institutional mechanism to drive the AEP with consistent resources and authority has weakened delivery. In addition, coordination with state governments and local institutions remains limited, particularly in enhancing cross-border engagement from India's Northeast.

While India has increased its diplomatic and economic outreach, reciprocity from some ASEAN countries remains slow. In certain cases, there is a lack of institutional readiness or strategic clarity among partners to engage with India on equal terms. Moreover, unresolved bilateral issues with eastern neighbours, especially Myanmar and Bangladesh, complicate broader regional initiatives.

Way Forward

The success of the Act East Policy over the next decade will depend heavily on India's ability to institutionalize coordination across multiple stakeholders, including central and state governments, the private sector, academia, and civil society. A dedicated inter-ministerial coordination unit under the Ministry of External Affairs could help bridge existing gaps in policy implementation. This body could be tasked with monitoring project timelines, aligning bilateral initiatives with ASEAN priorities, and ensuring regular policy feedback mechanisms. Moreover, a strategic roadmap for each ASEAN country, tailored to their unique socio economic, political, and cultural contexts, could add specificity and effectiveness to India's outreach. These country-specific strategies must be anchored in reciprocity and mutual benefit, going beyond symbolic engagements.

To revitalise economic integration, India should revisit its trade strategy with ASEAN and consider the possibility of re-engaging with RCEP in the future or negotiating upgraded bilateral FTAs with ASEAN member states. At the same time, it is essential to strengthen trade facilitation infrastructure - customs, logistics, port efficiency - and reduce non-tariff barriers. Promoting Indian investment in ASEAN's industrial zones, digital economy, green infrastructure, and semiconductor supply chains can foster deeper economic linkages. Special focus should be given to joint ventures in clean energy, electric mobility, pharmaceuticals, and food security. To balance trade asymmetries, India should invest in branding and marketing its niche products, such as organic agricultural goods, traditional medicines, and handicrafts, in ASEAN markets. Strengthening regulatory cooperation and mutual recognition agreements will be crucial in improving market access for Indian exporters.

Physical and digital connectivity must remain a top priority. India must expedite delayed infrastructure projects such as the India-Myanmar-Thailand Trilateral Highway and explore alternative routes that bypass conflict zones. Strengthening border trade infrastructure in the Northeast - roads, warehousing, customs facilities - will not only improve access to ASEAN markets but also contribute to regional development. Digital connectivity offers a promising frontier. India's successful digital public goods ecosystem - exemplified by UPI, Aadhaar, and Digi Locker - can be shared with ASEAN partners through capacity building and public-private partnerships. The co-development of fintech solutions can create secure, interoperable payment systems that support tourism, trade, and remittances.

India must expand the depth and visibility of its cultural diplomacy. This involves not only the restoration of heritage sites but also active cultural programming such as cultural festivals, literary exchanges, and culinary diplomacy. Given the declining popularity of Indian media content in ASEAN, partnerships with regional broadcasters and digital streaming platforms can reintroduce Indian cinema and storytelling to new audiences. Tourism promotion should be bi-directional. India must enhance its tourism infrastructure, especially

around Buddhist circuits and heritage sites, to cater to ASEAN tourists. Facilities such as multilingual signage, trained guides, hygienic amenities, and better transportation can significantly improve the visitor experience. To facilitate travel, visa policies should be liberalized further, particularly e-visas and multiple entry schemes for ASEAN countries. Collaborative tourism packages that include religious, ecological, and culinary experiences can create sustainable demand.

Education cooperation should extend beyond scholarships to institutional partnerships in curriculum development, research, and faculty exchange. India's decision to establish IIT campuses in ASEAN marks a major milestone. These institutions must be supported to ensure academic excellence, international accreditation, and integration into local education ecosystems. Vocational training programs, especially in digital literacy, renewable energy, and healthcare, can address ASEAN's skill shortages. Establishing India-ASEAN Centres of Excellence in innovation, AI, climate studies, and public health can act as regional knowledge hubs. India should also rejuvenate its existing India Chairs and cultural centres in ASEAN universities, ensuring they are well-funded and led by qualified experts. A dynamic and structured alumni network of ASEAN students trained in India could serve as goodwill ambassadors and policy interlocutors.

People-to-people engagement must be broadened to include youth, media, women leaders, entrepreneurs, and civil society organisations. Establishing India ASEAN Youth Fellowships, media exchange programs, and entrepreneurship summits can foster long-term bonds. Digital platforms can be used to create communities of practice on topics such as sustainable agriculture, heritage management, or climate action. Social media campaigns, documentaries, and podcasts in local languages can significantly enhance mutual awareness. Diaspora communities should be more actively engaged in promoting Indian values and economic opportunities. Establishing diaspora innovation forums and India-ASEAN cultural diplomacy councils can institutionalize these linkages.

India and ASEAN must expand collaboration on pressing global challenges such as climate change, health security, food and energy resilience, and cybersecurity. Establishing joint task forces, conducting tabletop exercises, and co-developing technologies can position both as responsible regional actors. Climate action partnerships - such as regional carbon trading mechanisms, joint solar and wind energy projects, and blue economy initiatives - can generate jobs while ensuring sustainability. India's experience in digital health platforms (like CoWIN) can be adapted for regional health resilience. On cybersecurity, ASEAN and India can co-develop norms for data protection, responsible AI, and cyber hygiene. This will be crucial as digital interdependence grows.

Also, India must remain consistent in supporting ASEAN centrality, particularly at a time when mini-lateral

arrangements and external power rivalries threaten to marginalize multilateralism. Strengthening ASEAN-led mechanisms, aligning with the ASEAN Outlook on the Indo-Pacific (AOIP), and avoiding zero-sum strategies will be key. India should invest in capacity-building for ASEAN institutions, support the implementation of ASEAN Community Vision 2045, and encourage convergence on rules-based norms. A robust India-ASEAN institutional architecture, supported by regular summits, ministerial and expert-level dialogues, is essential.

CONCLUSION

Sceptics argue that there is more rhetoric than substance in the Act East Policy. Implementation of various developmental projects becomes an arduous task, all thanks to frequent armed insurgencies and the subsequent law and order problem in the north-east India. However, such hindrances must not stop the pursuit for economic development. India needs to actively engage with the insurgent groups for political dialogue, since she strives for a peaceful solution to the decade-old problems of the region. Taking up of simultaneous developmental projects is an essential requirement. There is also an ardent need to give a role to India's northeastern states in this policy. Thus, the success of the policy depends on the commitment of the Indian government to implement the proposed plans and projects under the policy and to give a role for the northeastern states in this policy. Nevertheless, the economic rise of Southeast Asia has opened new avenues for bilateral trade between India and the ASEAN nations. India's Act East Policy has gained momentum, emphasizing enhanced economic engagement and collaboration. Growing trade ties have not only increased the export potential for Indian goods and services but have also presented opportunities for mutual investments. Southeast Asia's emergence as a global manufacturing and trading hub has prompted India to consider diversifying its supply chains. The region offers an alternative to traditional partners, providing India with options to secure raw materials, components, and markets for its products. As global dynamics shift, Southeast Asia becomes a strategic ally for India's economic resilience. The technological advancements in Southeast Asia also present opportunities for collaboration in areas like IT, biotechnology, and renewable energy. Joint research and development initiatives can foster innovation, address common challenges and accelerate economic growth in both regions.

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