

# **India and Community Building in Asia: From Idealism to Realism**

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## **Abstract**

India became a free nation at a time when the cold war exerted its utmost influence on the newly emerging countries of Asia. Indian leaders like Jawaharlal Nehru, who had struggled long against a colonial power, understood the value of causes like freedom, equality of human beings and the need for unity among Asian nations. They also believed that it was essential for Asian countries to stay away from the ideological conflict between the two blocs so that they could concentrate on the more immediate requirement of national reconstruction. Nehru argued that it was wrong to look at every global issue through the prism of the cold war. India's support to China, Japan, Korea and a host of other Asian countries heightened the stature of India in the comity of nations. Behind India's strong advocacy of Asian solidarity, one could see a certain lofty idealism. But Nehru received a rude shock in 1962 when China went to war with India on the border issue. Other developments such as two wars with Pakistan in 1965 and 1971-72 further weakened India's idealism. The post-cold war situation has created a new international milieu and the second generation leaders of India have understood the need to pursue policies which are governed more by realism than by high-flown idealism.

Although India became a free country in August 1947, its leaders who had spearheaded the freedom movement were quite aware of the complexities of the evolving international relations. India's freedom was born at a time when the cold war, still at its early stage, exerted tremendous influence on the newly emerging Asian countries. Indian leaders, who had struggled hard against a colonial power, understood the value of certain causes like freedom, equality of human beings, the need for unity among Asian countries, world peace, etc, and

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truly laid the foundations of India's foreign policy. Leaders like Mahatma Gandhi and Jawaharlal Nehru had a vision of what role India should play after winning freedom. Gandhi's emphasis on non-violence and mutual tolerance, which are derived from the traditional Indian ethos, is very relevant today when we see global peace threatened by terrorism and religious fundamentalism. The guiding philosophy of India's foreign policy is based on a firm belief in peaceful solutions to conflicts, sovereign equality of all states, independent judgment, equity in the conduct of international relations and so on.

India has always thought that by adhering steadfastly to the principles of the United Nations, it could promote its own foreign policy objectives. The ideas and concepts embodied in the UN Charter such as the goal of one world, global peace, the essential equality of all human beings, etc, are in tune with India's ancient culture and values. India has considered the world body as an instrument of peace and as a forum for joint action for member countries in their quest for better and more peaceful world. As early as January 1947, even before becoming a free country, India strongly expressed its desire to cooperate in building a world structure. The interim prime minister of India, Jawaharlal Nehru said that "the beginnings of this world structure have been laid in the United Nations Organization.. It is still feeble; it has many defects. Nevertheless, it is the beginning of the world structure. And India has pledged herself to cooperate in its work." <sup>1</sup>. He also assured that "Towards the UNO, India's attitude is that of whole-hearted cooperation and unreserved adherence, in both spirit and letter, to the Charter governing it. To this end, India will participate fully in its various activities and endeavor to play that role in its councils to which her geographical position, population, and contribution towards peaceful progress entitle her." <sup>2</sup>

The basic attitude of India towards the UN was molded in the very early years of its emergence and India was fortunate at that time to have leaders of the caliber of Nehru with a global outlook and vision. India is a founder member of the UN and in a way, both have grown together. India's links with the UN even predate its independence in that it participated in the 1945 foundation meeting as a member of the British empire. The members of the Indian delegation who participated in the San Francisco Conference were nominated by the British government. Coming in the wake of the defeat of the Axis Powers and attended

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1. Jawaharlal Nehru's speech at the Constituent Assembly in January 1947, quoted in Foreign Minister I.K. Gujral's speech at a seminar in New Delhi on "India and the UN: Five Decades of Cooperation" 13 March, 1997, *UN Newsletter*, ( New Delhi ) 22 March, 1997, p3.

2. *The Indian Annual Register* ( Calcutta ), vol2, July-December, 1946, p 253.

by about fifty members, the conference was dominated by the views of the victors. Despite its anomalous position, the Indian delegation created a favorable impression as it addressed some very important issues which are relevant even now. It drew the attention of the participating countries to the great contribution that India had made to the war efforts to fight the Axis Powers. It emphasized how “economic and social injustices” had caused the Second World War. Its references to the need for giving recognition to fundamental human rights of all men and women irrespective of race, color or creed in all nations for the promotion of global peace carried considerable significance and relevance to millions of people who still suffered under colonial regimes in Asia and Africa. India’s proposal to incorporate a clause relating to the promotion of human rights in the UN Charter ( Article 1:3 ) was accepted. Another Indian amendment related to the formulation of Article 19 which stated that the member countries which failed to make their monetary contributions for full two years would lose their right to vote in the General Assembly. Thirdly, the India delegation had serious reservations on the question of granting veto power to the five big powers. However, sensing the strong resolve of the five members not to make any compromise, the Indian delegation agreed to it on the condition that the Charter should be open to review after ten years. It is interesting to note that Australia and Yugoslavia proposed at the conference that India should be one of the permanent members of the Security Council. Had India been independent at that time, it might have had some chance of being considered for that position<sup>3</sup>.

The atmosphere of unanimity and harmony that marked the attitude of big powers at the end of the war did not last long. Soon the US and the Soviet Union fell apart and what followed was an intense ideological conflict that had far reaching repercussions. Both were involved in a race to enlist on their respective camps as many countries as possible. This rivalry coincided with the emergence of numerous independent countries in Asia and Africa. India being one of the earliest to gain freedom, was called upon to take the lead in properly responding to the challenging situation. India considered the UN as an institution with the potential of tackling a variety of issues connected with world peace and the economic and social progress of the countries of Asia and Africa. It firmly believed that such an important body should not be crippled by the narrow cold war considerations of the two power blocs. It was the contention of India that the non-partisan character of the UN could be preserved only if the member countries

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3. M.S. Rajan, “ India and the Making of the UN Charter” in his *Studies on India’s Foreign Policy* ( New Delhi, 1993 ), Pp 252-83

steered clear of the pressures of the East-West rivalry and adopted independent approaches.

The development of this independent approach by India helped it to keep out of such pressures and examine global issues on the basis of their merits. This infused a fresh air into the then prevailing global system which was divided sharply between Washington and Moscow. The domestic economic and political conditions of India were such that there was no other alternative for India but to remain non-aligned between the two blocs. At home, the process of political integration was very much complicated by the aftermath of the partition of the country. There was a military conflict between India and Pakistan in 1947. Emerging from a long period of colonial exploitation, India had to launch on a gigantic program of national economic reconstruction. It had to modernize its agriculture and industries, educate the vast population, and find ways to mobilize resources to finance these programs. Devoid of financial resources, India welcomed assistance from external sources without, of course, compromising its independence.

India's refusal to join either of the blocs rested on sound logic and reason. India did not want to see global issues in a narrow bipolar frame because it believed that such naïve and narrowly-focused approaches would not contribute to their solutions. All this did not, however, mean that India wanted to organize a third power bloc. It argued that non-involvement in the East-West rivalry provided time and opportunities to India to pursue its own national goals unstintingly. As more countries of Asia came out of their colonial shackles, they found India's model quite attractive and sensible. Slowly, but surely, there emerged a good deal of space outside the bipolar frame, and the UN was used as a major forum for these non-aligned countries to put across their viewpoints. They firmly believed that if the UN was a harbinger of peace, it should be non-partisan and non-aligned. Subsequently, India played a key role in ensuring the non-aligned movement's ( NAM ) firm commitment to the UN which has always been a major item on the NAM agenda in all its meetings held since then. A convention has also developed by which the declarations of the NAM summit conference are incorporated in the official records of the UN General Assembly <sup>4</sup>.

India developed a strong sense of community particularly with Asian countries and spearheaded a movement aimed at ending colonialism in those countries. Nehru said, "We in Asia, who have ourselves suffered all the evils of

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4. M.S. Rajan, "The role of the Non-aligned in the United nations" in his, *The Non-Aligned and the United Nations*, ( ed ) ( New Delhi 1987 )

colonialism and of imperial domination, have committed ourselves inevitably to the freedom of every other colonial country. There are neighboring countries of ours in Asia with whom we are intimately allied. We look at them with sympathy; we look at their freedom struggle with sympathy.”<sup>5</sup> In March 1947, even before becoming a free nation, India convened the First Asian Relations Conference in New Delhi to underline the common aspirations of the Asian countries. In January 1949, India convened another Asia-centered meeting to highlight in particular the Indonesian struggle for freedom. The speeches and resolutions made at the conference were transmitted to the UN Security Council to demonstrate Asian solidarity. The Council itself soon adopted a resolution urging cease-fire and the re-establishment of the republican government in Indonesia. This recommendation was in full accord with the discussions held at the New Delhi conference. India stood at the forefront of the movement to end colonialism in Africa too. It was mainly on account of its efforts that the first Afro-Asian conference was held at Bandung in 1955. India also facilitated Japan's participation in the conference which turned out to be a major turning point in its relations with Southeast Asian countries.

India worked steadfastly for the end of colonialism by either sponsoring or supporting numerous resolutions in the UN. For instance, it was a co-sponsor of the UN Declaration of 1960 on the granting of independence to colonial countries. The declaration clearly underlined the urgency of bringing a speedy and unconditional end to colonialism in all its forms.

### **India's support to Asian countries**

One of the earliest contributions that India made to build an Asian consciousness should be seen in its ceaseless efforts to broaden the base of the world body by emphasizing the universality of its membership. Article 4 of the Charter clearly spells out that the membership of the UN is open to all peace-loving states which accept the obligations stated in it and are able and willing to carry them out. But during the 1950s, the UN comprised of only fifty and odd members of which the US enjoyed the support of more than half, and the UN was for all practical purposes a “packed” body. The decolonization process, however, tended to change the trends as more and more colonies became free and sought the membership of the UN. Since the admission of these new countries was very

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5. Nehru's address before the UN General Assembly on 3 November 1948, see *India's Foreign Policy: Select Speeches September 1946-April 1961*, (New Delhi 1971), p 164.

much embroiled in cold war politics, each bloc tried to obstruct the entry of those states which were considered to give support to its rival. As the US enjoyed the majority support in the General Assembly, it could block the admission of 'unfriendly' countries. In 1955, India played a notable role in negotiating a package deal which facilitated the admission of sixteen new countries including Japan and Mongolia.

It is also important to note the strong support India extended to the admission of the People's Republic of China ( PRC ) to the UN. India argued time and again that political or ideological differences should not hamper the operation of the principle of universality of membership. Nehru said, " Whether we like or dislike the present government in China or whether we approve or disapprove of China's revolution is not at all relevant..... the basic principle of universality has been abandoned by the United Nations. This is a return to the attitude that caused the League of Nations to fail." <sup>6</sup> India continued to support China's admission even though its own relations with Beijing became considerably strained particularly after 1962.

The same affinity for Asia was responsible for India to pursue a sympathetic policy towards Japan soon after its defeat in the Second World War. As a member of the Far Eastern Commission, India called upon other member countries not to adopt a harsh policy towards Japan. In order to extend a fair and honorable treatment to Japan, India wanted the Allied Occupation to end as early as possible, and until that time, India supported Japan's participation in various international forums.

Even though India wanted an early peace settlement with Japan, it was worried that the rigors of the cold war would complicate the whole process. India was keen that such an important development in Asia, like the reemergence of Japan, should be kept out of the cold war rivalry. But when it perceived that the terms of the multilateral peace treaty were predominantly governed by American security priorities, India opted out of it and preferred to have a bilateral treaty with Japan. However, far from obstructing the multilateral arrangement, India appreciated the spirit behind it. It believed that the absence of China was a serious shortcoming of the peace settlement that could create new problems in the future. New Delhi indeed tried its best to project a unified Asian viewpoint on the issue. It had diplomatic consultations with some other Asian countries like Burma and Indonesia. Like India, Burma did not participate in the San Francisco Peace conference. Even though Indonesia went to the

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6. Ibid, p 169.

conference and signed the multilateral treaty, it did not finally ratify it. Like India and Burma, Indonesia also opted for a bilateral peace treaty with Japan <sup>7</sup>.

India's stand on the Korean issue was similarly marked by a deep commitment to the development of Asian solidarity. From the beginning, India considered the division of Korea as unfortunate since it threatened the peace and stability of the East Asian region. India did not participate in the military operations under the UN banner on the ground that it would complicate the long-term objective of Korean unification. Further, it did not approve of the dominant role of the US in the military operations. However, India worked hard with several Asian and African countries to bring about a cease-fire agreement in Korea. It used the UN forum to facilitate the release and repatriation of the prisoners of war. After the cease-fire, India became the chairman of the Neutral Nations Repatriation Commission (NNRC) under the sponsorship of the UN. Appreciating the constructive role of India, President Dwight Eisenhower wrote to Nehru, "No military unit in recent years has undertaken a more delicate and demanding peace-time mission than that faced by the Indian forces in Korea..... They deserve the highest commendation." <sup>8</sup>

India's abiding interest in the peace and stability of Indochina also stemmed from the same quest for Asian solidarity. It expressed its serious concern at the deteriorating situation in Indochina following the end of the Second World War. The French attempts to reoccupy the peninsula created tension in the area and the intervention of other big powers further aggravated the situation. India cautioned the big powers against intervention and strongly pleaded for a speedy grant of freedom to Vietnam, Laos and Cambodia. In 1954, following the Geneva accord, an international control commission for supervision for Indochina was set up with India as its chairman. India also provided military forces to the commission till its termination in 1970. India's concern was once again demonstrated in 1992 when it extended full support to the establishment of the UN Transitional Authority in Cambodia (UNTAC) and provided it with infantry, observers and election supervisors.

Nehru remained at the helm for about seventeen years and during this period there was a large measure of national consensus on his foreign policy objectives. By and large, India enjoyed a high international status as one of the prime leaders of the non-aligned movement. But India's war with China in 1962

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7. See K.V. Kesavan, "Nehru, Henderson and the Japanese Peace Treaty", *International Studies* (New Delhi) no 3, 2003, p263

8. The Hindu (Chennai), 20 February 1954.

put its diplomacy to severe test. Many questioned the tenability of non-alignment, since, in the wake of its serious setbacks in the war, India turned to the US for military assistance. When in 1971, India signed a treaty of friendship and peace with the Soviet Union in order to counter Pakistan's close relations with the US and China, there was more criticism that India had abandoned its policy of non-alignment. Even though India started off with a high profile diplomacy, strained relations with its close neighbors-China and Pakistan- turned the subcontinent into an arena of super power rivalry.

### **India and the post-cold war realism**

The end of the cold war created new and unprecedented compulsions for India to reassess its foreign policy on realistic lines. There is a growing realization that the earlier approach to Asia on the basis of the colonial past and Asian brotherhood is no longer tenable in terms of enhancing its diplomatic dividends. The post-cold war diplomacy is driven by pragmatism and tested by the national interests it serves. The collapse of the cold war structure had removed the Soviet Union from the position of primacy in the foreign policy calculus of India. India's adoption of economic liberalization and reforms since 1991 has opened up new opportunities for closer interactions with the US which is now India's biggest trading partner as well as its biggest investor. India has extended its full support to US policy in Afghanistan in combating terrorism and reconstructing the Afghan economy. Both India and the US are also cooperating in ensuring the safety of the sea-lanes in the Indian Ocean. Nevertheless, India believes that international terrorism has to be fought collectively within the framework of the UN. It has not sent its military contingents to Iraq because of the absence of the UN mandate.

India has always believed that maintenance of close and cordial relations with its neighbors could contribute to the fashioning of a regional cooperative mechanism in South Asia. It considers many developments conducive to greater regional economic cooperation. All over the world, despite the spread of globalization, trends towards regionalism are also growing stronger. The nature of regionalism itself has changed in the sense that economic super powers like the US and Japan, which had earlier shunned regional arrangements, are now participating in many regional groups like the NAFTA, APEC, ARF, etc. Both Japan and the ASEAN, which are members of the APEC, have also promoted closer relations with European countries by forming the ASEM.



## **India's realism and South Asia**

India occupies a prominent place in the region because of its size, population and huge natural and human resources; but for the very same reasons, it has also aroused the suspicions of other South Asian countries. South Asian countries have inherited certain political, territorial and ethnic problems which still continue to divide them. The Kashmir question, India's border dispute with China, inter-state river issues, etc, are some of the long-standing issues that still continue to cast their shadows on the prospects of South Asian regional cooperation.

Like many other regional cooperation bodies, the South Asian Association for Regional Cooperation (SAARC ) also has been quite slow in its evolution. When the idea of SAARC was mooted, many in India even doubted its motive and thought that it could be an attempt on the part of the smaller South Asian countries to gang up against it. Since its inception in 1985, it has sought to encourage regional cooperation in areas like agriculture, trade, rural development, population control, action against narcotics and drugs, etc. Since political issues are divisive, they are not included on the agenda though discussions on those questions are held on the sidelines of the SAARC meetings. The forward movement of the body has been considerably affected by the strained relations between India and Pakistan. The 1999 SAARC summit, for instance, could not be held mainly due to the nuclear tests conducted by both India and Pakistan. It was only in 2002, the summit meeting was held in Kathmandu.

Notwithstanding these, India has made a fairly substantial contribution towards strengthening regional peace and cooperation. Even before the formation of the SAARC, India played a historic role in the creation of Bangladesh in 1971. It ended the sufferings and discrimination of a multitude of people caused by the unnatural creation of a state on religious lines. India settled the long pending questions of the stateless people of Indian origin with Sri Lanka by signing two agreements in 1964 and 1974. In 1988, on the request of the government of Maldives, India assisted it in forestalling an armed takeover by mercenaries. India also sent its peace-keeping forces to Sri Lanka in order to maintain law and order when that country was convulsed in ethnic conflicts.

In its interactions with the SAARC as well as with other neighbors, India has been guided by certain principles. First, its relations with Nepal, Bangladesh, Sri Lanka, Maldives and Bhutan, India is not governed by a policy of reciprocity. Instead, India is prepared to give more concessions in good faith. Secondly, India

does not want any South Asian country to allow its territories to be used by any outside country. Thirdly, India wants all countries to follow a policy of respecting each other's sovereignty and territorial integrity. Finally, it wants all disputes to be settled peacefully through negotiations.

In recent years, India has made utmost efforts to improve its relations with Pakistan. In 1999 following a prolonged period of bitter relations, India took the initiative of resuming negotiations with Pakistan which resulted in the introduction of a bus service between New Delhi and Lahore. A summit meeting between the Indian Prime Minister Atal Bihar Vajpayee and the Pakistani President Parveez Musharaf took place at Agra in July 2001. But all these efforts received a serious setback due to Pakistan's continuous support to cross border terrorism. Once again Vajpayee took the extraordinary decision to participate in the SAARC summit at Islamabad in January 2004 and both leaders set in motion a comprehensive dialogue for settling peacefully all outstanding disputes between the two countries. Though a political change took place in India in May 2004, the present government under Prime Minister Manmohan Singh is equally keen to pursue the peace process with Pakistan. India has since then withdrawn a substantial size of its military troops from Kashmir as a confidence-building measure. Both governments have also promoted mutual visits by Kashmiris across the line of control. India extended spontaneous assistance to the people in the Pakistan-occupied Kashmir when it was hit by a massive earthquake killing more than fifty thousand people. While several positive trends have been witnessed in the amelioration of bilateral relations, the path to a negotiated settlement to the Kashmir issue will not be easy in view of the strong positions taken both countries. But South Asian regional cooperation will hinge on the kind of solution that is hammered out on the issue. In the meantime, air, rail and bus services have already been resumed between the two countries. India has also welcomed the admission of Pakistan to the ASEAN Regional Forum. (ARF).

## **Economic Integration**

One of the objectives of the SAARC is to promote economic cooperation among its member countries and to maximize the benefits that accrue from such cooperation. The SAARC countries took up trade as the first major instrument for bringing about such an integration. In 1993, they drew up the South Asian Preferential Trade Agreement (SAPTA) which would pave the way for member

countries to effect tariff reductions bilaterally. The SAPTA would ultimately lead to the next stage of South Asian Free Trade Agreement ( SAFTA ). But action on SAFTA was delayed due to uncertainties created within the SAARC. At the Islamabad summit held in January 2004, the member countries decided to achieve regional free trade by 2006. India which wanted a European Community type common market with a single currency system played a notable role in taking the decision.

But it is also necessary to note the structure of trade that prevails in South Asia. All countries of the region, being essentially developing economies, export similar types of goods and frequently compete among themselves while dealing with outsiders. Further, the quantum of intra-regional trade amounts to a small percentage of their overall trade. SAARC countries trade more with outsiders than within the region. The degree of mutual dependence among South Asian countries is still very negligible. In that sense, a preferential trade agreement may not be of great benefit at least in the short run. India has set a good example by offering tariff concessions to other countries on a non-reciprocal basis. In December 1998, India agreed to remove all non-tariff barriers from Bangladesh's exports. Both countries also signed an agreement to open new land routes for expanding bilateral trade. In the same year, India signed a trade agreement with Sri Lanka giving greater access to its market on a non-reciprocal basis. Indo-Pakistani trade has tremendous potential and could make a valuable contribution to the regional economic integration.

While trade has limitations as an integrative factor, cooperation through utilizing regional resources in energy ( Pakistan ), gas ( Bangladesh ), etc, should be explored. Similarly, the proposal to bring Iranian gas to India through Pakistan by pipeline is worth serious consideration. India is vigorously seeking the cooperation of Pakistan to implement the proposal which will benefit both countries. This is going to be a test case for both countries to demonstrate their determination to let mutual economic benefits prevail over political squabbles.

### **India's Look East Policy:**

In 1991 India embarked on a policy of vigorously promoting its economic and security relations with ASEAN and East Asian countries. This new 'Look East' policy was prompted by a keen desire to take advantage of the economic dynamism of the Asian region. The interests of India's rapidly expanding economy with an annual growth rate of over 6 per cent naturally go beyond the

narrow confines of South Asia. India's links with East and Southeast Asian countries are historical and the presence of a large Indian population in the region provides an additional reason for its renewed interest. In 1994, India became a dialogue partner of the ASEAN countries and in 1996, it joined the ARF, the only security forum for the whole of the Asia-Pacific region. India is holding annual summit meetings with the ASEAN countries in ASEAN+1 summit. Like China and Japan, India has also signed the treaty of amity and cooperation as well as the Framework Agreement on Comprehensive Economic Cooperation with the ASEAN countries. Now efforts are under way to eliminate or reduce tariffs between the two sides. It is expected that within the next ten years, the ASEAN will be able to work out free trade agreements with India, China and Japan. In the meantime, trade and investment relations between India and the ASEAN are making rapid progress. India has also initiated talks with Japan for expanding trade and investment. India, Japan and the ASEAN are also cooperating on the need to combat terrorism. They are interested in ensuring the safety of the sea-lanes passing through the Indian Ocean and the South China Sea. Joint naval exercises and joint patrolling of the Malaccan Strait are some of the measures that they have initiated. The ARF and its Track II organ, the Council for Security Cooperation in the Asia-Pacific (CSCAP), are being increasingly used to discuss anti-piracy and anti-terrorist measures. All these developments are quite wide in their scope and their fruition will provide India with new stakes in the Asia-Pacific economic and security spheres.

In the context of ocean security, it is necessary to note how India has been instrumental in organizing another forum called the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC). Following the end of the cold war, a large number of countries around the Indian Ocean started economic liberalization programs and their need for West Asian energy supplies started multiplying. Correspondingly, they also felt the necessity of a body that could safeguard their maritime interests. India, Australia and South Africa took the initiative in forming the Association in 1997. Comprising of eighteen member countries, the IOR-ARC holds its summit meetings once in two years. Simultaneously, it also holds two parallel Track II meetings- the IOR Academic Group and the IOR Business Forum. The Association has a number of dialogue partners such as Japan, China, Britain, France, and Egypt. It is expected that more littoral countries will join it in the coming years. There is still a debate going on within the Association regarding its essential orientation. Some member countries insist on the need for the body to strictly maintain its economic role

while others want security to be added to its agenda. Certainly, it will take time for the member countries to resolve this dilemma. But from a long term perspective, the IOR-ARC will be called upon to address several issues connected with maritime security like the safety of the sea-lanes, anti-piracy measures, environment, and so on. In a sense the Association can reinforce the role of the ARF particularly in the sphere of maritime security.

Lastly, India believes that cooperative efforts at the sub-regional levels are the essential building blocs in the larger integration of what it calls an Asian community. As noted earlier, integrative forces within the SAARC are still evolving and it will take quite some time for them to become strong. The SAARC countries have far larger trade and investment relations with outside countries than within their own sphere. That is why India now shows greater interest in working towards building a larger Asian community. This is not to undermine the sub-regional bodies, but only to supplement their roles. While addressing the third India-ASEAN Business Summit in October 2004, Prime Minister Manmohan Singh stated, "It is only inevitable that we seek to take the existing India-ASEAN relationship to a higher level, where we envision an Asian economic community which encompasses ASEAN, China, Japan, Korea and India. Such a community would release enormous creative energies of our people.... This community of nations would constitute an 'arc of advantage', across which there would be large-scale movement of people, capital, ideas, and creativity. Such a community would be roughly the size of the European Union in terms of income and bigger than NAFTA in terms of trade."<sup>9</sup> Under the 'Look East' policy, India has already made rapid strides in its economic interactions with China, Japan, Korea and the ASEAN. India's trade and investment links with these countries are growing at an impressive pace. They have positive assessments of India's economic potential. Japan and China are also busy making FTA arrangements with the ASEAN and other Asian countries paving the way for a large continent to have massive flows of goods and capital investment.

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9. See the Indian ambassador's statement at the inauguration of the *Conference on Asian Economic Integration : Vision of a New Asia*, Tokyo, 18-19 November, 2004