

National Attributes on Foreign Policy: India Act East Policy

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Abstract: The Act East Policy (AEP) is a policy initiated by Prime Minister Narendra Modi in 2014. This policy is an improvement of Look East Policy formed by Narasimha Rao in the early 1990s. The aim of this policy is to make India a strong country not only in the economic field but also in the military and in technology. The establishment of the AEP is allegedly to keep pace with China's growing strength not only in Asia but also in the world. In its development India has relations with countries such as China, Japan, Vietnam, Indonesia, ASEAN and Australia in order to implement AEP. This AEP can be analyzed through national attributes level of analysis, especially energy needs. It argues that the energy needs of a country can be a factor in shaping the country's policies.

1 INTRODUCTION

The availability of energy becomes absolutely necessary when a country wants to compete with other countries in order to obtain the desired power. The desire to gain this great power is applied by India through the Act East Policy (AEP). But the AEP does not come out of nowhere. The AEP is initiated by Look East Policy (LEP) which has been part of India's international involvement especially since the opening of the economy in 1991. After receiving support from the Indian government, the policy evolved from what was originally only covering economics and diplomatic with Southeast Asia into security coverage and defense throughout Asia Pacific. A few years before 2014, India has hinted at playing a more strategic role in the region and deepening ties with Japan, Vietnam and Australia. This policy is also driven by a balancing strategy with external forces that is China. Not only limited to the power of China, India is also motivated for a larger global role and shows its rise as a world trade orientation (Rajendram, 2014).

In 2014, this policy changes during the leadership of Prime Minister Narendra Modi to become AEP. The AEP was formed by Modi at the Summit in Myanmar in 2014. Analysts see that this policy is just a change of name from Look East because both policies are pursuing the same goal. It can not be denied, however, that there are some areas that have made significant progress through AEP compared to LEP. Sajjanhar (2016) argues that this change is due

to India today is not the same as India in 1992. At that time, India experienced periods that are not clear primarily after the collapse of the Soviet Union. These indefinite periods resulted in a sharp decline in India's foreign exchange reserves so that the country should provide sufficient protection against imports even for only 10 days.

The real steps made by Modi shown following AEP's establishment when visiting Singapore a year later. Modi reiterated his promise to deepen relations with ASEAN countries and ensure freedom of navigation in the waters of Asia. India tries to expand and deepen its relationship with the western countries of its territory. But the problem is India is facing Pakistan and the poor and small countries around it who consider India a threat. India is therefore more focused on finding partners in Asia-Pacific countries and finding Australian and Japanese. India's advantage when it comes to cooperation with Asia-Pacific countries is facing Beijing that continues to increase (Kugelman, 2016).

It can not be denied that India needs energy in order to match China's strength. China has obtained energy supplies from Sudan. This makes India look for energy supplies. Australia and Indonesia were later made India as partners in particular importing energy from both countries. Kugelman (2016) implies that this energy fulfillment requirement is the fuel of industry in India. Therefore it can be said that the search for energy sources became an important factor forming AEP by India. India takes advantage of this cooperation as well as possible to push it into a

country that has double-digit economic growth over the next decade. Australia became a natural gas supplier because India did not have direct access to Central Asia so that Australia emerged as a promising figure of exciting opportunity. While the relationship with Indonesia is to provide coal. This is evidenced by 60% imports of Indian coal originating from Indonesia (Kugelman, 2016).

2 NATIONAL ATTRIBUTES AND FOREIGN POLICY ANALYSIS

In a paper entitled Foreign Policy Analysis, Classic and Contemporary Theory, Hudson (2014) gives five level of analysis in foreign policy namely, individual, group, culture and national identity, domestic politics, national attributes, and international system. These national attributes become elements of the power of a country. Hudson (2014) then added that national attributes are a consideration in formulating foreign policy.

The first national attribute is the size of the territory. Hudson (2014) explains that the size of the region affects the behavior of the state. Small countries tend to play a passive and pragmatic role in global politics, while large countries will act actively and aggressively in the face of the same situation. Therefore the way in which the small country is to voice its opinions in multilateral forums and to avoid bilateral practices. The second attribute is the ownership of natural resources and geographical location. If the country experiences a scarcity of natural resources then the country will direct its policy for the fulfillment of natural resources. This is what applies to AEP by India which has a coal energy and natural gas deficit that imports from Indonesia and Australia. While geographical location is more focused on climate or weather owned by the country. The third attribute is the demographic. This third attribute can be exemplified through China which has a large male population. Therefore China is progressing in the military field. The fourth national attribute is power in the form of military power. Major states tend to use their military power as a means of pressuring other nations and acting in their interests (East, 1973).

In the case of India, the authors emphasize the second attribute of natural resource ownership. This is supported by a statement by Indian researcher Vaid (2016) who said that on May 5, 2016, India's Oil Minister Dharmendra Pradan, which suggests India is seeking to increase the market share of natural gas in

order to support increased domestic production at competitive prices. India itself according to Vaid (2016) is the fourth largest natural gas importer in the world by taking 5.7% of global volume in 2014. The scarcity of coal in India is increasingly apparent when the newly renewable and new Minerals for Coal, Power and Energy state that the Indian government willing to consider long-term contracts for gas supply. As the world's fourth largest coal importing country, India develops adequate infrastructure for pipeline transportation, as well as upgrades of gas-based power plants. This facility allows the consumption of about 300 Million Metric Standard Cubic Meters per Day (MMSCMD). Current world consumption is less than 50%. India therefore offers an attractive offer for countries with natural gas surplus provided at an affordable price.

Energy scarcity in India also occurs in coal energy. India makes Indonesia a coal supplier country. This is evidenced by the 37% export of Indonesian coal delivered to India, while China, which previously became the largest coal supplier in Indonesia, only gets a share of 20% (Kurniawan, 2016). This shift in position due to the Chinese government reduces the consumption of low-calorie coal. Both of the above are coal and natural gas become national attributes as forming foreign policy. These two energies are the basis for the establishment of India's foreign policy, the AEP. Without these two energies India will find it difficult to implement AEP.

3 INDIA ENERGY DYNAMICS

One of the indicator in the level of analysis of national attributes is demographics. The Office of the Chief Economist (2015) states that India is the second most densely populated country in the world after China. This situation is a blessing for India to achieve economic progress because of it has a great human resources. Therefore getting quality human resources is not a difficult thing. But in this paper the author focuses more on the level of analysis of national attributes in terms of energy ownership. When the country needs a large supply of energy supply then the country will direct its policy-making to gain energy. This is what India does in AEP.

As the world's second most densely populated country, India needs enormous energy needs. India's total energy supply is dominated by coal which is about 45% in 2013 followed by bio-energy and oil. This does not make India ignore the need for natural gas. This is evidenced by the proportion of natural gas that increased up to 8% in 2011. However, this

situation has changed that is down to 6% as a result of the high price of Liquid Natural Gas (LNG) (Office of the Chief Economist, 2015).

Energy security is a major policy concern in India given the enormous influence on the energy sector and increased dependence on imports to meet its energy supply. The Office of the Chief Economist (2015) states that India has a substantial supply of coal, oil and gas but these three resources are limited by inefficient regulation. Therefore there is a growing gap between oil and gas demand and domestic availability. This is then seen as bringing the burden on the Indian economy itself, especially when the three commodities are at a high point. Under these circumstances the Indian government has made a commitment to reduce its dependence on imports in the medium term. Although the price of imported fossil fuels is low, there is still an incentive to ensure that India can maximize domestic production and its dependence on imports be minimized (Office of the Chief Economist, 2015).

The above statement indicates that India wants to escape from dependence on imports, but India needs to pay attention to the availability of its energy. As a country that needs energy to boost its economy, India also needs to pay attention to its country's electricity. The per capita electricity usage in India is lower than in other developing countries in 2011. Almost a quarter of India's population or about 300 million people have no access to electricity. 250 million of them only get electricity three to four hours per day. This has resulted in many Indians who still rely on generators and diesel reserves. The issue is increasingly highlighted when in the summer of 2012 there are about 600 million people who do not get electricity at all in a few days (Office of the Chief Economist, 2015). This problem is then viewed as a result of low electricity prices in India which makes incentives for investment too low. Another cause is the large number of debt-induced firms under pressure from governments that continue to maintain low electricity prices. It is also what makes fraudulent practices like electricity theft happen. Therefore, the national attribute of energy availability becomes the AEP form factor. This is evidenced during the leadership of Prime Minister Narendra Modi who is committed to ensuring the availability of electricity in every household in India by 2019. The struggle to reach up to that stage takes time. Therefore Modi also emphasized to build power transmission infrastructure and infrastructure (Office of the Chief Economist, 2015).

Gas and electricity become two inseparable commodities. Much of India's natural gas is used as a

powerhouse. Gas is also used for industrial raw materials fertilizer manufacture. Another factor limiting gas consumption in India is infrastructure. India has a pipeline of more than 15,000 km, but it only covers a small proportion of India's total population. Therefore there is a lack of gas infrastructure. There are areas that can consume gas, but there are other areas that can not enjoy the gas infrastructure. The Indian government does not remain silent. Many planned but pending expansions for not obtaining approval include grounds related to land rights. Another thing that adds to the complexity is the fact that the pipeline crosses some countries that keep the burden of regulation increasing (Office of the Chief Economist, 2015).

While Cornot-Gandolphe (2016) emphasizes the condition of coal owned by India. Cornot-Gandolphe publicly pointed out that India's coal is of low quality. The poor quality of coal owned by India is a big problem for companies and the environment. Coal in India is obtained by mined, therefore Indian coal has high ash content and contains foreign materials such as sandstone and debris. This results in low coal prices due to the mixing of such foreign materials. This high level of ash also causes some problems such as power plants to operate ineffectively because the ash inhibits transmission, operation and maintenance of the plant becomes more difficult due to corrosion, high ash levels cause higher pollutant emissions of higher CO₂ (Cornot- Grandolphe, 2016).

Eco-friendly coal is coal that underwent washing process. But the problem is that eco-friendly coal is relatively scarce in India. This is due to the high price of laundering. Coal washing in India itself is still considered bad because of the high content of ash attached to coal. Cornot-Grandolphe (2016) explains that currently only about 20% of coal is washed in India. Lower 30% than the global average. But the Indian government still believes that proper coal washing can be done in the future to cope with climate change and air pollution.

4 INDIA QUEST FOR ENERGY IN AEP

India's need for natural gas and coal energy is seen by the author as a factor that shapes AEP by Prime Minister Narendra Modi. Rajendram (2014) considers that AEP is a policy that can make India a great power in Asia other than China even in the world. Therefore, in order to achieve that goal, India has relations with China, Japan, ASEAN, Vietnam,

Indonesia, to Australia. But to establish relationships with other countries, India must address its energy needs to attract the attention of other countries. India made Australia and Indonesia a close ally to tackle its energy problems as part of the AEP.

Pandya and Chakraborty (2016) explain India's long-term purchase of Australian natural gas is for the benefit of low prices. While visiting Brisbane for an energy-security meeting between India and Australia, India's energy minister Piyush Goyal said that chAEP gas prices can increase many activities making it easier to achieve national goals. The search for natural gas energy to Australia is also inseparable from the price decline of up to 75%, making India look for chAEP energy supply. Prime Minister Narendra Modi also targets to extend renewable power capacity fivefold to 175 gigawatts in seven years (Pandya and Chakraborty, 2016). The statement was also reinforced by Prasad (2016) who explained that Australia's selection as a gas supplier country is reinforced by the fact that Australia is a country with 2% world natural gas reserves or about 2.8 trillion cubic meters. Australia can therefore become a country of gas and uranium exporters of up to \$ 71 billion in 2013-2014. Prasad (2016) also stated that Goyal itself urged Australia to supply gas at an affordable price given the fact India wants to replace coal energy into natural gas.

The Indian government's desire to replace coal energy is not proven. This is because India makes Indonesia a coal supplier country. Kurniawan (2016) stated that the direction of Indonesia's coal exports has changed. China, which in the past has been the largest coal export site has been replaced by India. This can not be separated from China's decision to reduce the use of coal that is using renewable energy. This renewable energy is used to be a powerhouse. By 2015, China's position shifting from the top of the largest coal importing country is evidenced by India's 37% import of coal, while China is only about 20%. Kurniawan (2016) goes on to say that this change of China and India's position has been predicted earlier. The Chinese government decided to use low-calorie coal energy. On the other hand, India's consumption of coal is still high. The decline in demand from China then makes Indonesia's coal production down 14.4% by 2015. The Ministry of Energy also shows that coal exports in 2015 fell 22.65% to 295.450.000 tonnes. This decline is expected to continue for the Indonesian government as China continues to reduce its coal consumption. India itself experienced peak levels on coal imports by mid 2015 (Kurniawan, 2015).

Kugelman (2016) states that when India can meet its energy needs, in the coming decade India can achieve double-digit economic growth. This is what is contained in the AEP. Rajendram (2014) also expressed that Prime Minister Modi is continuing to improve its energy economy in order to gain cooperation with countries such as China, Japan, Vietnam, Indonesia, ASEAN and Australia. The first country is China. China is a country that has great influence for India not only in economy but also in security. The presence of China in the Indian Ocean has also been significant in recent years, due to the growing relationship with Pakistan, Sri Lanka and the Maldives. The Indian Ocean is also an important route in the field of energy and trade in China. 70% of oil supply and 80% of the trade is sent through the ocean (Rajendram, 2014). Seeing the growing potential of China in the future, India considers that establishing relations with China is a strategic move. India therefore requires a sufficient supply of energy to offset the Chinese economy. There are 63% of the people who have confidence that the relationship between China and India will be more intense in the future (Rajendram, 2014).

The second country is Japan. The relations between India and Japan are shown with an emphasis on technology and economics. Bilateral relations between the two countries can also be viewed as minor as the trade rate of both countries only reaches \$ 16 billion by 2014 (Rajendram, 2014). The third country is Vietnam. The interaction between India and Vietnam focuses on cooperation to compensate for China's strength, especially in the case of the South China Sea. No doubt the energy problem of petroleum is a contested issue between Vietnam and China. Indian companies have also started investing in the oil sector, mineral exploration, sugar manufacturing, and agrochemicals in Vietnam with total registered capital of \$ 252 million (Rajendram, 2014). The fourth country is Indonesia. Indonesia is the country that became the biggest coal supplier for India. India and Indonesia relations have been established when India joined Indonesia in the Non-Aligned Movement. Rajendram (2014) even explained that Indonesia has become the largest bilateral partner for India with a total value of more than \$ 19 billion. Of the total value 37% of which are allocated for coal (Kurniawan, 2016). India's relations with ASEAN focus more on cooperation in security. The last country is Australia. The relationship between India and Australia is not solely on the field of imported natural gas energy, but also emphasizes the free trade agreement and the development of defense and security (Rajendram, 2016).

In the end regardless of the country that India is working for, the energy requirement is a necessity to be solved by India. This is because both natural gas and coal are important components of the global energy mix considering the two components are cheap, plentiful, and widely available. Coal is the main fuel used in power generation. During 2013, coal use in the world increased by 50%, almost closer to the world's total energy demand in terms of energy (Office of the Chief Economist, 2015). Coal enthusiasts themselves vary. In the late 1980s the EU was at the peak of coal users. While in 2005, the United States became the largest coal consuming nation in the world. In 2012, China shifts America from the peak of coal consumption. But things changed again when India decided to consume large amounts of coal to shift China from the peak consumption of coal (Office of the Chief Economist, 2015). With regard to its own natural gas consumption, the Australian company declares no objection to working with India. This is due to technological advances to facilitate natural gas production and delivery routes. With the huge amount of Australian natural gas exports, Australian companies also provide Coal Bed Methane (CBM) technology to India. This collaboration between India and Australia makes it easier for India to achieve its goal of providing affordable and clean energy for its people and certainly implementing AEP (Press Information Bureau Government of India Ministry of Power, 2016).

5 CONCLUSION

Energy availability becomes an important factor for the country when it wants to compete with other countries especially to get the desired power. India has made the need for the main energy of coal and natural gas to form the AEP policy. The formation of foreign policy from the side of national attributes is not only limited to energy needs, but also the size of the country size, geography, and demography. In the case of AEP this time the authors argue that energy demand factor becomes the biggest factor forming AEP. The author also argues that energy demand in India is a driving factor for India to compete with other Asian powers such as China.

There are two kinds of energy needed by India that is natural gas and coal. India needs natural gas to meet the electricity needs of its entire population. Almost a quarter of India's population or about 300 million people have no access to electricity. 250 million of them only get electricity three to four hours

per day. This has resulted in many Indians who still rely on generators and diesel reserves. The issue is increasingly highlighted when in the summer of 2012 there are about 600 million people who do not get electricity at all in a few days. India's coal-related needs arise due to poor quality coal owned by India. Therefore departing from these two circumstances India decided to cooperate with Australia and Indonesia in fulfilling its energy needs.

The author has finally argued that this AEP is a means of demonstrating Indian power in the international eyes. Therefore, in the implementation of this AEP, India embraces China, Japan, Vietnam, Indonesia, Australia and ASEAN as partners. Although India views China as a threat but people believe that China can be a good partner. Before reaching that goal, India must think about its needs. Without adequate energy then India can not compete. Energy in this regard can be seen as India's main fuel economy in order to compete with major Asian countries.

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