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Tribute

Professor V.T. Patil (1940 – 2014) was an international expert in the field of Political Science and has specialized in Personality Studies (Jawaharlal Nehru and Mahatma Gandhi). He took his PhD degree from Karnatak University on Jawaharlal Nehru. Dr.Patil had occupied a number of important positions in academia. He had worked as Professor and Head, Department of Political Science, Karnatak University, Director, Academic Staff College, National Fellow. He visited Cambridge University for his research work on Nehru, and held the distinguished Nehru Chair for twelve years as Jawaharlal Nehru Professor and was Vice-Chancellor of Pondicherry Central University for five years (1998-2003) initiating a number of innovations leading to the development of the University. He was Emeritus Professor, The Global Open University, Nagaland and Adjunct Professor, Center for Indic Studies (2005-11), University of Massachusetts, USA. He had also authored a number of books and research papers which have received worldwide recognition.

His loss has really created irreparable hollow in the Political Science discipline. And to the “Politico” he was the mentor. His constant guidance and enthusiasm encouraged us to explore new horizons of knowledge. We pay rich tribute to the departed ‘Friend, Philosopher and Guide’ Professor V. T. Patil.

Preface

India and Southeast Asia popularly known as Association of South East Asian Nations (ASEAN) has had interlinked since millennia. Our culture, language, religion and many other societal characteristics are converging due to that proximity even today. India has unprecedented soft power leverage in ASEAN region which no other country of the planet can match. Despite over 1600 KM land border and thousands of KM maritime borders with the nation states of ASEAN, we have no territorial conflict. India has no historical baggage against ASEAN or vice-versa. ASEAN came into being in 1967 to safeguard the converging interests of the member states and not allowing extra power to intervene into their domestic issues. One of the important factors of the formation of ASEAN was to contain Chinese imprint. At that point of time it had five members but today ASEAN has 10 members and Myanmar has become its Chair for the year 2014. Today China and ASEAN has over \$ 250 billion dollar bilateral trade but on the issues of South China Sea and the Mekong river water distribution , this element of apprehension among ASEAN countries against China still prevails.

India and ASEAN regions are interconnected by land and maritime borders. During 1980 and 1990 this area was the engine of growth of Asia-Pacific and termed as the 'Asian Tigers'. After the end of Cold War their economic growth has declined but despite ongoing international recession it has maintained a sustainable growth in comparison with Europe and America. Just after independence India adopted non-alignment and decided to remain neutral from prevailing power game between the capitalist forces led by the United States and Communist forces led by the USSR. Indonesia became partner with India in this initiative. Despite this early bonhomie and gamut of inherent convergences, bilateral relations between India and ASEAN countries could not take off properly. It is basically due to utopian foreign policy obsession of Pandit Jawaharlal Nehru. Sardar Patel warned Nehru in November 1950 just weeks before his death, not to embrace China and provide concession to her on Tibet. Patel wrote Nehru that Chinese communism is soaked with nationalism therefore it is more detrimental than imperialism. Nehru avoided Patel's advice because he was obsessed for friendship with China and inked 1954 treaty with her to appease it which resulted into the occupation of Tibet by her and an attack on India in October 1962. During Indira Gandhi regime (1966-1977, 1980-1984) again it could not take off due to lack of articulation on national

interests. Long back ancient Indian strategic thinker, Kautilya stated that foreign policy is nothing but only convergences of interests. Despite immense potentialities of fulfilling national interests before Narasimha Rao regime (1991-1996) our relations with ASEAN really could not take off adequately however normal relations existed.

Prime Minister Rao was one of the earliest Kautilayan pragmatist who kept the egalitarian idea of national interests over the utopian idea of idealism. He launched “Look East Policy” in 1992 and termed South East Asia as the pivot of India’s Asia-Pacific ambitions. After him, Prime Minister, A.B. Vajpayee (1998-2004) articulated this policy in an excellent manner due to better majority in the parliament and pursuits of national interests. Prime Minister, Dr. Manmohan Singh (2004-2014) also performed average but could not match Rao or Vajpayee due to his weak status within his own Congress Party. In May 2014 general elections, first time after 1984 the people of India have given the clear mandate to the BJP to form its own government. This NDA-2 government has by and large the same foreign policy on ASEAN front as had been during Vajpayee era with timely modifications. Because of comfortable majority, Narendra Modi led NDA-2 government is of course stronger than its preceders. It has been well articulated by PM Modi during his August-September 2014 Japan trip in which he condemned 18th century expansionist designs of some of the Asian countries. He termed this tendency detrimental for peace and development in the Asia-Pacific. However he didn’t reveal any name but obviously the indication was towards China and the Chinese media criticized him and Japanese PM Shinzo Abe to incite a new power game in Asia. Chinese President Li X Jinping has already visited India in September 2014 and debated gamut of issues with PM Modi. Before his New Delhi trip, Indian foreign minister, Sushma Swaraj had declared that China will respect the territorial integrity of India if it wishes that India will reciprocate the same. It is not a simple statement but a paradigm shift in India’s stance. It is an open secret that China is only positive for the hard music. But given the fact that the United States being a sole global superpower will not allow China to dominate Asia-Pacific therefore it will put all its energy to contain China. This situation in realistic terms will prevent China to take any belligerent steps against India because then India will be full time partner of the United States and that will be detrimental to Chinese Asia-Pacific aspirations. It is a situation called ‘Prisoner’s Dilemma’ in the realm of international relations. In August 2014, 47th ASEAN Summit held at Myanmar. India not only raised the issue of South China Sea but advised China to abide by the norms of relevant international laws in this matter. The disputant countries of

ASEAN over South China Sea welcomed it. (Philippines) In fact ASEAN countries wish that India must mark its presence in this region. India has had excellent relations with the nation states of Southeast Asia. India-Vietnam relations have emerged as the fulcrum of India's Look East Policy. Vietnam is a growing economy a country of 90 million people, has an excellent strategic location. It has over 3000 KM coast along with the South China Sea. South China Sea is an important sea because it links Indian and Pacific Ocean. Over 55% of India's trade traverses through this region therefore it is in India's interest that 1982 UN law of the seas will be implemented in the case of South China Sea dispute. Vietnam has also provided oil blocks to India in South China Sea and despite Chinese protest India is sustainable in oil exploration in these blocks. Vietnam has also provided access to India to some of its ports which are strategically located. Indian foreign Minister, Sushma Swaraj visited Vietnam in August 2014 and this trip has further cemented the relations. It has also offered some new oil exploration blocks to India. In September 2014, President of India, Shri Pranab Mukherjee visited Hanoi and inked many deals. This tour has further cemented the deepening of all weather friendship between India and Vietnam. It is strategically important that President of India Vietnam's visit was coincided by the Chinese President's India visit. During Chinese president visit \$ 20 billion dollar was announced as investment in India but incidents of incursions were reported during 3 days stay of Chinese president. It has vindicated the fact that China is not interested to resolve the boundary dispute for the sake of economic benefits. China keeps saying that Macmohan line drawn after 1914 Shimla conference is illegal but it has resolved its border dispute with Myanmar in 1960's only on the basis of this line. This attitude of China has again rejected the notion of economic integration theory which propagates that economy will reduce the tension between hostile countries. After returning from India President Xi had given the impression that he had no prior knowledge of border incursion in the western sector of Laddakh during his September India visit. In fact it was his well planned move. To understand the framework, what the Chinese Communist Party (CCP) leader Xi Jinping said (Speech delivered at a party Politburo Study session convened on 28 January 2013) are important. He declared that *"China will never pursue its development at the cost of sacrificing interests of other countries. We will never give up our legitimate rights and will never sacrifice our national core interests. No country should presume that we will engage in trade involving our core interests or that we will swallow the 'bitter fruit' of harming our sovereignty, security or development interests"*^[1]

To cope with this situation India needs to do tit for tat. China will only be contained when India will enhance its all rounds presence in ASEAN region.

India has also excellent relations with Singapore. Singapore has emerged as an advocate of India in ASEAN. Despite its city state status, it has been one of the largest FDI investors in India. Likewise India has had maritime cooperation with Indonesia, Malaysia and Thailand to contain piracy and other anti social activities in converging Indian Ocean and Bay of Bengal.

Basically despite its excellent economic relations with China, ASEAN wishes that India, United States and Japan must mark its presence on both economic and strategic fronts in this arena. China has invested a huge FDI in Myanmar since last two decades but despite that it has provided immense space to India. It is self explanatory that Myanmar is not willing to be dominated by China and intends to maintain its autonomy over the issues of foreign policy. This pattern of thinking is prevailing in the entire ASEAN region. The security equilibrium of Asia-Pacific is changing rapidly. There are convergences of interests between India and ASEAN in this incoming scenario. India and ASEAN along with the United States, Japan, South Korea and Australia wanted to keep Asia multiple. China wanted multiplicity at the global level but intended to impose unipolarity in Asia. It is the basic divergences of interests and given the increasing assertive behavior of China, it is bound to propel in foreseeable future as well.

The ASEAN countries are willing to develop structural relations with India. There are gamut of arenas along with trade and commerce where huge potential exists. The prevailing divergences of interests among ASEAN disputants and China over South China Sea, Mekong River water sharing disputes, an assertive China not willing to reconcile its differences with these countries has compelled them to bolster their defense preparedness. As per the recent estimates, PRC spent more than 145 Billion US Dollars on defense in 2013. With the conflicting nature of claims particularly in the maritime domain, it appears that there would be no end to even localized armed conflicts. The ASEAN countries therefore would like to move away from the dependence on Chinese products particularly in the defense sector. With the defense budget of the region expected to reach 40 billion dollars by 2016, there would be opportunities for India to engage with these countries to meet their legitimate demands. It is no secret that these countries are looking at India to balance the influence of China in the region and would like to use the Indian angle as leverage to counter the influence and

aggressiveness of China. India must shed its shyness that it will not export arms and start arm selling. Indian decision making process is extremely slow and needs to be fast to cope up with the opportunities.

Two flagship events were organized as part of the commemorative year event to mark the twentieth anniversary of India ASEAN relations. Firstly the sailing expedition of INS Sudarshini to ASEAN countries which brought back the memories of the oceanic connectivity in this region that spread the Hindu /Buddhist religion/tradition and cultural practices to the South East Asian countries. The passage of Sudarshini a naval Sail Training Ship visited all the ports in South East Asia to recapture the glory of Indian Kingdoms that wielded considerable influence and built up maritime trade and commerce in the region. Secondly, the ASEAN-India Car Rally, 2012 which brought out the essence of land connectivity which holds great promise for over the land connectivity trade and people to people contacts.

Modi led NDA-2 government is in power since May 2014. NDA-2 government is intended to accelerate the pace of bilateral relations with ASEAN. In September 2014, FTA has been inked between India and ASEAN countries minus the Philippines in the area of services. As foreign minister, Sushma Swaraj has termed that this government will focus on ASEAN and East Asia with new aspirations.

During 47th ASEAN foreign ministers meeting in Myanmar, Swaraj stated that India keen to enhance ASEAN ties. Swaraj also raised the issue of South China Sea with the Chinese foreign minister. She stated that “We are not a party to this dispute. Our stand is , and that the matter be sorted peacefully, ensuring free rights to navigation.”^[2] South China Sea is a serious conflict flashpoint among ASEAN disputant countries and China. Beside Vietnam, Indonesia, Malaysia, the Philippines and Brunei has also confronting with China over the overlapping claims over South China Sea. It has emerged as potential global flashpoints. The Nation of Bangkok warns in an editorial that:

“If the current tension continues in South China Sea, especially between the Philippines and China, it could lead to an all-out war. This is not an alarmist’s warning but a real concern. With poisonous rhetoric and growing tension, there is a possibility that conflicting parties would cross the line. This could be a result of miscalculation.”^[3] Prime Minister, Modi’s successful five day Japan visit in August-September is one of the earliest successes on foreign policy front of this government. Growing India-Japan bonhomie is all set to deepen India-ASEAN relations and India’s imprint in the Asia-Pacific.

Australia is also an important player to shape new equilibrium in Asia-Pacific. Australian PM Tony Abbot has already visited India in September 2014 and inked much awaited nuclear deal with India. It was long pending thorny issue. PM Modi has already announced his proposed Australian visit in November 2014. It will be maiden Prime Ministerial visit from Indian side to Australia after PM, Rajiv Gandhi's 1986 visit. Australia is also willing to contain assertive China in Asia-Pacific therefore it has naturally tilted towards India. The United States and Australia have been strategic friends since last many decades and growing Indo-U.S. bonhomie has further emboldened India- Australia relations. India is 5th global energy consumer and slated to be 3rd by 2020. Australia has abundance of natural resources and for sustaining its saga of growth India need a sizable portion of these energy and other natural resources. In the changing security equilibrium within Asia-Pacific, India and Australia has hardly any serious divergences therefore they are bound to propel their relations in coming years. To many, such as Sally Percival Wood of Australia's Deakin University, it seems inevitable that "Australia-India engagement will only deepen as China continues to rise."^[4]

The last trust deficit over uranium has already been sorted out during Australian PM, September 2014 New Delhi visit. The increasing warmness between India and Australia due to growing convergences of interests will be the push factor for Indian aspirations on the larger space of the Asia-Pacific.

We have already crossed \$ 80 billion mark in 2013 on bilateral trade plank with ASEAN and intended to reach \$ 200 billion by 2020. Of course at that point of time it will be lesser than China-ASEAN trade volume but given the modest start two decades ago, it will not be less than Himalayan achievement. After the implementation of this new treaty of services it is bound to swell. Connectivity has to play an important role to shape all weather friendship status between India and ASEAN. It is bound to promote trade, tourism, culture etc in addition to provide huge economic leverage to our far flung and landlocked Northeast. Former PM, Dr. Manmohan Singh had announced before relinquishing power that connectivity will be created by March 2016. Modi government must ensure that this claim could be converted into reality.

The United States, Japan, Indonesia, Russia and other important stake holders of the Asia-Pacific has consented that India must enhance its profile in larger canvass of the Asia-Pacific in general and in ASEAN

region in particular. The countries of region are also willing for enhanced structural Indian role in this arena. The following comment of Jakarta Post, one of the leading dailies of Indonesia vindicates this fact

“The evolving geo-strategic framework inexorably impels countries in Southeast Asia to accept China and India as major regional powers. In the first case, it is necessary consequence of the former. Beijing has also shown an unequalled zest in its economic diplomacy with the Association of Southeast Asian Nations, ASEAN. Delhi on the other hand has been a late bloomer. ASEAN wants India’s presence as much as India needs to be active in the region. ASEAN makes available a strategic framework and regulated forum which India can bluntly interact with economic powers Japan and South Korea along with fellow regional power China. This is an opportunity in which Delhi must not be hesitant. It can not afford to miss the boat again.”^[5]

India has realized the fact that till it will not expand its all round relationship with ASEAN its Asia-Pacific larger aspirations are not going to be fulfilled. The prevailing security equilibrium is also conducive for India. Japan has also extended its all round support to India and is willing to witness its imprints on the larger canvass of Asia-Pacific.

As a result, Indian strategists constantly reaffirm ASEAN’s role as the linchpin in their perception of Asia and its future. They also look to the association as an essential component of the construction of a security order that India would like to be in its own interests and compatible with its own constant (albeit revised) search for strategic autonomy. Then foreign minister Jaswant Singh first articulated this view in a speech in Singapore in June 2000, stating that

“India, like some other Asian powers, has tended towards a more independent security paradigm but this approach does not exclude regional cooperation in security matters, in a cooperative framework, as India’s participation in the ASEAN Regional Forum demonstrates. We see in the . . . [forum] an experiment for fashioning new, pluralistic, cooperative security order, in tune with the diversity of the Asia-Pacific region, and in consonance with transition from a world characterized by balance of power and competing military alliances. Though the. (ASEAN Regional Forum) covers a broader region; we believe that its nucleus is ASEAN that is why . . . [the forum] should be ASEAN driven. Our participation in the . . . (ASEAN Regional Forum) reflects India’s increasing engagement, both in politico-security and economic spheres contributing to the building of greater trust, confidence and stability in the region.”^[6]

Indeed, India's economic and strategic engagement with Southeast Asian powers (through the Association of Southeast Asian Nations (ASEAN)) in the 1990s has blossomed into a full-spectrum engagement with major East Asian powers such as Japan, South Korea and with the United States. As Prime Minister Manmohan Singh asserted in 2004, India's 'strategic thinking and defence planning should encompass Southeast Asia and beyond.'^[7] This was echoed by the then Chief of Naval Staff, Admiral Arun Prakash, who argued that it is 'imperative for India to retain a strong maritime capability in order to maintain a balance of maritime power in the Indian Ocean, as well as the larger Asia-Pacific Ocean.'^[8]

The United States has already announced and given the prevailing circumstances bound to extend olive branch to India and will push Indian role in this critical continent, which is all set to determine the shape of global politics in 21st century. India has already appointed an Ambassador particularly for ASEAN affairs, which is based at Jakarta. As expected Modi led NDA-2 government is all set to promote national interests on the line of Vajpayee led NDA-1 government and therefore all set to strengthen its relations with ASEAN countries. In this prevailing scenario it could be safely stated that growing ASEAN-India bonhomie is a win-win situation for both. Pursuance of this policy is bound to provide unexpected dividends on all concerned fronts.

Unlike Japan and China, it has no history of invasion or domination in East and Southeast Asia, and it enjoys remarkably strong and cooperative relationships with all key Asian power centres, with the exception of Beijing.

As Singapore's Foreign Minister George Yeo puts it, 'We see India's presence as being a beneficial and *beneficent* one to all of us in South-east Asia.'^[9] (Emphasis added)

India has tremendous soft power potentials. Due to obsession with idealism India initially never perceived soft power as an important instrument of foreign policy. After the end of cold war efforts have been intensified to use soft power to promote national interests. More than 4 million Indian Diaspora is in ASEAN region in addition of our culture, religion and social values have been respected immensely by ASEAN region in particular and in the larger context of Asia-Pacific in general. According to the investment bank Goldman Sachs, the Indian economy will quadruple in size from 2007 to 2020, and will surpass the size of the US economy to be second only to China's by 2043.^[10] The projections are not difficult to achieve but need strategy. It could

be started with the component of soft power from ASEAN region. In the entire Asia-Pacific not a single country could term India as expansionist. In contrast China is being widely perceived as the expansionist country.

India- ASEAN relations have grown phenomenally since the last two and half decades and are bound to propel in foreseeable future due to convergences of interest. India-ASEAN relations have emerged as the bedrock of Indian aspirations in Asia-Pacific. Both parties are contributing enormously for a stable, peaceful and multiple Asia. Japan, United States, Russia and Australia have also joined with ASEAN to keep Asia-Pacific multiple therefore their bilateral relations with India has become like natural allies. India needs to maintain the tempo. With huge mandate and determination, it would not be impossible for the Modi government to not only ensure national interests but establish India as a global power as dreamt by Vinayak Damodar Savarkar, the important ideologue of the RSS. Always the pragmatist, Savarkar sees a strong national identity as ultimately necessary for a strong national military. He writes in *Essentials of Hindutva*:

“Moreover everything that is common in us with our enemies weakens our power of opposing them. The foe that has nothing in common with us is the foe likely to be most bitterly resisted by us just as a friend that has almost everything in him that we admire and prize in ourselves is likely to be the friend we love most”.

Modi government has initiated good efforts in this regard since their take over in May 2014. It needs to sustain the process. This issue is intended to deal with all relevant issues within its framework.

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Sudhir Singh

Changing Dynamics of Indo-Myanmar Relations: Imperatives, Challenges and Opportunities

Alok Kumar Gupta

There is a 'strategic shift' in Indian Foreign Policy over the last couple of decades, which is often portrayed as 'paradigm shift'. Panchsheel itself has undergone a considerable change from Nehru to Gujral and to Manmohan Singh. India's vision of the world has been changing to keep cope with the changes in the world. Dynamics of India's relation with Myanmar too requires to be understood in the same prism of changing global scenario. Since 1992 India has been crafting strategy to have a long-range connectivity and engagement with Myanmar. However, wishes require to be matched with actions. Therefore, this article explores India's foreign policy response towards Myanmar with changing political and strategic scenario.

1. Changing Contexts: Past to Present

British annexed Burma in the nineteenth century and today's Myanmar was ruled as a province of British India but was separated and made an independent colony in 1937, largely at the demand of Burmese nationalists who did not identify with the nationalist India independence movement.^[1] India and Myanmar share a long-1,624 kilometer (1009 miles) border.^[2] It also shares a maritime boundary in the Bay of Bengal. A large population of Indian origin (according to some estimates about 2.5 million) lives in Myanmar. Myanmar is a country where Indian and Chinese influences intersect. Myanmar is not only a gateway to the ASEAN, but is critical to the furtherance of India's Look East Policy. Accordingly, it determines the strategic concerns of India.

Since attaining independence from the British rule Indo-Myanmar relationships have seen many ups and downs. During 1948-62 relation was friendly and cordial during the days of Prime Minister Jawaharlal Nehru and Prime Minister U Nu. However, during 1962-1988 relations virtually froze with the military rule under Ne Win adopting an isolationist policy. Domestic policies including the expulsion of ethnic

Alok Kumar Gupta

Indians soured the relations. Then from 1988 as a result of the sympathy of the Indian government to the pro-democracy movement which started in 1988, the relations were completely strained.^[3] Earlier, India and Myanmar signed a Treaty of Friendship in 1951. The visit of the Prime Minister Rajiv Gandhi in 1987 laid the foundations for a stronger relationship between the two countries^[4].

India adopted a pragmatic and realistic approach towards the military regime and engaged in an open dialogue in 1993. Bonhomie continued since then except for a minor hiccup in 1995 when Aung San Suu Kyi was awarded the Nehru Peace Prize for International Understanding.^[5] The visit of Maung Aye, Vice Chairman SPDC, the second most powerful military junta leader in November 2000, changed the entire scenario. There has been all round progress in political, economic, and military relations as well as cooperation in technology, Human Resource Development, infrastructure, education, space, health and other fields.

1.1 Trade Relations between India and Myanmar

The first Border Trade Agreement was signed in Delhi in January 1994 and was implemented in April 1995 with the opening of a cross border point between Moreh (India) and Tamu (Myanmar). The border trade which had a spurt in the beginning with export of Indian goods worth Rupees 31 crore and imports from Myanmar worth Rs. 15 crore in 1996-97 had declined to a level of Rupees five crore in export and import by 2004-5 according to official statistics. As of today the trade value is a dismal one crore only.^[6] Trans-border trade has failed to provide any benefit to local people and there are procedural hiccups for obtaining licenses as well apart from the failure of law and order and absence of proper infrastructures.

India turned to the largest buyer of Burmese exports by the year 2000, purchasing around \$220 million USD worth of goods.^[7] The economic ties were further strengthened with the formation of Mekong-Ganga Cooperation. In 2001, India-Myanmar Friendship Road was completed, facilitating India's efforts to open up trade routes with South East Asia. Since, then there has been considerable growth of trade as well as negotiations and agreement for further deals.^[8]

Myanmar is on a forward march, where a number of countries have located their tremendous interests and have thus started courting for furthering their business opportunities. McKinsey and Co. reported in June 2013 that Myanmar's economy grew 27 % between 2010 and

2011, which will likely be maintained through 2018. The Global Consultancy firm contended that a growth rate of 18% could be maintained through the rest of the period to 2030, which might radically increase Myanmar's Gross Domestic Product (GDP).^[9] Therefore, it has provided enhanced prospects for trade between the two countries.

1.2 The Infrastructure Projects

The 160 Km India-Myanmar Friendship Road on Burmese territory from Tamu to Kalemyo was built by the Border Roads Organization and completed in 2001. India is involved in the India-Myanmar-Thailand Trilateral Highway Project. Further, Indian companies are involved with the business of oil exploration and hydropower projects, such as Tamanthi Dam in Sagaing division in Myanmar. The Kaladan^[10] Multi-Model Transport project will link India's landlocked northeast region by road and waterway, utilizing the Kaladan River which runs through Arakan State. The construction of port facilities and jetties at Site-tway, Paletwa and Kaletwa will be financed by the Indian government, with Essar Projects Ltd. while the highway linking Paletwa and Myeikwa on the India border was to be constructed by the Myanmar Ministry of Construction and to be completed by 2015.^[11] During Myanmar's President visit in October 2011, a Memorandum of Understanding (MoU) was signed for the up gradation of the Yangon Children's Hospital and Sittwe General Hospital; and an Agreement on programme of Cooperation in Science and Technology for the period of 2012-15, renewed the earlier agreement signed in 2010.^[12]

1.3 Political Transition in Myanmar: Changing Dynamics

Myanmar took a nascent step towards democratization in 2011, and most emphatically with Suu Kyi's party contesting the by-elections held in April 2012 and winning convincingly. Thus, the previous path of realpolitik and engagement with military regime in Myanmar out of geo-strategic and security considerations, the changing dynamics of political scenario provided a real thrust to India's 'Look East Policy'. Therefore, it must have been used to reinvigorate the policy and further its national interests by increasing its investment in the country that reportedly has huge gas reserves in the western province of Arakan and adjoining seaboard, estimated at more than 30 trillion cubic feet or more.^[13]

The former military leader U Thein Sein assuming civilian leadership, the changing political equations in the country, lead to consequent

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convergence of India and Myanmar. Then Sein is largely seen as pragmatic and reform-minded, keen that Myanmar becomes part of the globalised economic grid, not a pariah state shunned by major economies. Myanmar wants to open doors for several economic players, as it has managed to build relations with India and is now turning a new leaf with USA, thus not putting all eggs in one basket.^[14]

Undoubtedly, India had to face international criticism for re-orienting its priorities and entering into relations with the military-ruled Myanmar on account of its own notions of vital national security and geo-strategy. Myanmar like most other South Asian countries has fast become a strategic chessboard in view of: first, United States growing influence in the South Asian region to counter China; second, China's growing economic and political influence in Myanmar; third, India's envisioned policy of an elevated engagement across a broad spectrum before it is too late and Myanmar is lost to China. Therefore, it poses a great challenge to Indian policymakers towards enhancing their stakes in Myanmar. Moreover, Myanmar became a member of the ASEAN in 1997. It is the only ASEAN country which shares a land boundary with India; therefore it is the gateway to ASEAN, which India must be interested to exploit and engage with.

2. China's Engagement of Myanmar

China and Myanmar have been close allies since the time People's Republic of China (PRC) came into being. China's substantial economic, military and political support is vital in view of the sanctions imposed by the West and the mounting pressure by the regional and international forum. The Chinese have built an all-weather road from Kunming in Southern China to Mandalay in Central Myanmar and volume of trade has increased hundredfold.^[15] It has, thus been proved beyond doubt that economic sanctions have not deterred the military regime pursuing its agenda. China has had a three-fold objective in pursuing and cementing its ties with Myanmar.^[16]

First, it set its eyes on Myanmar's natural resources of oil, gas and timber, needed to meet the huge domestic demand. Second, to better its security capabilities by expanding its access to the Bay of Bengal and the Andaman Sea and thereby allowing for greater protection of its 'southwest silk road' trade routes and the development of a modern maritime reconnaissance system. Third, China has been bent on pushing policies to deny India strategic space in the South Asian Region. While China has long maintained a friendly relationship with Myanmar, India appears to have changed its position on the regime much later.

3. India's Leverage vis-à-vis Myanmar

Of late, Myanmar have been realising that it is being stifled by China. Therefore, Myanmar must have been looking for an ally as an alternative to China which could stand by it in the hours of need. India may emerge as a viable and trustworthy alternative ally for Myanmar. India's rising economic potential necessitates such engagements with Myanmar. Mutual strategic and security interests also make it imperative for India to cultivate Myanmar to enhance inter-connectivity and increase the points of contact between the two countries. India no doubt has been improving its ties with China, therefore, given China's interface with Myanmar may have an impact on India's relations with Myanmar; however, it is in Myanmar's interests as well.

China was more in tandem with the previous authoritarian government and propped it in exchange for commercial concessions. The new quasi-civilian administration has given precedence to democratic administrative practices of state-building. Therefore, the shift has brought Myanmar closer to India and poses a considerable threat to China's future influence in Myanmar, witnessed in part by the government's suspension of US\$3.6 billion Myitsone dam project commissioned to Chinese investors by the previous military junta but vigorously protested against by local communities.^[17]

Today, with the public opposition in Myanmar towards Chinese-built or Chinese-funded projects, particularly in the Kachin region, there is definitely a space India can try and fill in.

4. India's Concerns vis-à-vis Myanmar

India's concerns is two-fold: on the one hand India is over-conscious of its image in the larger comity of nations that it is a peace-loving democratic country which works for the cause of promoting and strengthening democracy in different parts of the world, therefore, how can it build progressive relationship with a country where military is in power and is working contrary to the ethos of democracy; on the other hand its strategic and security considerations outweigh the concerns for democracy in Myanmar.

India wishes to exploit Myanmar's natural resources. However, it has not been smooth for India as, between 2004 and 2007, there were protracted negotiations for the construction of a pipeline to India to transport natural gas from the Shwe gas fields in Arakan State. Negotiations failed and the direction of the pipeline moved to China.^[18] Such failures again becomes a serious concern for India.

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India is to solicit Myanmar's role towards combating insurgency in the northeast. In April 2007 it was reported that Indian and Myanmar security forces were 'conducting joint military operations along the Indo-Myanmar border to neutralize insurgent groups. In July 2010, Shwe and Manmohan Singh agreed upon a strategy of increased security cooperation and a strengthened collective effort to fight the insurgents and combat terrorism along the border of the two countries. There are serious concerns that weapons and other military equipment, such as helicopters, sold or donated by India for combating insurgents could be used by its military against ethnic civilians. India is not among those countries which support a global arms embargo on Myanmar.^[19]

Myanmar refugees which are nearly 70,000 in numbers residing within India are another important concern of India. Most of them are in northeastern India, and they often accuse India of harassing them by arresting and deporting. Not being a signatory to 1951 UN Refugee Convention and those who enter India without authorization are considered illegal immigrants. Therefore, India will have to find a way out with the cooperation of Myanmar to settle the issue of refugees.

India need to push ahead its Look East Policy that was initiated in 1992 and was a strategic shift in India's vision of the world and India's place in the evolving global economy. It can do so by opening and putting in place workable channels of communication by roads and railways, the India-Myanmar region must be free of violent insurgencies. Several Northeast Indian insurgent groups have bases in Myanmar. The United Liberation Front of Asom (ULFA), the National Socialist Council of Nagaland (Khaplang), and several Manipuri rebel outfits have well-entrenched camps in the country's Sagaing Division, bordering Northeastern India.^[20]

India has called for a bus route from Imphal in Northeastern India to Mandalay in Myanmar. Potentially more important is Myanmar's location between India and China. As reported in one of the conversation with the present Prime Minister Narendra Modi, Chinese Premier Li Keqing warmly suggested the construction of a Bangladesh-China-India-Myanmar (BCIM) economic corridor that would connect Kunming in China to India's Northeast through Myanmar.^[21] It would seriously help India tighten-up its lukewarm relations with China. It shall also provide a boost to India's much neglected Northeast region.

Northeast India is significantly different from the rest of India in terms of languages, religion, culture, and even race and is in many ways more Southeast Asian than South Asian. Surrounded by Myanmar, China,

and Bangladesh on almost all four sides and connected to the rest of India via only a narrow corridor, Chicken-neck, greater interconnectivity with international neighbours could bring this region much needed economic development and stem the dozens of insurgencies that have plagued the area for the past 60 years.

5. Changing Strategic Scenario: Challenges and Prospects

When Myanmar witnessed the takeover of power by the military junta; economic sanctions were imposed by the Western power in view of the atrocities committed on the democratic movement in that country. India too adopted a close-door policy to Myanmar and neglected any engagement with the same. However, when India learnt that China has been working on massive expansion of its economy in Southeast Asia and Myanmar, India gradually has been adopting an open-door policy.

Consequently, today India's Myanmar policy cannot be comprehended without factoring China in. So far India's Myanmar policy has been a response to rein China in and not leaving the field open to it—instead of a concerted bid at building a good neighbourly relationship for a solid hold in the region. India also need to take note of the fact that China is 'all-weather friend' of Pakistan and in the recent past the linkages between Myanmar and Pakistan has also grown and thus India will have to devise a diplomacy to prevail in an atmosphere where China-Myanmar-Pakistan converge.

Narendra Modi has appointed a seasoned former army chief General, Vijay Kumar Singh to the federal Ministry of Development of North East Region (MDONER). Only time will say how much of dynamism has been infused into the region. Therefore, Modi government need to be abreast of following challenges in its relations with Myanmar:

First, The Indo-Burma treaty of 1952 on Border Affairs was designed to ensure free movement of the local ethnic tribal for meeting their daily socio-economic needs with a tacit understanding that population on both sides of the international border who belong to the same ethnic group will be allowed free passage within 40 Km on both side for the purpose of carrying on local trade and social visits. The treaty has been modified from time to time to meet the changing need. However, in its implementation it has experienced stumbling blocks and even with the best intention to overcome the same Indian traders find little attraction in continuing legal trade relation with Myanmar. The major constraints towards the growth of border trade are poor state of infrastructure

such as road connectivity, telecommunication facilities, banking and other financial network; dual currency exchange rate system of Myanmar i.e. official and non-official rate of exchange; absence of currency exchange counters. Alongside these the absence of law and order in Manipur as a whole with too frequent closures, strikes and blockades by different organizations and presence of militant groups has led to illegal collection of taxes.^[22] Therefore, lack of peace, security and safety in business premises has been demotivating and a cause of grave concern towards enhancing the border trade between the two countries.

Second, Myanmar's transition from authoritarianism to democracy presents immense challenges as well as opportunities for neighbouring India. India being the largest democracy and one of the closest neighbour of Myanmar, it requires to keep pace with the rising expectations of Myanmar's pro-democracy forces, which India supported in the 1990s but later moved closer to military government driven by commercial interests and to develop diplomatic ties. It is a welcome diplomatic shift from 'idealism' to 'realism'. The present government must further build on the same.

Third, there is a border dispute as well between the two countries.^[23] The diplomatic row over 'Pillar Number 76' in the northeastern Indian state of Manipur on the Indo-Myanmar border in Holenphai village near Moreh has added to long-running border problems.^[24] Although the two sides have agreed to negotiate the issue peacefully, past misunderstandings and alleged intrusions have raised alarm bells on both sides of the border. This too requires to be settled at earliest for smoothening the relations.

Fourth, Myanmar has been facing clashes between Muslims and Buddhists in Rakhine state and central regions. It has developed a serious regional ramifications with cross border dimensions in which its spill-over into India is a great cause of concern. Radical groups have been threatening to target Buddhist installations in India. The outburst of Buddhist nationalism in Myanmar is thus no longer an internal affair as it has long terms implications for security in wider South and Southeast Asia, including the Indian subcontinent.^[25] As reported the pogroms led by Buddhist monks have radicalized Muslims outside Myanmar, resulting in retaliatory attacks against Buddhists in other regional countries. India must tighten its security networks to prevent the spill-over into its religiously mixed region including northeast.

Fifthly, Myanmar in its urge to ease its relations with the West and

derive economic benefit from them initiated move towards democracy. However, it has not yet achieved the goal of democracy yet. Nobel laureate Aung San Suu Kyi who spent about 15 years under house arrest raised her expectations from India when she said, "Myanmar has not yet achieved the goal of democracy...we hope that through this difficult last stage, the people of India will stand by us and walk with us as we proceed along the path which they had taken many years before." Thus, India requires rising up to the occasion and her expectations without sacrificing its ideals in the wake of becoming a realist.

Sixthly, the political reforms initiated in Myanmar and consequent easing of Western economic and financial sanctions as a reward has opened new gates to India in Myanmar.^[26] India needs to be increasingly proactive and give priority to securing its own economic and financial interests. There are areas like oil and gas exploration which shall attract major and minor powers of the world as well as the region. Early bird catches the worm; therefore, India must make its move as early as possible.

Seventhly, India's economic interests in Myanmar at present are largely through the public sector. With the growth of Western business interests India must devise means and mechanism to promote and engage at a larger scale its private sector to fill the gaps.

Eighthly, given the nature of investment in Myanmar namely public sector, bureaucratic hurdles and procedural delays at times frustrates the cause of furthering better and improved relations. Therefore, it makes it imperative that more and more private sector involvement be encouraged to consolidate the ties. The challenges will be the absence of a fully democratic culture within Myanmar to carry out the effective negotiations for transition from public to private sector.

Ninthly, Myanmar now understand it well that India views it as its gateway to ASEAN and east Asia, therefore, the quasi civil regime of Myanmar has found itself in a key geo-strategic position, and is bent on using it as a strong hand in negotiations with India. Therefore, onus lies on the Indian diplomatic community as to how they are going to neutralize this leverage in the bargaining process and turn the relations in a positive-sum-game for India.

Concluding Observations

Myanmar has become a magnet of global and Asian powers in recent years. President Obama, Japanese PM, Shinzo Abe, British PM, Russian

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leaders and many other world leaders have visited recently. It is a reminder of the fact that isolation of Myanmar is going to end and the pace of democratic reforms is also on. Actually since last one decade the global power have felt that since gravity of the world politics is deviating towards Asia therefore they have given a new Phillip to their engagements with Myanmar and the intended motive is to reduce its dependency over China. Former PM , Manmohan Singh visited Myanmar in 2012 and the same year it was reciprocated by the Myanmar's President. In second week of March 2014, former PM Manmohan Singh again visited Myanmar (BIMISTEC Summit) and had summit level talks with the Myanmar ruling elites. The ongoing security architecture of Asia and growing great power positive engagements with Myanmar has created a unique opportunity for India. India must push its decade long policy according to the strategic view of Kautilaya. India's Look East Policy (LEP) will be extremely successful if we will connect ASEAN through roads and rail.

Myanmar has facilitated the process therefore as former PM Manmohan Singh has set the deadline by March 2016 , we must put the connectivity in order. Only part of economic motives of LEP has been achieved yet. By 2012 India-ASEAN trade was \$ 80 billion, over 37% from the expected one. By 2015 it is estimated to \$ 100 billion and by 2022 \$ 200 billion but if connectivity will be established it could create wonders. NDA-2 government did wrong when they have not invited Myanmar's President to attend its swearing in May 2014. But foreign minister had visited in August 2014 to attend ASEAN Summit and Myanmar is the chair for 2014. Myanmar has always consistent in its approach of independent foreign policy therefore for balancing China it needs India. India must seize this opportunity to not only promote human security in its North East but make deep inroads in ASEAN and Asia-Pacific.

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Kalam visited Myanmar in March 2006. A number of agreements and Memorandums of Understanding were signed during this visit.

- [5] Ibid., no.3.
- [6] Ibid., no.3.
- [7] "India-Burma Relations", www.arakanrivers.net, Retrieved on July 28, 2014.
- [8] Ibid., no.7.
- [9] Anup Roy and Remya Nair, "Indian banks make inroads into Myanmar", *Livemint*, June 20, 2014, <http://www.livemint.com/industry/ttkm8D3Bts5r99m8qXyj4K/India-banks-make-inroads-into-Myanmar.html> (Retrieved on July 11, 2014).
- [10] Non-government actors in Myanmar are increasingly opposing projects in parts of the country being sought to be implemented with Chinese funding. A case in point is the cancellation of a \$20 billion railway line connecting Kyaukpyu in Myanmar and Kunming in China due to public opposition. The construction was to be carried out by the China Railway Engineering Corporation. See Wasbir Hussain, "India's Myanmar Mission", www.ipcs.org Article No.4583, July 29, 2014.
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- [13] Ibid., no.12.
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- [17] Sonu Trivedi, "New Role for India in Myanmar", *Asia Times*, September 16, 2013, www.atimes.com
- [18] Ibid., no.3. Retrieved on July 28, 2014. India is seriously interested and pursuing for Myanmar's oil and gas reserves. In 2005 Essar Oil signed contracts with the military regime to make onshore and offshore explorations for oil and gas in Arakan state.
- [19] Ibid., no.3..
- [20] Ibid., no.17.
- [21] Ibid., no.1.
- [22] Ibid., no.3.
- [23] India and Myanmar signed a Memorandum of Understanding (MoU) on May 8, 2014 on Border Cooperation. This MoU provides a framework for security cooperation and exchange of information between Indian and Myanmar security agencies. See Wasbir Hussain, "India's Myanmar Mission", www.ipcs.org Article No.4583, July 29, 2014.

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[24] Ibid., no.17.

[25] Ibid., no.17.

[26] Australia and the European Union have lifted travel and financial sanctions against Myanmar, while the United States has taken what US officials have referred to as a more 'calibrated' approach. While Washington has suspended most restrictions on investment and financial services, it still maintains a list of targeted sanctions against certain individuals from traveling to the US and blocks imports of specific products such as jade and rubies of which trade is still dominated by state and military interests. See for detail Sonu Trivedi, "New Role for India in Myanmar", *Asia Times*, September 16, 2013, www.atimes.com

India and ASEAN Need to Shift Gears in the Maritime Domain to Revisit the Glory of the Past and Rewrite the Future

Comodor Seshadri Vasana

A reminder of the Glorious past: Thousand years ago, Rajendra Chola's coronation took place in a place in Tamil Nadu known as Gangaikonda Cholapuram. (Roughly translated means the King who brought Ganga after his victory in the Northern States which bordered river Ganga). Both Rajendra and Raja Rajendra Chola ruled almost the entire South India, Northern Sri Lanka and South East Asia. It has been recorded that the Cholas (985-1054 A.D) were seafarers who also believed in maintaining a naval force for achieving supremacy at sea. They defeated the Sri Vijayas who ruled the Malayan peninsula, Java, Sumatra and adjacent areas in 1007 AD during an expedition establishing the Chola empires rule in the area^[2]. The period of nearly 700 years from 5th to 12th century when the Sri Vijaya empire ruled the entire eastern seas including the areas of South East Asian countries.^[3]

The commemoration of a millennium of this great event took place on 24-25th July in Gangaikonda Cholapuram which houses the Siva's temple which is the next biggest temple after the Brihadeeswara temple in Tanjavur. It has been recorded that the son did not want this temple to be bigger than the one built by his father Rajendra Chola. The event in which both the Government and civil agencies participated in large number reminded the nation of the legendary maritime prowess of the Chola's who ruled many parts of India and also wielded influence in the South East Asian countries.

When looking at the past, there is also a need to look at the prescriptions of Chankya in Arthashastra a wonderful treatise on statecraft. The now well-known Mandala theory also would need to be revisited while reviving the relations with the ASEAN countries. If the present trends are any indication, it appears that India is taking measured steps in this

direction by trying to comply with Chanakya to regain the past glory of the last millennium.

The Present: When one moves fast forward by thousand years, the thousandth year of the coronation in 2014 is witnessing events of great importance to the future of relations with the ASEAN countries with India. The association of countries in the South East Asia grouped under the umbrella of ASEAN, has immense significance to Asia's prosperity, security and stability by leveraging the advantages conferred in the maritime domain. A look at some of the key events this year is indicative of the growing importance to this region and also the need for enhanced scope of interaction with the countries in this region that appear greatly inclined to raise the bar in terms of dealing with India a rising and a relevant Asian power alongside China. The year that has gone by also has many important issues which will pave the way for the future of India-ASEAN relations. As per the MEA annual report 2013-2014 there were engagements with the ASEAN countries and a dialogue was established with Law Enforcement Agencies and other stake holders on Humanitarian Assistance and Disaster (HADR). There have also been dialogues on maritime security and cyber security with key partners^[4]. The airlift of critical relief supplies to the victims of typhoon Haiyan in the Philippines has been lauded and there have been greater exchanges in Science and Technology including in space applications.^[5] The biannual event Milan which has been received very well by the participating nations also witnessed the passage exercises with nine warships from South and South East Asian navies by sailing out together on 9th February 2014^[6] after completing various coordination exercises, seminars and table top exercises in Port Blair. Milan^[7] as a confidence building interactive programme provides an ideal platform for enhancing the scope of such interaction both with ASEAN and other navies of the region.

The 24th ASEAN summit was conducted in Myanmar (which is now the Chair this year) from 10-11th May 2014 increasingly signaling the importance being attached to the integration of a democratized Myanmar that would be a link nation in SE Asia. Myanmar will play an important role in the future of ASEAN not just as the Chair but also as a major link both over land and through the surrounding seas.

With the change of Government in India, it appears that there would be additional engagements in the ASEAN which can be identified as the center of gravity in the newly defined Indo Pacific area. Ms Swaraj the Minister of External Affairs of India has already visited Myanmar,

the present Chair of ASEAN in August 2014 for the East Asia Summit/ ASEAN Regional Forum ministerial meetings. This visit is also important as it is for the first time that India chose to raise the issue of South China Sea by reference to the concept of the freedom of navigation on the highways of the oceans called the Sea Lanes of Communication (SLOCs). It appears that China was embarrassed as it found India joining the chorus of ASEAN members who are very concerned with the aggressive behaviour of China which claims the entire South China Sea.

Close on the heels of this visit came the visit to Vietnam and China indicating the importance attached not only to ASEAN countries but also China which is a key player in the regional security calculus. So the new Government appears quite keen to engage with the ASEAN countries both during formal and informal meetings. While China enjoyed enormous support from Myanmar during the period of its isolation due to the military rulers, it appears that Myanmar on its path to democracy is trying to move away from too much of dependence on China its big neighbour. India has always been interested in Myanmar with historical and cultural relations and now even more so with democracy taking roots.

India which was weary of the military rulers in Myanmar had shunned relations much to its disadvantage. However, India has been actively engaging even with the military junta in Myanmar on the diplomatic, economic and defence fronts over the last several years to counter China's expanding footprint in Indian Ocean region countries. Myanmar is the only ASEAN country with which India shares land and maritime borders and therefore forms an important link in the security architecture over both land and sea. As recently as on 08 May 2014, India and Myanmar signed a Memorandum of Understanding (MoU) on Border Cooperation^[8]. This MoU provides a framework for security cooperation and exchange of information between Indian and Myanmar security agencies. Apart from providing for coordinated patrols on their respective sides of the international border and the maritime boundary by the armed forces of the two countries, both sides have agreed to exchange information in the fight against insurgency, and trafficking of arms, drug, human and wildlife. Steps to prevent illegal cross-border activities have also been agreed upon.

Two flagship events were organized as part of the commemorative year event to mark the twentieth anniversary of India ASEAN relations. Firstly the sailing expedition of INS Sudarshini to ASEAN countries which

brought back the memories of the oceanic connectivity in this region that spread the Hindu /Budhist religion/tradition and cultural practices to the South East Asian countries. The passage of Sudarshini a naval Sail Training Ship visited all the ports in South East Asia to recapture the glory of Indian Kingdoms that wielded considerable influence and built up maritime trade and commerce in the region. Secondly, the ASEAN-India Car Rally, 2012 which brought out the essence of land connectivity which holds great promise for over the land connectivity trade and people to people contacts.

Bi-lateral exercises: It is clear that the navies of the ASEAN countries are as enthusiastic about conducting bi- lateral exercises with India which is engaged in building a blue water navy, which is the strongest navy in the Indian Ocean Region. These have contributed immensely in establishing Standard Operating Procedures (SOPs) for interoperability while working together for facing both conventional and unconventional threats. The details of some of the exercises with the navies of the ASEAN countries are given in the succeeding paragraph.

SIMBEX (Singapore India Maritime Bilateral Exercise) – The SIMBEX as the name suggests has been conducted regularly enabling the navies to learn from each other. Singapore also has the ReCAAP organization located where Indian Coast Guard officers are posted regularly to generate and analyse the piracy attacks in the Asian waters. Singapore also has the Data Fusion Center and the International Fusion Center^[9] where naval officers from India are deputed to work on data assimilation and sharing in areas of interest. The exercises with Singapore were conducted in the South China Sea from 2005 every alternate year. India has shared its expertise in Anti-Submarine warfare and other coordination exercises.

Multilateral Exercises: Multi nation Exercise with navies of Singapore, Vietnam, Thailand, Malaysia, Indonesia, Brunei and the Philippines are conducted since 1995 is being conducted biennially in the Bay of Bengal. This is hosted by the Indian Navy. Indo-Thai Coordinated Patrol (Indo-Thai CORPAT) Thailand bilateral exercise conducted biannually was started in September 2005 and is conducted along the maritime boundary line between the two countries. IND-INDO CORPAT (India-Indonesia Coordinated Patrol) is another bi lateral that was started in the year 2000, which is also conducted along the International Maritime Boundary Line (IMBL). While all the exercises indicated above have ensured that there is Navy to Navy dialogue, there is no formalised arrangements with the ASEAN even for Search and Rescue purposes or Humanitarian Aid and Disaster Relief (HADR). What the above

demonstrates is that there is active interest on both sides in meeting the challenges in the global commons. However, it may be noted that by and large these have been at the lower spectrum of maritime engagements in the region. The Malacca Straits which is central to the maritime trade and economy in this region is again witnessing increasing number of piracy attacks. The freedom from pirates which brought in peace and tranquility for a long time is again under threat. There would be a need for the maritime nations of the region to have coordinated efforts similar to that initiated off the Somali coast. The concerted efforts by the navies of the world off the African coast did bring the menace of piracy under control and demonstrates that the collective action by determined navies of the world would ensure the freedom of the seas and safety of transportation along the maritime corridors of the world including through choke points. There is a need to move beyond the bilateral exercises to make the engagements even more meaningful for promoting regional maritime security and safety architecture. Some of the areas that require attention are illustrated in the succeeding paragraphs.

M-SAR(Maritime Search and Rescue): While most of the ASEAN nations are signatories to the M-SAR convention^[10] despite multinational efforts, there are still many unanswered questions on how MH 370 disappeared evading all forms of surveillance in the region and has still not been found. As per the records, the aircraft flew over Indonesian territory and was well within the coverage of the military radars in the region. It was also speculated that the aircraft could have flown over the Andaman and Nicobar Islands during its southwestern journey towards its crash point. Unfortunately, there is nothing definitive about the reasons for the missing aircraft due to not finding the wreckage or the black box even on date. It is here that ASEAN could take a lead and through the ASEAN Regional Forum (ARF) to work on a model to enhance the surveillance and Search and Rescue architecture keeping in mind the capacity and capability to integrate all the surveillance means available in the region. This hopefully should prevent the kind of situation faced with the disappearance of MH 370.

Illegal Immigration/Human trafficking: For a long time Indonesia was a hub for facilitating the process of illegal immigration to Australia from its shores. In the recent past, India has also faced the problem of many Sri Lankan Tamil Refugees using the shores of India to sail to Australia in unseaworthy boats. India has foiled many such efforts in Tamil Nadu. However the recent case of about 157 refugees who left the shores of Puducherry have landed up in detention centres in Australia which has toughened its stand against illegal immigration

and human trafficking^[11]. The countries of ASEAN and India could work on an arrangement to have preventive measures in place for collective preventive measures to ensure that innocent people are not exploited by the greedy boat owners and syndicates who would make easy money by promising the moon to the poor people who look for greener pastures in Australia, Europe, US and other developed countries.

Marine Pollution: Though there are International Marine Pollution (MARPOL)^[12] statutes, the fragile oceanic areas such as the Andaman Sea are prone to marine pollution due to indiscriminate dumping of marine waste by the ships plying the oceans in these areas. The situation is no different in many parts of the ASEAN seas where human interference and scales of neglect to the environment have resulted in severe impact to the ecological balance of the seas around many areas. There is a need to engage ASEAN on this score to bring about regional checks and balances to retain the delicate balance of nature. The existing C4ISR arrangements of all nations in the area need to be brought to bear to provide seamless coverage of the areas for prevention of the misuse of the water ways and the oceans for illegal purposes. It could even be a task allocated to the Tri Services command in Andaman and Nicobar to engage in fruitful discussions during the Milan to put forward implementable recommendations for consideration by the ARF and the SE Asian countries. The setting up of the Tri Services command^[13] has provided multiple options for centralized application of maritime military strategy for furthering the maritime interests of India.

Anti Piracy Missions: The spate of piracy attacks in the recent months in the Malacca Straits is a matter of grave concern to all the maritime nations who are dependent on the safe passage through such choke points for sustaining and promoting sea borne trade. The statistics brought out by both the Regional Cooperative Agreement against Armed Robbery and Piracy (ReCAAP)^[14] and also the Piracy Reporting Centre (Kuala Lumpur)^[15] clearly illustrates that while the menace of piracy in the African waters has seen a dip, the incidents in the South East Asian waters including the Malacca Straits has shown an upward trend. In the past, when faced with a similar situation in the said waters, Lloyds War Committee had declared the entire area as piracy prone and a High Risk Area (HRA), the insurance costs had spiraled and it took the joint efforts of Singapore, Malaysia, Indonesia and Thailand to work together to contain the piracy incidents. The efforts that included joint/coordinated patrols, entering the waters of the adjacent country without permission for purposes of hot pursuit, Eyes in the Sky (EiS) which allowed the multi national crew from the concerned

countries to be on the aerial platform together to coordinate the activities at sea . It may be worthwhile to have similar mechanisms involving all the stake holder nations to work through ASEAN to have mechanisms in place for joint and or coordinated operations against pirates.

Defence Production: Most of the South East Asian countries are increasing their defence spending and are laying greater emphasis on indigenous production. There have also been constant efforts to obtain technology by offset procedures and transfer of technology options from major arms producers.^[16] There also seems to be a desire to be independent of the Chinese influence which in the long run would smother the entire indigenous programme if no efforts are made now. The countries in the region are acutely aware of this aspect that would tilt the balance totally in favour of China which is seen as an adversary when it comes to territorial claims in the South China Sea.

As per the estimates, PRC spent more than 145 Bn US Dollars on defence last year (2013)^[17]. With the conflicting nature of claims particularly in the maritime domain, it appears that there would be no end to even localized armed conflicts. The SE Asian countries therefore would like to move away from the dependence on Chinese products particularly in the defence sector. Some key imports in the region include two submarines for Singapore from France, Vietnam is expected to spend 543 million dollars towards augmenting its maritime capability and surveillance means by buying 32 CG ships. Malaysia is building six ships at a cost of 2.8 billion US dollars with DCNS assistance locally to improve the in house capability of building warships. Singapore is also a defence exporter since 1971 when it sold defence hard ware to Malaysia. With the defence budget of the region expected to reach 40 billion dollars by 2016, there would be opportunities for India to engage with these countries to meet their legitimate demands. It is no secret that these countries are looking at India to balance the influence of China in the region and would like to use the Indian angle as leverage to counter the influence and aggressiveness of China.

While it is acknowledged that India's defence production capabilities are no match for the Chinese capacity and capability, there are key areas in which India has a proven track record. India has succeeded in some of the critical sectors of space and Information Technology. There are also many proven defence products including the Brahmos, Stealth ships and other missiles produced under the Integrated Missile Development Programme (IGMDP) a brainchild of Scientist Dr Abdul Kalam who retired as the President of India. India is in a position to offer some of these technologies to these countries to help the local

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industry. The GAGAN programme which is being operationalised for providing regional navigation facility could easily be offered to the SE Asian countries. Likewise, while there is engagement in the IT sector, it needs to be fast tracked to synergise the strengths of the nation in the region depending on the USP of each nation of interest.

Concluding Remarks

The occasion of the thousandth year of celebration of the coronation of King Rajendra Chola needs to be utilized to reinvent our historical ties with the region that lead to enhanced trade, cultural and religious exchanges which in turn provided those leverages to successive kingdoms in the India to prosper for centuries. The impact and the influence of those passages thousand years ago are still visible today in many of the South East Asian countries. As we visit the past, it is also important to reexamine the relevance of the prescriptions of one of the greatest strategist of ancient India, Chanakya. Foreign policy prescriptions of Arthashastra have not outlived their utility. There may be a need for minor modifications depending on the present day needs. It is for India under the new Government to revisit the past and move forward to ensure that those days of glory are restored in a new world order. The climate is conducive for such a thrust due to the dynamics of the region which favour India more than China. However, if this opportunity is given the go by, India would have no one else to blame except herself.

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The Indo-ASEAN Engagement in Regional Trade Agreement: Past, Present and the Future^[1]

Debashis Chakraborty and Anushree Chakraborty

Introduction

The Ministry of External Affairs, Government of India highlights 'Look East Policy' initiative as one of the success stories of the Indian foreign policy in the recent times. Indeed, it is important to bear in mind that India and Southeast Asian region have looked at each other ever since the pre-historic age. They were no strangers as the traders across the region travelled with them not just goods, but ideas as well as religion, rituals, practices and various civilizational exchanges. Thereafter, during the pre-independence period in the 20th century this bonhomie continued, as the leaders of their respective national movements collaborated and supported each other against their common cause of national freedom. However in the 1970s, India and the newly formed ASEAN, having the prominent countries from the Southeast Asia drifted away given their strategic choices made at the height of cold war era. Accordingly, India and ASEAN found themselves in rival ideological camps, supporting contradictory cause, resulting in much distrust and estrangement over the next two decades. Here lies the credit of the Indian initiative, as it encased the centuries old good will between the two, left behind the recent past misgivings and gave a new start with a new name – 'Look East Policy'.

The 'Look East Policy' policy highlights the paradigm shift at the highest level when with the end of cold war, New Delhi under the premiership of Narasimha Rao began to focus its attention on regions where India could diversify its trade basket. To put it in the context, India in the early 1990s, was forced to liberalize its economy and was looking for political partners who could balance its previous overdependence on Soviet Union. It was important that New Delhi should shift its foreign policy priority from West Asia to Southeast Asia and East Asia. The Asia Pacific region had by that time turned out to be the most dynamic

economic hub. In addition, ASEAN's successful mediation in the Cambodian crisis in the 1980s and its diplomacy at the international fora, had given it huge political prestige as a regional organisation.

Therefore, ASEAN was the best economic as well as diplomatic bet for New Delhi to link itself after the collapse of Soviet Union. The fact that India does not have any conflicting political interest with the Southeast Asian countries and had no experience of war in the past history, helped it to build a case of a reliable partner for ASEAN. In addition, India's century old civilizational links and its image of having a benign strategic outlook, was appreciated in the background of a fast growing, assertive China. Most importantly, after the end of Cold War, the US policy of strategic engagement with nuclear India and its enormous economic prospects given its opening of the economy, changed the ASEAN perception towards India. The result was, both India and ASEAN found themselves as the natural partners in the 20th century Asia. The 'Look East Policy' initiative of rightly identified several ASEAN countries as India's partners for promoting trade and investment flows (Saint-Mezard, 2003). The importance of this region in India's trade diplomacy was further stressed in the 'National Common Minimum Programme' (2004) of the UPA government in clear terms (Chakraborty, 2014a).

The renowned Singaporean policymaker Goh Chok Tong once said, India and China can be the two wings of the jambo jet for Southeast Asia (Acharya, 2008). In the strategically uncertain Asia, with an economic overdependence on China, India provides a balance for the ASEAN members. On the other hand, India's regional frustration through SAARC, gave it a leeway through ASEAN. But this mutually beneficial partnership started off with a humble beginning two decades ago in 1992 as a sectoral partnership and steadily continued to become a dialogue partnership in 1996 and a summit level partnership at Phnom Penh in 2002.^[2] At the completion of their 20 years of engagement in 2012, India-ASEAN relations elevated to the next level – the strategic partnership. This is no trivial achievement given the short history of India's engagement in the grouping. India's inclusion in the East Asia Summit in 2005 and the newly formed ASEAN Defense Ministers Meeting (ADMM) Plus, speaks for its current indispensable stature in the ASEAN circle.

While India has already entered into a free trade agreement (FTA) in merchandise products with ASEAN, a comprehensive economic cooperation agreement (CECA) encompassing merchandise and services trade as well as investment provisions is not easily forthcoming. The negotiations for the Indo-ASEAN CECA is presently on and conclusion

of the same is expected in coming months. The present analysis intends to analyse functioning of the FTA so far and the expectations from the forthcoming CECA. The paper is organized along the following lines. First, background of the regional integration is briefly noted. The effects of the merchandise trade integration are discussed next, followed by the analysis on services trade liberalizations. On the basis of the findings, policy conclusions are finally drawn.

Regional Integration between ASEAN and India

Both ASEAN and India over the last decade has tried to follow an active RTA strategy, as the delays in conclusion of WTO Doha Round negotiations negatively influence their market access. India has entered into a number of regional trade agreements (RTAs) since 2003 and the ASEAN-India FTA is the biggest trade engagement of the country so far (Chaisse *et al.*, 2011). India-centric RTA have involved only developing countries until recently, and in the more recent period the negotiations for Indo-EU Bilateral Trade and Investment Agreement (BTIA) started and the Comprehensive Economic Partnership Agreements (CEPAs) has been signed with Japan and South Korea. However, given the geographical locations, ASEAN countries emerges as the natural trade partners of India. In recognition of the underlying economic advantage, Indian infrastructure augmentation initiatives over the last couple of years has already attempted to improve connectivity with these economies (Bhattacharyya and Chakraborty, 2011).

ASEAN on the other hand is an RTA itself, and reforms to liberalize intra-bloc trade flows has been instrumental in establishing production networks in manufacturing products like automobile, textile and electronic products (Anukoonwattaka and Mikic, 2011). It has recently entered into the FTA with China with mixed results (Chakraborty and Kumar, 2012), which makes the large Indian market all the more lucrative for the ASEAN exporters.

India's RTA engagements with ASEAN countries started with launching of the Early Harvest Programme (EHP) under the Indo-Thai FTA (2004) and subsequent signing of the Indo- Singapore CECA (2005). A considerable section of the literature argues that entering into CEPAs / CEPAs, encompassing merchandise, services and investment will provide huge economic benefits to India (Kumar, 2005). The ASEAN-India negotiations started on Indo-ASEAN FTA in merchandise trade with the expectation that once the FTA negotiations are concluded, the same for the CECA would begin. However, the FTA finally came into force

only in 2010 due to differences over several issues, namely - sequencing of tariff reforms, covering negative list and sensitive items (particularly in agriculture), determining rules of origin (ROO) provisions, reducing import duty on refined palm oil and other agricultural products etc. (Chakraborty and Sengupta, 2010). The delays in Indo-ASEAN CECA involving 10 countries has caused India to seek access in ASEAN market through the Indo-Malaysia CECA (2011). In addition, the Indo-Indonesia CECA is currently under negotiation. It is expected that the Indo-ASEAN CECA will formally enter into force shortly, though a specific date has not been finalized yet (ET, 2014).

One major area of concern for Indian policymakers during the FTA negotiation period has been managing the potential effects of ASEAN imports on several sensitive domestic sectors, namely, fisheries, plantations, oilseeds, automobiles etc. It was hoped that on one hand, Indian exports to the ASEAN market would simultaneously increase and the participation of the country in Asian international production networks (IPNs) will deepen with the parts and components imports from ASEAN, on the other (Chakraborty, 2014b). In addition, foreign direct investment (FDI) flows from ASEAN countries in the post-bloc period, notably from Singapore, was anticipated to play a key role in transferring latest technologies.

Results of the Merchandise Trade Integration: In whose Favour?

The emerging importance ASEAN in India's trade basket is explained with the help of Figure 1. It is observed from the Figure that in line with the expectations, the importance of ASEAN countries in India's export basket has improved from 8.67 percent in 1996-97 to 10.44 percent in 2014-15 (April-June) and displaying a rising trend over the decade. A sharp rise in export share of ASEAN in India's export basket has been noted since 2011-12 after the Indo-ASEAN FTA entered into force. However, a decline from the peak of 12 percent reached in 2011-12, is noticed since 2012-13 as a result of the global recession and its adverse effect on ASEAN economies. On the contrary, the share of ASEAN imports in India's import basket reached a peak of 9.75 percent in 2006-07, but oscillated around 8.6 percent upto 2012-13. It has increased over the last two years and reached a peak of 9.69 percent in 2014-15. The deepening trade integration between the two sides is heartening, but at the same time demands greater focus on India's trade performance.

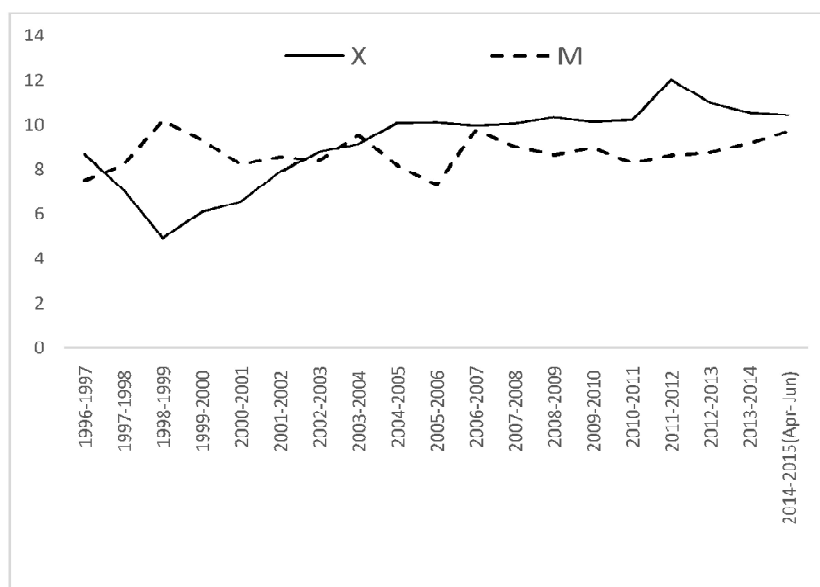


Figure 1: ASEAN Presence in Indian Trade Basket

Source: Constructed by authors from the Export Import Data Bank data, Ministry of Commerce, GoI (undated)

The bilateral export (X), import (M) and trade balance (BOT) between and India and ASEAN countries has been summarized in Table 1. It is observed that trade deficit with respect to ASEAN as a whole has sharply deteriorated over the last one and half decades. India's export performance after formation of the Indo-ASEAN FTA has only marginally contributed in containing the high BOT. It is also observed from the table that India is enjoying surplus only with respect to Cambodia, Lao PDR, Philippines, Singapore and Vietnam in 2013-14. The poorer trade balance scenario can be explained by the fact that while India is exporting intermediate goods and consumer products to most of the ASEAN countries, it is importing consumer and capital goods, which are high value items. The difference in the level of trade in value-added products is one of the major factors responsible for the unfavourable trade balance experienced by India so far (Chakraborty and Kedia, 2013). Moreover, since India's domestic market received comparatively higher tariff protection vis-à-vis ASEAN before 2010, formation of the FTA has benefited the ASEAN exporters in more significant manner vis-à-vis their Indian counterparts (Chakraborty, 2014b).

Table 1: Trade Scenario between ASEAN and India

Country	2001-02			2012-13			2013-14		
	X	M	BOT	X	M	BOT	X	M	BOT
Brunei	2.86	0.36	2.5	40.02	814.8	-774.78	32.45	763.6	-731.15
Cambodia	11.29	1.12	10.17	112.28	11.9	100.38	141.31	12.72	128.59
Indonesia	533.71	1,036.81	-503.1	5,331.30	14,879.49	-9548.19	4,850.20	14,748.30	-9898.1
Lao PDR	3.16	0.04	3.12	28.91	138.64	-109.73	49.89	39.4	10.49
Malaysia	773.69	1,133.54	-359.85	4,444.07	9,951.06	-5506.99	4,197.93	9,229.88	-5031.95
Myanmar	60.89	374.43	-313.54	544.66	1,412.69	-868.03	787.01	1,395.67	-608.66
Philippines	247.79	94.84	152.95	1,187.19	504	683.19	1,419.00	391.59	1027.41
Thailand	633.13	423.09	210.04	3,733.17	5,352.61	-1619.44	3,703.27	5,340.20	-1636.93
Vietnam SOC REP	218.17	18.91	199.26	3,967.37	2,314.78	1652.59	5,441.94	2,594.25	2847.69
Singapore	972.31	1,304.09	-331.78	13,619.24	7,486.38	6132.86	12,510.54	6,762.49	5748.05
Total ASEAN Trade	3457	4387.23	-930.23	33008.21	42866.35	-9858.14	33133.54	41278.1	-8144.56

Source: Constructed by authors from the Export Import Data Bank, Ministry of Commerce, GoI (undated)

It is important to identify the underlying reason behind India's poorer export performance, i.e., whether they are result of export inefficiency or demand incompatibility. While the Indian government may try to provide certain respite to the former through coordinated policies, the latter would be difficult to rectify. Hence, the current analysis calculates the bilateral *Trade Complementarity Index* (TCI) between India and ASEAN countries and summarizes the findings in Table 3. TCI indices are calculated by looking at the export pattern of India and imports of another country (say, Thailand) and vice versa. The higher values of TCI over time indicate increasing similarities between export basket of a country (say, India) and import basket of its trade partner (say, Singapore). The TCI is calculated by using the following formula:

$$TCI_{ij} = 100 - \frac{\left(\sum |M_{jk} - X_{jk}|\right)}{2}$$

where X_{ik} is share of commodity k in country i's total exports, and M_{jk} is share of commodity k in country j's total imports at HS 2-digit level.

It is observed from Table 2 that India's export complementarity with imports of ASEAN partners displays a mixed trend for 2008, 2012 and

2013. The export complementarity indices are moderately high, and import complementarity is lower for several economies. While export complementarity has increased for seven countries over 2008-13, the reverse is true for the remaining partners. A somewhat similar picture also emerges on import complementarity as well. Nevertheless, the TCI values suggests that the convergence of Indo-ASEAN trade complementarity is occurring at a moderate pace, which is not good news for Indian export prospects.

Table 2: Convergence in Indo-ASEAN Merchandise Trade Pattern?

Partner	Trade Complementarity Indices					
	Indian Export / Partner Import			Partner Export / Indian Import		
	2008	2012	2013	2008	2012	2013
Brunei	50.21	56.43	48.44	38.08	41.89	42.93
Cambodia	43.81	52.42	53.46	5.33	12.07	8.88
Indonesia	63.43	63.18	64.89	57.45	61.45	60.64
Lao PDR	57.70	53.21	51.86	19.36	29.18	31.56
Malaysia	51.84	54.86	57.11	52.65	54.86	56.47
Myanmar	-	48.82	53.60	-	52.08	56.58
Philippines	54.24	57.50	58.64	34.00	35.10	35.55
Singapore	49.81	49.39	51.72	53.02	51.54	51.48
Thailand	63.28	63.08	66.83	44.74	44.72	43.80
Vietnam	62.36	52.50	53.45	47.45	35.38	33.72

Source: Computed by authors from Trade Map Data, ITC (undated)

While the Indian interest in opening up of the ASEAN merchandise market is evident, inclination of the latter towards opening up of the market needs to be understood. The degree of export basket similarity between India and leading ASEAN economies can be understood with the help of Table 3, which summarizes the estimated bilateral export basket correlation coefficients for select countries at HS 2 digit level of aggregation through the STATA software. Higher value of the correlation coefficient indicate greater similarities between export baskets of two countries. This may pose a problem for future trade liberalization, as the partner economy would then be viewed as a potential competitor rather than a collaborator. It can be noted from the table that India's export basket displays greater degree of similarity with Brunei, Indonesia, Malaysia, Myanmar and Singapore. Degree of similarity with other ASEAN countries is however found to be moderate. The result indicates that India may not be viewed as a competitor across

all the ASEAN countries as far as merchandise trade is concerned and this offers a positive expectation for Indian exports in coming days. Nevertheless, securing productivity growth and production efficiency would play a key role in promoting Indian exports, given the greater economies of scale enjoyed by the ASEAN and Chinese firms in key manufacturing sectors.

Table 3: Export Correlation Coefficients between ASEAN Countries and India for Merchandise Trade (2013)

	India	Brunei	Cambodia	Indonesia	Lao	Malaysia	Myanmar	Philippines	Singapore	Thailand	Vietnam
India	1										
Brunei	0.78	1									
Cambodia	0.07	-0.01	1								
Indonesia	0.77	0.90	0.05	1							
Lao	0.44	0.51	0.10	0.54	1						
Malaysia	0.59	0.59	-0.01	0.74	0.33	1					
Myanmar	0.80	0.85	0.08	0.81	0.67	0.51	1				
Philippines	0.20	0.07	0.04	0.27	0.16	0.81	0.11	1			
Singapore	0.51	0.44	-0.01	0.54	0.20	0.93	0.36	0.85	1		
Thailand	0.46	0.21	0.03	0.38	0.11	0.69	0.21	0.67	0.71	1	
Vietnam	0.28	0.16	0.29	0.33	0.13	0.78	0.19	0.89	0.82	0.62	1

Source: Estimated by the Authors from Trade Map data, ITC (undated)

In addition, the Indian aspiration of entering into ASEAN IPNs has only been partially fulfilled so far (Anukoonwattaka and Mikic, 2011). Both-way trade exists in several manufacturing products, namely, automobile and auto-ancillary products, machinery and equipment etc., which implies enhanced trade flows in parts and components. Nevertheless, for fully participating in the ASEAN IPNs, India need to improve the infrastructure and connectivity considerably. One saving grace is that the outward orientation of the industries of both ASEAN and India are getting increasingly reliant on outward looking policies. Table 4, which draws data from OECD's Trade in Value Added (TIVA), summarizes the aggregate and select sectoral participation index for India and the ASEAN countries. The upper panel shows forward participation index, which indicates the "share of exported goods and services used as imported inputs to produce other countries' exports" (OECD, undated).

Since 1995, the index has considerably increased for nearly all the countries, showing their inclination in integrating with other economies. The bottom panel displays the backward participation index, showing "the value of imported inputs in the overall exports of a country" (OECD, undated). This denotes the importance of importing the raw materials and other semi-finished parts and components in promoting exports, which the countries are increasingly reckoning. Rising value of both the indices for ASEAN and India creates room for bilateral trade promotion not only in the final products but also in the intermediate goods.

Table 4: Deepening Production Integration of ASEAN and India in International Trade

Forward Integration												
Country	Overall		Chemicals		Base Metals		Machinery and		Electrical Equipment		Transport Equipment	
	1995	2009	1995	2009	1995	2009	1995	2009	1995	2009	1995	2009
India	14.2	20.3	2.5	1.9	0.6	1.0	0.1	0.3	0.2	0.9	0.1	0.2
Indonesia	18.8	29.3	2.5	4.6	0.5	1.2	0.1	0.3	0.3	0.9	0.1	0.2
Brunei Darussalam	19.3	32.2	0.8	1.7	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Cambodia	17.7	6.3	0.1	0.1	0.1	0.2	0.0	0.1	0.1	0.1	0.1	0.0
Malaysia	15.2	27.7	1.4	2.7	0.5	0.7	0.4	0.8	3.2	7.4	0.1	0.2
Philippines	16.6	28.3	1.1	0.6	1.3	0.3	0.1	0.1	2.2	14.3	0.0	0.3
Singapore	13.8	20.7	1.8	3.6	0.4	0.4	0.1	0.4	3.5	5.4	0.1	0.2
Thailand	12.0	18.3	1.4	2.9	0.5	0.9	0.1	0.2	3.4	5.3	0.3	0.3
Viet Nam	12.6	14.7	0.2	0.5	0.1	0.2	0.1	0.0	0.1	0.2	0.1	0.1
Backward Integration												
India	9.6	21.9	3.0	2.6	0.4	1.1	0.3	0.5	0.2	2.1	0.2	0.9
Indonesia	14.7	14.4	3.0	2.7	0.7	0.8	0.6	1.7	1.2	2.1	0.3	0.5
Brunei Darussalam	18.4	11.6	2.3	0.1	0.4	0.0	0.0	0.0	0.1	0.1	0.0	0.0
Cambodia	26.0	34.1	0.5	1.0	0.5	0.8	0.4	0.6	1.0	1.7	0.2	0.4
Malaysia	40.3	37.9	7.1	5.8	1.2	1.2	5.6	5.7	13.8	13.0	0.4	0.4
Philippines	30.9	38.4	1.7	0.3	2.1	0.2	0.4	0.4	8.5	32.4	0.2	0.8
Singapore	46.7	49.9	8.0	14.4	0.7	0.9	0.5	2.9	27.7	12.9	0.3	1.5
Thailand	29.8	34.5	3.2	3.7	1.1	1.6	0.5	0.8	15.2	17.2	0.8	1.5
Viet Nam	24.4	36.6	0.3	0.9	0.2	0.7	0.4	0.7	0.8	1.7	0.1	0.4

Source: Constructed by authors from the OECD TIVA database (undated)

Future Expectations on Trade in Services

Table 5: Global Market Presence of India and select ASEAN Countries in Commercial Services Categories (2013)

Share	India	Indonesia	Malaysia	Philippines	Singapore	Thailand
Transportation	1.92	0.41	0.53	0.18	5.01	0.70
Travel	1.59	0.79	1.86	0.41	1.65	3.64
Communications services	2.00	0.76	0.76	0.46	0.00	0.45
Construction services	1.30	0.90	1.13	0.09	1.81	0.87
Insurance services	2.14	0.02	0.62	0.09	4.01	0.23
Financial services	1.80	0.06	0.07	0.01	5.60	0.14
Computer and information services	18.28	0.08	0.74	1.03	0.00	0.01
Other business services	4.43	0.58	0.75	1.03	2.43	0.70
Personal, cultural and recreational services	3.11	0.47	0.51	0.27	1.04	0.19
Overall	3.26	0.48	0.86	0.47	2.64	1.27

Source: Computed by authors from Trade Map Data, ITC (undated)

In light of India's limited success in boosting merchandise trade flows with ASEAN countries to the desired extent, the opening up of the services market through the speedy conclusion of the proposed Indo-ASEAN CECA becomes all the more important. However, it is crucial to understand the extent to which the ASEAN countries would like to play a wilful host to Indian exports. This concern can be more pertinent in a situation where India and the ASEAN countries turn out to be competitors across service categories, and not collaborators. To understand this dynamics, Table 5 summarizes the global market presence of India and five major ASEAN countries in commercial services trade. The table indicates that India's market share in overall as well as individual service categories is much higher as compared to several ASEAN countries. In particular, the prominence of Indian computer and information services, other business services (which covers

miscellaneous business, professional and technical services such as legal, accounting, management consulting, public relations services, advertising and market research etc.) and personal, cultural and recreational services exports are distinctly observed. Barring the exception of Singapore in several categories (transportation, travel, insurance, financial) and Malaysia and Thailand in case of travel services (relating to tourism), other ASEAN countries generally have a relatively lower market share vis-à-vis India. The growing global presence in services coupled with the limited success through merchandise trade liberalization provides the twin motivations to India for opening up the ASEAN services market to Indian firms and professionals through speedy conclusion of the CECA negotiations.

Table 6: India's Opportunity in Services - Trade Complementarity Indices

Country	Indian Export / Partner Import			Partner Export / Indian Import		
	2008	2011	2013	2008	2011	2012
Brunei Darussalam	52.53	52.45	-	43.32	80.55	-
Cambodia	38.04	35.50	-	30.48	33.80	-
Indonesia	57.41	57.06	55.26	44.67	49.95	55.22
Lao PDR	25.05	29.18	-	26.80	25.51	-
Malaysia	56.45	52.18	54.59	49.27	53.92	50.45
Myanmar	44.63	61.60	-	32.54	74.64	-
Philippines	44.04	46.19	47.17	40.64	54.47	45.16
Singapore	60.86	86.03	56.33	54.34	80.53	82.17
Thailand	54.80	47.78	48.14	51.34	54.33	38.16
Vietnam	36.52	45.43	28.81	32.61	52.49	35.24

Source: Computed by authors from Trade Map Data, ITC (undated)

Unlike merchandise trade, obtaining bilateral country-pair wise services trade data is not possible, which pose a problem in precisely projecting India's opportunities in the ASEAN market. Nevertheless, with help of the overall trade data on services as obtained from Trade Map, ITC, the bilateral TCI has been calculated and summarized in Table 6. A comparison of 2008, 2011 and 2013 figures reveals that demands for major Indian service exports in the key ASEAN countries is witnessing a oscillating trend. In other words, a steady increase in India's export

complementarity with ASEAN import pattern has not happened and hence a sharp rise in Indian exports is not expected in the coming period, unless a major shift in ASEAN's demand pattern is witnessed. A similar trend is observed in the case of import complementarity as well, which may assure Indian players against the fear of an ASEAN onslaught in the post-CECA period. However, it deserves mention that the import complementarity with Indonesia, Philippines and Singapore has increased since 2008.

India's observed moderate services export complementarity in the ASEAN market can be explained further by their limited competitiveness in global market. To compare the competitiveness of Indian and ASEAN service exports, the Revealed Comparative Advantage (RCA) index of each major service export categories is separately calculated by using the following formula:

$$RCA_i = \frac{\sum A_{ix} / \sum A_x}{\sum W_{ix} / \sum W_x}$$

where,

RCA_i stands for RCA of the i-th service sector export from country A

$\sum A_{ix}$ stands for exports of i-th service sector from country A

$\sum A_x$ stands for summation of all service exports from country A

$\sum W_{ix}$ stands for exports of i-th service sector from the world

$\sum W_x$ stands for summation of all service exports from the world

A country is said to have a RCA in a product category, if the value of the index exceeds unity. Conversely, the country is said to be suffering from Revealed Comparative Disadvantage (RCDA), if the computed value of the index is less than unity.

The RCA results (rounded upto second decimal), comparing India with six ASEAN countries for which data in 2013 is available, have been summarized in Table 7. The table reveals that India enjoys RCA only in two sectors, namely, computer and information services and other business services. While the RCA over 2011-13 has declined for the former, the same has increased for the latter. It becomes evident that, while India in the post-CECA period may witness export success in these two categories in the ASEAN market, import from ASEAN is also likely to go up in several categories, e.g. construction services, financial

services etc. The result indicates that, India's advantage in the services sector with respect to leading ASEAN players is not homogeneous across sectors and the export prospects would vary from market-to-market depending on demand patterns and existing trade barriers.

Table 7: How Competitive India is in Services Trade vis-à-vis leading ASEAN Countries? RCA Results for 2011 and 2013

Sectors	India		Indonesia		Malaysia		Philippines		Singapore		Thailand	
	2011	2013	2011	2013	2011	2013	2011	2013	2011	2013	2011	2013
Transportation	0.66	0.59	0.82	0.85	0.54	0.62	0.41	0.38	1.94	1.90	0.69	0.55
Travel	0.54	0.49	1.57	1.64	7.27	2.16	0.73	0.87	0.70	0.63	2.65	2.87
Communications services	0.53	0.61	2.93	1.58	3.48	0.88	0.93	0.98	-	-	0.51	0.36
Construction services	0.26	0.40	1.07	1.88	0.41	1.31	0.10	0.20	0.59	0.69	0.43	0.69
Insurance services	0.86	0.66	0.05	0.05	1.08	0.72	0.18	0.20	1.24	1.52	0.16	0.18
Financial services	0.65	0.55	0.27	0.13	0.28	0.08	0.03	0.02	1.94	2.12	0.09	0.11
Computer and information services	5.94	5.61	0.18	0.16	5.99	0.87	2.39	2.20	-	-	0.02	0.01
Royalties and license fees	0.03	0.05	0.06	0.04	0.02	0.04	-	0.00	0.23	0.27	0.06	0.06
Other business services	1.18	1.36	1.09	1.20	0.58	0.87	2.21	2.20	0.87	0.92	0.62	0.55
Personal, cultural and recreational services	0.32	0.95	0.93	0.99	4.05	0.59	0.41	0.58	0.58	0.39	0.27	0.15
Government services, not included elsewhere	0.27	0.21	1.63	1.89	0.13	0.17	0.04	0.04	0.17	0.18	0.41	0.46

Source: Computed by author from Trade Map Data, ITC (undated)

While export of professional services and computer enabled services are expected to increase in ASEAN in the post-bloc period, the importance of removing the existing procedural hassles has already been noted (Chakraborty and Kedia, 2013). India has submitted requests to Indonesia and Malaysia for reforming their services trade policy framework, particularly in the field of removing local market tests (LMT) and economic needs tests (ENT), easing the visa granting procedure and enhancing higher duration and multiple entry for professionals, ensuring greater intra-firm mobility (IFM) and higher transparency in entry procedures, removing sector and mode-specific entry barriers etc.

These barriers on service sectors, once removed through the ongoing negotiations, would pave the way for Indian service exports in ASEAN countries. Nevertheless, the ASEAN countries have been quite cautious in making their commitments in the service sectors so far. This guarded approach, coupled with the challenge of negotiating simultaneously with 10 countries, has delayed the negotiation process for India.

Like the case of merchandise exports, with the help of bilateral export basket correlation coefficients, the degree of similarity between select ASEAN country and India in case of service exports has been constructed, which is summarized in Table 8. Interestingly, unlike the case of merchandise products, India may actually be considered as a competitor by many ASEAN countries, as the correlation coefficient between their service export patterns is found to be quite high. The result explains why the service trade opening up for Indian exports in ASEAN is relatively slower, as that suffers from the perceived threat to the domestic players and exporters.

Table 8: Export Correlation Coefficients between ASEAN Countries and India for Service Trade (2013)

	India	Indonesia	Malaysia	Philippines	Singapore	Thailand	Vietnam
India	1						
Indonesia	0.86	1					
Malaysia	0.77	0.98	1				
Philippines	0.84	0.99	0.99	1			
Singapore	0.79	0.39	0.24	0.35	1		
Thailand	0.73	0.96	0.99	0.98	0.18	1	
Vietnam	0.82	0.99	0.99	0.99	0.31	0.98	1

Source: Estimated by the Authors from Trade Map data, ITC (undated)

Conclusion

The future of the India-ASEAN trade looks quite bright on paper. The Indo-ASEAN merchandise FTA is already operational and both sides have agreed to achieve the target of trade worth US\$100 billion by 2015 and US\$200 billion by 2022, from the current level of US\$70 billion. In 2013, New Delhi inaugurated the ASEAN-India Centre, a resource centre for India-ASEAN strategic partnership, as a step towards fulfilling the vision statement signed in December 2012. The next step

in this direction is, setting up a separate ASEAN-India Trade and Investment Centre. This will take the partnership to a long way, thereby ensuring greater confidence building in doing business with each other.

Nevertheless, as the current analysis suggests, the process of ASEAN and India getting closer will take longer to conclude. Despite the positive vibes and confidence building measures, the two sides also share a cautious approach, in response to the mutual fear of hurting the domestic players from too fast bilateral trade liberalization. The fear exists for both merchandise trade and services, thereby complicating the scenario. However, lack of reform may only delay the process of getting closer through the operation of the IPNs. And only when the IPNs are fully operational, India's long term goal of acquiring technology and FDI flows can be realized.

One saving grace in this context is that from the successive world recessions and the associated trade repercussions in developed countries, both ASEAN and India have understood the importance of exploring further opportunities in each other's markets. It is therefore expected that the Indo-ASEAN FTA will soon be transformed to the Indo-ASEAN CECA through successful conclusion of the negotiations.

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- [1] The views expressed by the authors are personal and do not represent the same of their respective organizations.
- [2] ASEAN has Summit level partnership with only four countries, which includes, China, Japan, South Korea and India. This reflects that India receives enormous importance from ASEAN given the fact that ASEAN conducts separate meetings exclusively with the Summit level partners.

India and ASEAN

Ganganath Jha

India-ASEAN relations are growing and the bilateral trade figures have risen from US\$ 70 billion in 2010 to US\$ 102 billion in mid 2014, it is expected to reach the target of US\$ 125 billion by 2015. The Prime Minister of India, Sh Narendra Modi is committed to enhance India's business interests at the global level and he is determined to bring about structural changes to suit Indian economy to make it business friendly. His expressed vision to make India the hub of development activities and revive the dream of 'sone ki chidiya' which was the name of India in the pre-colonial past.

ASEAN is important to India as our destinies are commonly affected by major developments in the region. We are trying to bring about suitable atmosphere for better understanding, better connectivity, industrial parks, tourism and free trade. Thai, Indonesian and Chinese cuisines are easily available in important towns of India but lot has to be done to forge people to people connections.

India was embraced as a sectoral partner of ASEAN in 1992, as a dialogue partner in 1995 and as a summit partner in 2002. Several committees and working groups are submitting their proposals for better relations which had been doomed in the Cold War period. India and ASEAN have signed free trade agreement and both are trying to remove all trade barriers. Politics of ideology of the past have given way to politics of pragmatism. The revolutionary slogan of 'Proletariates of the World unite' is replaced by the ideology of 'Life, liberty and property' in conjunction with ethnicity and cultural identity and they evolved the idea of inclusiveness. Southeast Asian leaders have articulated the concept of Asian values and hence the rise of a new political culture is being supported. The regional cooperation in the current age of globalization has assumed importance because we are inter-dependent. The various countries are looking for their soft power outside their national frontiers and the role of diaspora has assumed importance in that context.

India has been proud of their civilization history. It is the birthplace of Hinduism, Jainism, Buddhism, and Sikhism. It is an important place

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for religious tourism. Its architecture and literature have influenced Southeast Asia. Its Bollywood is popular and its diaspora is influential. Overall efforts of the present regime in India are to make it business friendly and caring for countries in the neighborhood.

ASEAN countries are very important to us because of our proximity. It is a gateway for us to reach countries in Asia Pacific. To recall the opening sentence of the Bangkok Declaration (8th Aug 1967), 'Mindful of the existence of mutual interests and common problems among the countries of Southeast Asia and convinced of the need to strengthen further the existing bonds of regional solidarity and cooperation, desiring to establish a firm foundation for common action to promote regional cooperation in Southeast Asia in the spirit of equality and partnership and thereby contribute towards peace, progress and prosperity in the region, conscious that in an increasingly interdependent world, the cherished ideals of peace, freedom, social justice and economic wellbeing are best attained by fostering good understanding, good neighborliness and meaningful cooperation among the countries of the region already bound together by ties of history and culture' is relevant even now. Each word of the declaration are pertinent for regionalism and India has accorded importance to ASEAN under the priorities of Look East Policy and has signed Treaty of Amity and Cooperation, and MoUs to boost this spirit of cooperation to higher level. ASEAN and India are concerned about the rise of known traditional security threats, namely terrorism, piracy, smuggling and climate change. Al-Qaida, Jemna Islamiyah and other terrorist outfits have their own agenda of destabilization and they have their own history of violence. Again the Golden triangle including parts of Laos, Thailand and Myanmar are still producing opium. Any leader initiating any action curbing the activities of drug dealers are faced with risks. When Thai Prime Minister, Thaksin Shinawatra had empowered the police forces to take action against drug lords in Thailand, there were protests at the political level.

The ASEAN region is faced with the problem of piracy and smuggling around Malacca Straits, Sunda and Sulawesi. Again Indian Territory of Andamans has very often proved the conduit for the movement of contraband goods. Besides piracy, natural calamities like tsunami affects both India and ASEAN region and these are some of the reasons which need collective efforts for relief and rehabilitation. There are some common threats and common enemies in the path of development and that cannot be resolved satisfactorily unless we unite. The challenges of globalization and the question of regional identity are substantial

and in the meanwhile there is a need of regional consensus to eliminate subversive elements.

South Asia, demographically rich area and endowed with natural resources are least developed. It had established SAARC in 1985 to enlist regional cooperation but faced with a lot of political disputes and bilateral issues, the level of cooperation is not satisfactory. Most of the territorial problems arose because of the partition of India in 1947. The bilateral issues with Pakistan and others are not yet satisfactorily resolved. Kashmir issue is still being negotiated and India is concerned over the migration of people from one South Asian country to another. Bangladeshi refugees are still coming to India clandestinely and their repatriation has become a political issue.

India views ASEAN region as the hope for the future. ASEAN has resolved their political disputes by putting them under the carpet and has taken initiatives for economic and cultural cooperation. They took a united stand whenever they found the contingency as in case of Cambodia when Vietnam had intervened militarily and again when Norodom Ranaridh had been ousted from power. Their approach has been pragmatic and they have proved themselves successful. Again they have adopted the policy of preventive diplomacy to moderate the assertiveness of the Chinese over the South China Sea. The ASEAN is evolving peaceful means to tackle aggressive postures of its adversaries and have outlined ASEAN way to pave the path of socio-economic development. India will like similar developments in the South Asian region to remove the problem of hunger and unemployment.

India appreciates the culture and civilization of the ASEAN region. Myanmar, Thailand, Laos, Cambodia and Vietnam are Buddhists and a visit to those areas indicates the impact of Hinduism. The temple of Emerald Buddha in Bangkok, Wat Suthat in Laos, Shiva temples of Cham period in Vietnam and Angkor Wat temple in Cambodia, reminds us of our past connections with that region. The Rura Viharn Temple, dedicated to Lord Shiva, at the Thai-Cambodian border, is a beautiful tourist attraction. The visit to a museum in any of the above countries will show the images and sculptures of the Gupta period in India. Being a part of Subarbhumi, the various places in the region have their anecdotes and stories connected with Lord Buddha and Nakhon Pathom (Nagar Pratham) of Thailand is proud that it was here that Sona and Uttara, the emissaries of emperor Ashoka had given their first sermon about the tenets of Buddhism. On the other hand, Malaysia, Singapore and Indonesia have also the traces of Indian influence in their architecture, literature, customs and traditions. The temple of

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Borobudur in Indonesia is a living testimony of Indian culture as the architecture has various images of stories in Ramayana and Mahabharata. Again the Prambanan temple, situated nearby has a huge idol of Lord Shiva. It is interesting to find that the people on the island of Bali and Madura worship the ocean God and customs in the process have similarities. Although, few get an opportunity from India to observe customs and traditions in Southeast Asia, but they can understand better if given an opportunity. Similarly Southeast Asians can understand India better and can contribute to peace and development more after understanding the issues at the ground level. Indian and Southeast Asian cultural civilization travelled in the same boat in the pre-colonisation period and there is a need to find out the lost bonds of togetherness in this age of globalization..

India, as Narendra Modi has often articulated, that it has three assets namely democracy, demography and demand. Its IT sector is innovative and FDI is trickling in gradually. The modernization of agriculture, industries and technologies are undertaken. Its pace of development could be fast if there is peace. The ASEAN indeed took notice of India's potentials when Singapore Prime Minister, Goh Chok Tong had projected India as one of the two wings of ASEAN aircraft. For them, India may be considered the wing for ASEAN aircraft alongwith China and Japan but for India, ASEAN region is a source of inspiration, whose support can lead India to become an important hub of development activities of the 21st century.

India-Indonesia Collaborations and Prospects

Gautam Kumar Jha and Son Kuswadi

India and Indonesia have experienced very close historical and civilizational relations, which was actively fostered from the ancient times to 16th century AD. During the Indonesian freedom struggle, its leaders were very much inspired by the anti-colonial views of Mahatma Gandhi, Rabindranath Tagore, Jawaharlal Nehru, Vallabhbhai Patel and others. Indian National Congress had opposed British moves by expressing its resentment over the use of Indian resources, both human and material, against Indonesia and favoured the crusade for decolonisation.

During the post-colonial period, the bilateral relations passed through an incoherent phase coupled with confusion and misconceptions. Nonetheless, well-wishers in both the countries worked hard to bring the derailed train back on the track. The Look East Policy initiated by the Indian government during the 1990s enabled her to participate actively in the Southeast Asian affairs. India by leveraging its soft power, stable foreign policy, non interference policy established trusts among many Southeast Asian countries and in particular; Indonesia. Indonesia being the largest country in the region has been proved as one of the greatest allies.

Indonesian economy has displayed growth and dynamism over the last two decades. Though problems remain, country's resilience in the wake of the last global economic crisis is commendable. There has been a remarkable improvement in the country's infrastructure. Democratic setp

Indonesia, the world's largest archipelagic country is the third largest democracy after India and the US. There is little doubt that as the rest of the world looks up to Indonesia to throw a viable and strong leadership, its mature electorate is gearing up to show the power of democracy. After a decade of stable governance with President Susilo Bambang Yudhoyono, popularly known as SBY, at the helm, Indonesia now has a fairly strong democratic setup. The country made the

transition after 31 years of dictatorship under Soeharto, who was ousted from office in May 1998.

The incumbent regime has pushed Indonesia to a better economic status but amid ever-increasing corruption in Government. As Indonesia grappled with the Asian economic crisis and ethnic and sectarian clashes in 1998, it saw three consecutive short term Presidents in the following years—BJ Habibie, Abdurrhaman Wahid and finally Megawati Soekarnoputri, who was defeated by SBY in 2004.

Now, when both the countries are poised to fly high after having witnessed considerable economic reforms, they need to forge stronger ties in order to further expand bilateral trade and strategic relations. The paper analyses the scope and strength of the bilateral ties between India and Indonesia while sharing views and suggestions as how we can further reinforce our joint agendas on various subjects of national interests.

Since its inception as a nation-state India stressed on solving its basic needs and problems by emphasizing on the higher education and science and technology. It had to come over with numerous challenges i.e. to feed one of the highest populations in the world, to counter aggressive neighborhood i.e. China and Pakistan and also emerge at par with the developed countries in the world. Jawaharlal Nehru, the first Prime Minister of India (1957-1964) initiated various reforms in the higher education, science and technology. Having closer ties with the Soviet Union initially, it realized the dreams of producing state of the art technologies which fulfilled the needs of the mass.

The foundations of Indian Institute of Technology (IIT), Indian Space Research Organization (ISRO), Bhabha Atomic Research Centre (BARC), and All India Medical Institutes (AIMS), were few examples of Nehru's progressive thinking.

Historical evidences show that India was a hub for higher education for the overseas scholars. It had already discovered the concept of gravity and atom during the 2nd or 6th Century BCE (as per the two sources) by Maharishi Kanada.^[1] Panini, the Sanskrit grammarian and mathematician from ancient India (4th Century BCE) whose grammar; the Ashtadhyayi is one of the earliest known grammars of Sanskrit to be used in the modern day's computer science.^[2] Thus, India only needed the right platform and with apt infrastructure to launch itself.

There are scores of field in the science and technologies where India can collaborate with Indonesia for various positive reasons.

Geographical and cultural proximity makes the atmosphere conducive for both the countries to collaborate each other. With Indian investment of passing \$20 billion US dollar mostly in the field of power and automotive, and cooking oil, the two countries' target to achieve a bilateral trade of \$25 Billion by 2015 does not seem to be farfetched objective seeing the increase in the trade volume.^[3]

Trade Volume between India-Indonesia during the year 2007-11^[4]

Year	Trade Volume (\$ Million)	% of Growth
2007-8	19,421	2.95
2008-9	30,751	58.34
2009-10	41,009	33.36
2010-11	45,136	10.06

The recent space activities have placed India among the peer group of few countries in the world and the same has immensely inspired Indonesia. In near future the Indonesian government can take advantage of the present cordial relations with India in exchanging the know-how in the field of space technology.^[5]

The Mangalayaan, the Indian Mars orbiter which was launched into earth orbit in November 2013 by the Indian Space Research Organisation (ISRO) has been travelling at a speed of 1.55 km per second and expected to reach the Mars orbit on September 24, 2014^[6], is still in current news and the whole world is crossed finger to see the 'mission complete day'. The significant aspect the entire process of launching of the Mangalayaan is; its cost. The world is surprised to see cost of the entire project which was mere Rs. 4.54 billion (US\$ 76 million), which is incredibly cheaper as compared with a Hollywood space science fiction movie "Gravity" which cost US\$ 100 million.^[7] These successes led ISRO to commercialize the technologies and they have recently launched five foreign satellites onboard the Polar Satellite Launch Vehicle (PSLV-C23) in June 2014.^{[8],[9]}

As technologies are being improved in India, there has been rapid advancements in automobile, engineering, pharmaceutical, health care, media, entertainment, and telecommunication sectors as well. In the field of Media and Entertainment (ME) industry, especially Indian film industry has already established its strong global foot.

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This sector was valued at US\$ 16.3 billion in 2010, which is projected to grow at compound annual growth (CAGR) of 12 % to reach a value of US\$25.8 billion in the next four years.^[10]

Indian government declared 2010-2020 as the “Decade of Innovations”, which prompted the whole world being optimistic towards India’s future. As per Economic Times Report, multinational companies present in India have set up more than 750 R&D centers across the country for the last 20 years with added advantage of vast talent pool of young professional from the top science and technology institution.^[11] Moreover, India is highly attractive for the investors due to competitiveness in the labor cost and inexpensive manufacturing capabilities.

As 2014 general election was fought only on the issue of the progress and development India is still faced poverty, corruptions, poor infrastructure despite globally acclaimed rapid economic growth in the last decade.^[12]

There is a great need of potential strategic partnership between India and Indonesia. India endowed with the achievements in the science and technologies and Indonesia having abundance of natural resources can be combined for the welfare of humankind.

Collaborations Executed

1. 1955: An MoU signed in 1955 for cultural and educational relations. Based on the MoU several activities were realized such as M. Tech degree program on water resources management for Indonesian engineers at University of Roorkee (now become IIT Roorkee). Indian scientists and engineers have been visiting Indonesia in order to make joint efforts in the field of agriculture, family planning and illiterate eradication etc.
2. 1982: Establishment of Joint Science and Technology Committee co-chaired by Secretary the Department of Science and Technology, Government of India and Secretary, Ministry of State for Research and Technology, Government of Indonesia.
3. 2000: An MoU signed by Minister of State for Research and Technology of Indonesia and, Minister of State for External Affairs of India. The MoU then renewed and signed by Ministry of State for Research and Technology of Govt. of Indonesia and Department of Science and Technology, Govt. of India, during the Indonesian

President S.B.Yudhono's state visit in 2011. Under the MoU among the several collaborations the Space technology cooperation between National Institute of Aeronautics and Space (LAPAN), Indonesia and Indian Space Research Organization (ISRO).

4. 2002: Under a new MoU ISRO built Telemetry, Tracking and Command (TTC) Station in Biak (West Papua, Indonesia). LAPAN and launch its LAPAN TUBSAT nano satellite using PSLV launcher of ISRO in 2008. Another LAPAN satellite such as LAPAN A2 and LAPAN-Orari already in pipeline to be launched. Nano satellite that jointly built by 6 Indonesian universities/institutions under INSPIRE Project will also be launched by ISRO launcher. A remote sensing data reception from IRS satellite wil jointly developed in Parepare Ground Station, Indonesia. Centre for Space Science and Technology Education in Asia and The Pacific (CSSTEAP) was established on November 1, 1995 as multilateral collaboration among Asia Pacific nations in space science education, which India hosted the organization and Indonesia' LAPAN Chairman as one of Governing Board. Many Indonesian engineers coming from research and educational institutions were studied in the centre through the Indian Institute of Remote Sensing (IIRS) at Dehradun, Space Application Centre (SAC) at Ahmedabad and Physical Research Laboratory (PRL) at Ahmedabad^[13]

There are numerous fields in international relations, politics, law, geopolitics where India can pass on the knowledge to Indonesia. For example, becoming the member of BRICS and make it as "BRIICS" where India can support Indonesia to become the 6th partner in order to create a further flow of economy and one day Indonesia can even chair the BRICS.

India can jointly be consulted on the peaceful solution of South China Sea conflicts and probably Indonesia can take a lead into it taking consensus from ASEAN nations given the example of India's no aggression policy. By brining India into the conflict can retard China's aggressiveness towards the boiling conflict.

Although we have achieved a tip of the iceberg in our joint collaboration efforts, I think given the timeline with the check and control points there are abundance of prospects ahead in field where joint efforts can yield rapid developments in the field of cheaper and easy technology to be used for education, agriculture and other developmental tools. However, there are many steps needed to bring the collaboration into a meaningful result. It must be started by strong policy from both

countries leader, followed by firm and realistic cooperation that mutually advantageous.

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India and ASEAN: A Multifaceted Relationship

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India's relationship with ASEAN (Association of South East Asian Nations) remained one of the most debated areas of engagement on politico-economic, security, social and cultural spheres. A good number of factors contributed to the growth and development of India ASEAN relation from different perspectives. However, the possibilities of comprehensive engagement had never been died off that India became a dialogue partner of ASEAN in 1992 and was upgraded to full dialogue partnership in 1996. Expressing the importance of this relationship, Sri I K Gujral, the then External Affairs Minister, declared at a ASEAN conference in Indonesia that, 'we see the full dialogue partnership with ASEAN as manifestation of or look east destiny...India would work with ASEAN as a full dialogue partner to give real meaning and content to the prophecy and promise of the Asian century that is about draw upon us'.^[1] All those efforts of cooperation could be explained from the very designs of India's Look East Policy, initiated in 1990s, reached its first milestone in 2004 at the ASEAN –India Summit meeting in Vietnam and the second milestone on the occasion of the 20th anniversary of dialogue level partnership with a Commemorative Summit in New Delhi in 2012 under the banner of 'peace and shared prosperity'.

India's relation with Southeast Asia passed through multiple vicissitudes at several points of history. Even if India started expanding its influence over the Southeast Asian region in 1950s, close cultural relations between these two regions dates back to pre historic times. Perhaps no other country has influenced the region as much as India by way of religion, culture, language and civilization.^[3] In ancient time Indian traders frequently visited Rome, China, west Asia and south-east Asia. Marines of east coast of India first obtained knowledge on the use of monsoon winds for maritime trade with Southeast Asia. The ships used to come to Palura, a port in the eastern coast of India from the celebrated port of south India, Arikamedu, crossed the Bay of Bengal and went to the delta of Irrawardy and thereby proceeded to the Malay peninsula. A large amount of Indo Roman trade had been carried on these areas.

India and ASEAN: A Multifaceted Relationship

Even after the decline of the Indo Roman trade in 3rd-4th century BC, India's trade with Southeast Asia did not end up. Apart from these close economic relations, cultural interactions created conditions for mutual bonding and cooperation, however, the gradual expansion of Indian civilization and migration of people gave birth to the theories of Indianization or transfer of Indian culture to the region. However, it does not imply that India established her colonies in this region rather it was the geographical proximity between these two regions what crystallized socio cultural affinities. Shipping across Bay of Bengal was mostly taken care of by some southern Indian states of which the Cholas were in prominence. In the fourth and fifth centuries AD the contact between Indian and Southeast Asia reached the peak that it created the strong connotation of a 'Greater India'. However, the theory of a large scale mass migration has not been supported by some historians who stressed on trade Diasporas of Indian settlements at the main centers of commercial interest. In consequence the process of Indian cultural expansion to Southeast Asia was realized peacefully and was non political in character. No doubt the economic affluence of this region was an attraction for the Indians. The names like Suvarnabhumi (land of gold), Suvarnadwipa (island of gold), and Karpuradwipa (land of camphores) are indicating to the economic enrichment of this region. Side by side the coming of Buddhism also channelised the possibilities of Indians migrating into these regions. In the longer run, however, Hinduism, survived only in Bali Island and a few minor centers. It was the commercial missionaries by whom the later religious changes occurred in this region. Buddhism took a hold over Vietnam, Thailand and Burma while in later years the Muslim trade diasporas entered into the regions of Malaya, Indonesia and southern Philippines.^[4]

In colonial time India Southeast Asia relationship went into a phase of disruption. The glorious history of 'Greater India' began to get imprisoned into the narrow contours of plantation economy. Many Indians went to the British colonies of Singapore, Malay, and Myanmar for working into the plantation sectors of rubber, coffee and tea. Although a few Indians opened up different businesses there, in general they could not survive from the indigenous hostility of identifying with the colonial interest. Later a large number of migrant Indians took part into the freedom struggle of the Indian National Army under the leadership of Subhas Chandra Bose and others. Very naturally Indian freedom struggle against British colonial rules provided a great impetus to the Southeast Asian freedom struggle. Indian National Congresses developed a close contact with the leaders from this region. In fact a trend of Asian bonding or Asianism gradually emerged on the scene

against the West. After Indian independence, Prime Minister Jawaharlal Nehru took an active role in the Asian Relations Conference, convened in Indonesia in 1949 to express support to Sukarno led freedom struggle against the Dutch colonial rule. No doubt the freedom struggles in Indonesia and Vietnam helped India to formulate its nascent foreign policy after independence. India's interest in balancing its relation with south East Asia could also be visible in the policies anti colonialism of Non Alignment in post colod war period. Her efforts as a regional power were recognized when India became the chairman of the International Control Commission under the 1954 Geneva Accord on Vietnam followed by her active participation in the Bandung Conference in 1955 (Afro Asian Conference). It was proved to be a turning point in the history of India south East Asia relations because gradually the relationship began to experience dramatic decline for numbers of reasons. India's policy of Non Alignment which had shown its impact during the cold war period gradually lost its momentum after the humiliating defeat of India in the Sino Indian war of 1962 and of Pakistan in 1965 and 1971.. This war in fact enabled Jawaharlal Nehru to give up his prosperous design of Non Alignment and to concentrate on building up the defense of the country. Indian foreign policy afterwards went into the path of security- defense formula, thereby bringing India closer to former Soviet Union. The coming of bi polar politics in Southeast Asia and the formation of ASEAN by anti communist regimes and the geo political realities of security and defense forced India come to terms with new developments. Even though India conformed its relations to Indonesia, Myanmar and Philippines, the India –Soviet Peace and Cooperation Treaty (1971) strained her relationship with these countries. India's support to the Indo Chinese communists in the Vietnam conflict worried the ASEAN countries.

After the end of the US led war in Indo China and the clash between China and Vietnam in late 1970s, India's attention to South East Asia took a new turn. In spite of various strategic and diplomatic differences, things began to change in 1980s. With the collapse of the Soviet Union and the reduction of the American forces in the region along with the economic liberalization of India in early 1990s forced India to pay attention to Southeast Asia. There were fears of power vacuum that a politically and economically strong China could easily mould things into her favour. The ASEAN countries were not also free from this concern. This shared perception including India's liberal economic policies compelled New Delhi to look east.^[5] On the other, India's image as a growing military power did not allow the Southeast Asian nations to sit idle. ASEAN nations realized the importance of India as an

emerging power in the uncertain political situation of post cold war period. However, the bi polarities of the cold war politics which had its impact over India Southeast Asia relationship were over then. Both of the regions were eager to start a fresh that the ASEAN seemed to respond positively to Indian overtures.^[6] The economic opportunism offered by the Indian markets also attracted many Southeast Asian countries. Companies from Southeast Asia began to invest more in India after 1991 and capital flowed from Thailand, Malaysia, and Singapore. Along with China and Russia India became a full dialogue partner of ASEAN in 1995 and became a member of the ASEAN security forum-the ARF (ASEAN Regional Forum). In fact the Look East policy became a multifaceted approach to develop strong political as well as economic bond between the regions. From 1998, India's Look east Policy saw greater efforts at links with CLMV states(Cambodia, Laos, Myanmar, Vietnam). India was aware of the fact that economic cooperation with the ASEAN depends on how fast the new SEAN countries are developing with roasts of the ASEAN countries.

On the political front Indian ASEAN Summit was in 2002 followed by India's inclusion into the East Asia Summit (EAS) in 2005 while in the economic front India signed free trade agreements with Singapore and Thailand and other initiatives like the Mekong –Ganga Cooperation,^[7] Bay of Bengal Initiative for Multi Sectoral Technical and Economic Cooperation and others. Most of the ASEAN initiatives came as a part of ASEAN policies of regionalism. The Mekong Ganga Tourism Investment Guide was to facilitate tourism in the region and develop transport networks like East West corridor and the trans Asian highway. Established in 1967, ASEAN has long been the organization of economic integration in East Asia. India by 2010 has emerged as ASEAN's 6th largest trading partner and ASEAN became India's 4th largest trading partner in 2009 (next by European Union, United States and China). For India trade with ASEAN is way of developing the poor northeastern states while ASEAN views India's trade with Laos ,Cambodia, Vietnam, Myanmar emerged as a means of getting these less developed states into the network of intra Asian trading system. India ASEAN economic engagements are taken care of by different official arrangements like ASEAN-India Trade Negotiation Committee, ASEAN-India Business Summit, ASEAN-India Business Council, SEAN-India Business Minister's Meetings, ASEAN-India Working Group on Trade and investment.^[8] Apart from creating the ASEAN India business council, India offered to come into a formal agreement with the ASEAN on the Regional Trade and investment Agreement (RTIA) or a free trade area which has been agreed upon to be realized by 2016. Among

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the ASEAN nations, Singapore and Thailand quickly responded to Indian market economy and expressed concern for their over dependence on China and such an outlook is leaving its impact on other Southeast countries too. In spite of growing trade networks between ASEAN India, several challenges are getting large like absence of a harmonized railway network, absence of stable highways, underdeveloped border(land) custom stations, inadequate security and others. Lack of proper transportation is a major setback in the path of stable trading networks between these two regions. Good communication system over land would reduce high transport costs, increase trading flows, reduce poverty, expand markets and would develop the standards of lives of its citizens. There is recognition of integration at broader pan Asian level which could fuel future growth in this region like the formation of regional trading blocs in rest of the world.^[9]

In the history of India ASEAN relations the China factor emerged at a later phase. China ASEAN went into an agreement in 2002 to establish a China ASEAN free trade area. This agreement not only helped China to rise over East Asian economy but also to provide safeguards to less developed ASEAN countries. Although from Japan and ASEAN point of view Indian could be a counter power of China in the Southeast Asian region, but India was not ready to accept such a role.^[10] However, to take hold of the situation India hold joint military exercises with selected ASEAN countries. It is obvious that one of the reasons why ASEAN wanted India to be a part of the regional affairs was the concern with China. However, none of parties were interested to create an impression that Indian involvement in Southeast Asia was any way influenced by China. Southeast Asia is a wide region to cooperate multiple interests and there are several institutions to maintain the balance of power in that region. More over India's emerging concern for defense and security led her to make closer ties with Southeast Asian countries Since 1995 the Indian navy has been hosting a biennial naval gathering at Port Blair.^[11] India's strategic interaction with different Southeast Asian countries ensured India's interest that Southeast Asia would not be dominated by any regional super power and India had entered into bilateral defense cooperation agreements with Malaysia, Vietnam, Singapore, Laos and Indonesia. Infact it is one of the successful area where ASEAN Indian mutual engagements reached a level of confidence and understanding. India shares maritime border with Thailand, Malaysia, Myanmar and Indonesia and land border with Myanmar.^[12] Both ASEAN and India share similar security concerns apart from the issues like terrorism, narcotics, piracy and sea route protection. The last one is one of the major issues of concern like

terrorism. In order combat terrorism jointly the ASEAN India went for a joint declaration in 2003 on Cooperation to Combat International Terrorism. In absence of any territorial or border disputes such an understanding ting became more meaningful because India is seen to be not having any secret ambition and posing no security threats to the Southeast Asian region. However, the insurgents groups working secretly on the India Myanmar border became a threat to India's integrity. This is in fact a very serious issue on the long line of border along with problems like smuggling, drug trafficking and illicit trafficking of fire arms.

If defense and security issues are the prime concern for both ASEAN and India, health, environment, agriculture and others are also in the list of shared commitments. During 2004 when the disaster of tsunami rocked south and Southeast Asia, the essence of assistance and cooperation could be visible. In the scientific and technological sector such an essence of cooperation was proved to be helpful specially in ASEAN India IT Ministerial and IT Industry Forum. Biotechnology, tele medicines, pharmaceuticals, space technology—these area also becoming more important now a days. An Asian e networking project on Tele medicine and Tele education has already been established between ASEAN and India. They have decided to establish an ASEAN India biotechnological institute and ASEAN India digital archive soon. The convergence of interests between ASEAN –India on several fronts gives a strong impression of cooperation in near future.

However, unlike the European Union, ASEAN is not and is unlikely ever to become a political organization whose collective aspirations are institutionalized in the form of a supra national power. SEAN did not have organized sufficient military resources to become a deciding power in its geographical domain and peripheries. ASEAN members are not committed through treaty obligations to offer assistance in case of armed attacks on one or more. They don't have any collective defense policy.^[13] As a result it becomes a question that to what extent India and ASEAN cooperation could ensure peace for other developing countries in Asia and Africa. On the other, ASEAN is seen to have taking interest on those international issues which have hardly any resemblance to India's interests. ASEAN as a regional organization established close contact with European Union countries, Canada, Australia and United States of America, but not with the developing countries of south Asia. Her relationship with India is yet to go a long path. To option maximum benefits from the Free Trade Area India needs to undertake reforms in taxation, infrastructure and governance^[14]. Apart from this, extreme

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possibilities are hidden into media, entertainment, tourism and technological services. The 4th ASEAN India tourism ministerial meeting was held in 2013 when a protocol to amend the MoU on strengthening tourism cooperation was signed and a website was launched. Side by side Visa on Arrival facility was extended to seven ASEAN countries. In Bangalore 2012 the first meeting of the space agency's of ASEAN and India was held followed by a conference on climate change at the Indian Institute of Science. Exchange programmes are organized between these two regions like Media Exchange, Youth Exchange, Special Training courses, Lecturer Series, Language Training courses etc. Institutional integration between India and Southeast Asia is not limited to ASEAN alone. Today India is interested to develop relation with sub regional groups with potentialities. India took part in the India-Ocean Rim Association for Regional Cooperation including others. India achieved success from her integration with regional institutions under the preview of the Look East policy. India cannot stay aloof from her responsibilities as a regional stake holder. Her role is getting more critical in terms of strategic discourse and security issues. With the establishment of the Nalanda University and an ASEAN India centre, the wheel of an integrated Asian community has been set to motion. ASEAN India partnership holds tremendous possibilities for successful future. There are concrete challenges to be tackled before achieving a consolidated Asian community, important efforts are being made by both of the sides in developing synergies for shared benefits and mutual cooperation on the basis of strong policy initiatives. It is expected that India's multi faced relationship with ASEAN countries, successful defense diplomacy and the culture of regional multilateralism will develop further in near future and it will create scopes and possibilities of greater Indian involvement in the Asia Pacific.

Concluding Remarks

Unlike Japan and China, India has no history of invasion or domination in East and Southeast Asia, and it enjoys remarkably strong and cooperative relationships with all key Asian power centres, with the exception of Beijing.

As Singapore's Foreign Minister George Yeo puts it, 'We see India's presence as being a beneficial and *beneficent* one to all of us in South-east Asia.'^[15] (Emphasis added)

India has tremendous soft power potentials. Due to obsession with idealism India initially and during the period of cold war never perceive

soft power as an important component of foreign policy. After the end of cold war efforts have been intensified to use soft power to promote national interests. More than 4 million Indian Diaspora lives in ASEAN region in addition of our culture, religion and social values have been respected immensely by ASEAN region in particular and in the larger context of Asia-Pacific in general. According to the investment bank Goldman Sachs, the Indian economy will quadruple in size from 2007 to 2020, and will surpass the size of the US economy to be second only to China's by 2043.^[16] The projections are not difficult to achieve but need strategy. It could be started with the component of soft power from ASEAN region. In the entire Asia-Pacific not a single country could term India as expansionist. In contrast China is being perceived as the expansionist country.

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Political Turmoil in Thailand and its Significant Consequences on ASEAN Travel & Tourism and its Overall Effect on India

Manoj Kumar and Anuja

Thailand has arguably had the most volatile history of democracy in Southeast Asia. There have been numerous military coups in recent decades – this is the 12th since the end of absolute monarchy in 1932. The last coup before this one was in 2006, when the Prime Minister Thaksin Sinawatra was toppled by the army being accused of corruption. Throughout the 20th century, the country witnessed over a dozen military interventions like a bloodless coup in 2006, Red Shirt protesters in 2009, anti-government protests in May 2010 and 2013. There is still no end in sight for Thailand's political crisis. On January 21, 2014, a 60 day state of emergency was declared, providing the government with the authority to invoke curfews, censor the media, disperse gatherings, use military force to "secure order," detain suspects without charge, ban political gatherings of more than five people and declare parts of the country inaccessible. Recently, Thai court ordered PM to step down in a divisive ruling that handed a victory to anti-government protesters who have staged six months of street protests, but did little to resolve the country's political crisis.

The political turbulence lasted for more than seven years since the government of Thaksin Shinawatra was toppled by a military coup in September 2006. Without the intervention by the Thai military, the judiciary or other decision-making forces, Suthep Tuagsuban's "Shut down Bangkok, Restart Thailand" campaign, which started on January 13, 2014, have prolonged the present political deadlock. Indeed, it may last even after the February 2014, election as the Democrat Party and its antigovernment supporters boycotted the national poll. But the side-effects of the years-long attempt to root out Thaksin's influence from Thai politics goes beyond domestic political instability and polarization (Chingchit, 2014).

On the international front, Thailand's relations with foreign countries are being jeopardized by political scams aiming to discredit Thaksin and his party-led government. For some countries, engaging with Thailand without being drawn into the existing political game is becoming increasingly difficult (Chingchit, 2014).

The main objective of this paper is to focus mainly on the significant consequence which is affecting the tourism of other ASEAN countries as well as India, who is a full dialogue partner since 1995, with the political instability in Thailand and tries to locate what are the other socio-cultural and economic effects taking place out of it in their partnership. The study is based on the secondary sources which also includes the government sources and data available.

India is an important trading partner to ASEAN albeit on a lesser scale compared to the existing main partners. The emergence of India as a newly industrialised country has provided the impetus for increasing trade and investment with ASEAN. In terms of growth area for ASEAN, India has the potential to become a key partner but this can only be done with improved connectivity links. India is considered to be an important and influential actor in Asia as well as on a global level. India was welcomed as an ASEAN sectoral dialogue partner in 1993, and the status was later upgraded to a full dialogue partner in 1995. Subsequently, India joined the ASEAN Regional Forum (ARF) in 1996. Thailand as a founding member of ASEAN will surely gain from ASEAN's enhanced relationship with India. Thailand as a country has also been looking "West" and exploring the potential of increased trade and investment with India. Thailand and India have strong cooperative relationship in the East Asia Summit (EAS), the Bay of Bengal Initiative for Multi-sectoral Technical and Economic Cooperation (BIMSTEC), the Mekong-Ganga Cooperation (MGC) and the Asia Cooperation Dialogue (ACD) (Banomyong, Varadejsatitwong & Phanjan: 2011). But the question remains standstill whether the existing connectivity links between ASEAN and India can be improved as the political turmoil in Thailand hindering the development of increased trade and investment flows in ASEAN and their partners?

India and Thailand, located in each other's extended neighbourhood, share unique civilizational links going back several millennia. The shared link of Buddhism is reflected in regular pilgrimages to places of Buddhist interest in India by a large number of Thai people. Hindu elements can be found among those reflected in Thai architecture, arts, sculpture, dance, drama and literature. The Thai language incorporates Pali and

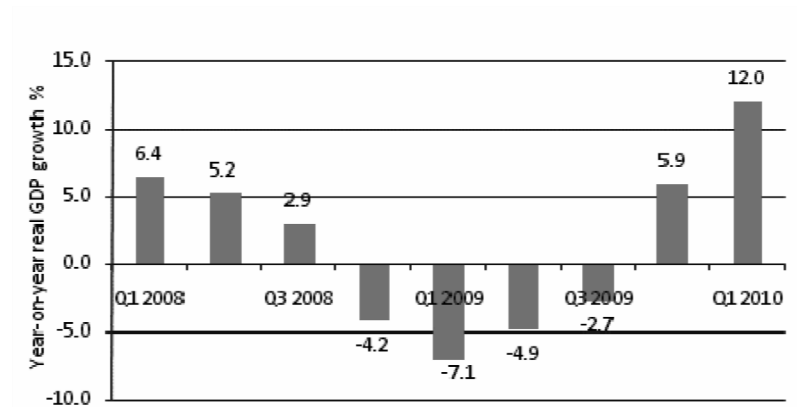
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Sanskrit influences. A large Indian Diaspora living and working in Thailand is another important bond. Economic & commercial linkages form an important aspect of India's partnership with Thailand. The past few years have seen a rapid growth in this area. Air connectivity between India and Thailand is growing with nearly 140 flights per week, reflecting rapidly growing passenger traffic between the two countries. Bangkok is connected by air to 9 Indian destinations. India and Thailand are cooperating closely on improving regional connectivity through initiatives such as India-Myanmar-Thailand trilateral Highway, Asian Highway Network (under UNESCAP), BTILS under BIMSTEC framework. About 790,000 Indian tourists visited Thailand in 2010, making India one of the fastest growing markets for Thailand for inbound tourism. In 2011, the number is about 8,30,000 for Jan-Nov 2011 (some slowdown in later part of the year is due to floods in Thailand) The number of Thai tourists to India is around 45,000 (mainly to Buddhist pilgrimage sites). Even cultural exchanges take place under the framework of a Cultural Exchange Programme (CEP) between the two governments (www.indiathailandrelations.com, 2012)

Thailand's political dysfunction has significant and varied consequences on the economy which adversely affects tourism, consumer spending and investor confidence not only in Thailand, but also in neighbouring ASEAN countries which to some extent will hamper the relationship with India too. Thailand experienced rapid economic growth between 1985 and 1996, becoming a newly industrialized country and a major exporter. Manufacturing, agriculture, and Tourism are leading sectors of the economy. Among the ten ASEAN countries, Thailand ranked second in the 2014 United Nations Human Development Index (HDI), which measures quality of life according to areas such as life expectancy and income. Its large population and growing economic clout have made it a middle power in the region and around the world. Since the 2006 coup, Thailand has been gripped by political turmoil which continued with April 2009, Red Shirt protesters – caused the cancellation of the ASEAN summit and their latest anti-government protests went on from March to May 2010. In 2009, real GDP contracted by 2.3% year-on-year largely as a result of falling demand for Thai exports amid the global economic downturn. In Q1 2010, real GDP growth was strong at 12.0% year-on-year, following 5.9% growth in Q4 2009 (Graph: 1). The rise stemmed from growth in exports, private consumption expenditure and investments.

Graph 1: Annual growth in real GDP in Thailand: Q1 2008 - Q1 2010

Annual % change



Source: Bank of Thailand.

Despite the strong annual real GDP growth in Q1 2010, the latest political unrest in Thailand is a concern not only for the Thai economy but for the ASEAN region as a whole. Thailand, accounting for 17.7% of the ASEAN's GDP in 2009, is an important driver of economic growth for the region. Thailand's economy is the ASEAN's second largest after Indonesia. The country already seems likely to post the weakest growth rate in the region at below 3% this year (2014) or barely changed from an already anemic 2.9% growth recorded last year.

Tourism vehicle for development

A number of countries consider tourism to be an important vehicle for economic and socio-cultural development. This industry has potential to generate foreign exchange earnings, create employment, promote development in various parts of the country, reduce income and employment disparities among regions, strengthen linkages among many sectors of the national economy and help to alleviate poverty (Holden, 2000). Tourism in Thailand has been also the most effective and beneficiary in economic terms. For an example: the international tourists are too high and with an effect of this foreign exchange earning of the country is on the top of the nation's revenue earnings.

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Tourism primarily reflects the economic activities generated by industries such as hotels, travel agents, airlines and other passenger transportations services. Also, it includes the consumptions activities supported by tourist. It means that a high proportion of GDP of Thailand is supported by tourism or tourism related activities. According to the graph from the World Travel & Tourism Council, it shows the direct contribution of tourism to GDP of Thailand. There is about 7% of GDP supported by tourism in average annually. This is a high ratio and proves that tourism affects positively to the economy of Thailand.

On the other hand, as tourism is important to the economic development of Thailand, it provides a lot of job opportunities to the local population. According to the graph from the World Travel & Tourism Council it shows that tourism generated about 2,000,000 jobs directly in 2011. Employment by hotels, travel agents, airlines and other passenger transportations services are the examples of job opportunities brought by tourism. Tourism increases the supply of jobs. This can help to reduce unemployment rate of Thailand. So, besides engaging the GDP, tourism also benefits to the societies of Thailand.

It is very much evident from the above data source of World Travel & Tourism Council Tourism (WTTCT) that tourism could contribute to poverty alleviation through job creation and productive employment by offering labour- intensive jobs and small- scale business opportunities that generally employ a high proportion of women and unskilled youth and these tax revenue from tourism could be used to improve education, health and infrastructure development of the host country.

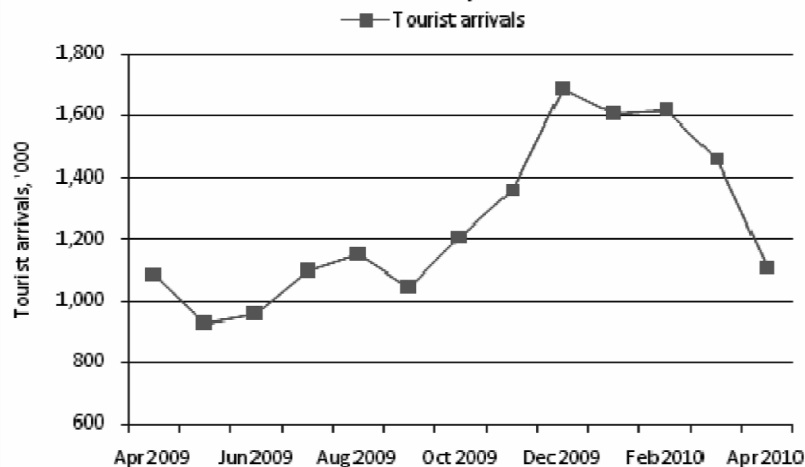
Therefore, many developing countries perceive tourism as a fast track to economic growth. They assume that tourism development requires less investment than other industries; and they believe tourism to be an effective means of creating job opportunities and increasing local income. This gives an impetus to national income as well as to individual's income. This sector creates demands for services and consumer goods, which stimulate the production sectors bringing with it an automatic increase in national consumption. (Holloway, 1985)

The types of economic benefits and economic development that tourism can bring to the host country are very well discussed in the above paragraphs. These economic benefits and costs of tourism reach in the region in one way or another. Economic impact analyses provide concrete estimates of these economic interdependencies and a better understanding of the role and importance of tourism in a region's economy. The strong links that exists between tourism and economic

development is also underlined by the governmental responsibility. It is the government who has to take care of tourism development which has the economic benefits for the country. But when government itself is not stable than the economy of the country will definitely go down and to some extent the concept of John Naisbitt, in his best selling book “Global Paradox”, *that tourism will be one of the industries that will drive the world economy into the twenty-first century* H.. proves to be wrong. Political instability has adverse effects on Thailand’s tourism sector which can be seen on its economy too. Political instability in Thailand and its implications on tourism and economy and vice-versa are as follows:

- The number of tourist arrivals in Thailand went down from 1.7 million in December 2009 to 1.1 million in April 2010. With security concerns, hotel occupancy fell from 60.2% in January 2010 to 46.6% in April 2009. Tourism is important for the Thai economy as tourist receipts accounted for 6.1% of GDP in 2009 (Graph: 2)

Graph- 2: Number of international tourist arrivals in Thailand: April 2009 – 2010



Source: Bank of Thailand.

- Business and investor confidence was also hit as the Business Sentiments Index (BSI) fell to 46.0 in April 2010 from 55.7 in the previous month. This was the largest month-on-month fall for the BSI since 1999. Domestic political uncertainty was the most cited business constraint from February-April 2010;

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- In April 2010, the Consumer Confidence Index (CCI) fell to 67.2 from 69.8 in March 2010, largely due to concerns over the intensifying political situation. Private consumption expenditure fell by 2.2% in Q1 2010 compared to Q4 2009, however, was up by 4.0% year-on-year (Bank of Thailand, 2010).

Impact of Tourism on other ASEAN countries

By 2015, the Association of South East Asian Nations or ASEAN member countries aim to establish the ASEAN Economic Community (AEC) by creating a single market, a security, economic, and socio-cultural community of over 600 million people, which will account for nearly 5 percent of world GDP. This enhanced level of economic integration will foster sustainable economic growth and hopefully reduce development gaps among ASEAN member countries. But due to Thai political crisis the situation of tourism in Thailand is depressing but for other ASEAN country it is a win- win situation. Through the regression models, tourist arrival growth in the main tourist destinations in ASEAN (Indonesia, Malaysia, Singapore and Thailand) can be analyzed as follows (Graph: 3):

Graph 3: Drivers of tourism growth –summary of the key regression results

Ns = not statistically significant; + = statistically significant positive relationship; ++ = highly statistically significant positive relationship; All variables in YoY change; sample period 2001-2012

Drivers of /Events affecting tourism arrivals	TH	MA	SG	ID
NJA visitor arrival growth	++	++	++	++
Inflation-adjusted trade weighted exchange rate	ns	-	ns	-
Airport closure 2008 in Thailand	-	++	ns	++
Cancellation of the East Asia Summit 2009 in Thailand	--	++	-	ns
Violent clashes in 2010 in Thailand/Opening of Marina Bay	-	-	++	+
Sands in Singapore	-	-	-	-
Thai floods 2011	-	ns	-	++
Visit Malaysia Year 2007	-	++	-	ns

Source: CEIC, Credit Suisse.

The outcome of the above figure is as follows:

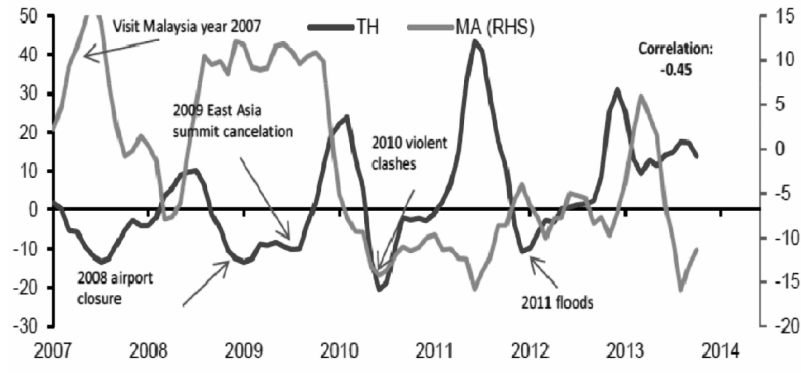
- Negative shocks to tourism in Thailand tend to have a statistically significant positive impact on tourist arrivals in Malaysia and, to a lesser extent, Indonesia. Meanwhile, they appear to have small but still statistically significant negative impact in Singapore.
- Visit Malaysia Year (VMY), 2014 has a statistically significant negative effect on visitor arrivals in Singapore and Thailand, but not in Indonesia.
- Exchange rate movements appeared to play a statistically significant role in driving visitor arrivals in Malaysia and Indonesia but not in Singapore and Thailand (Sathirathai, 2014)

The prolonged situation of Thai politics has potential impact on Thai tourism as well as the spillover on tourism in other ASEAN countries. Negative shocks to the tourism sector in Thailand could have two types of spillover effects on other ASEAN countries.

1. **Substitution Effects:** tourists will choose some other destination to spend time instead of Thailand like Malaysia, which will definitely affect the tourism sector of Thailand and boost visitor arrivals in other countries.
2. **Complementary Effects:** certain countries might be viewed by visitors as complimentary to Thailand like Singapore and so cancelling trips to Thailand could also result in dropping the trip to these locations (Sathirathai, 2014).

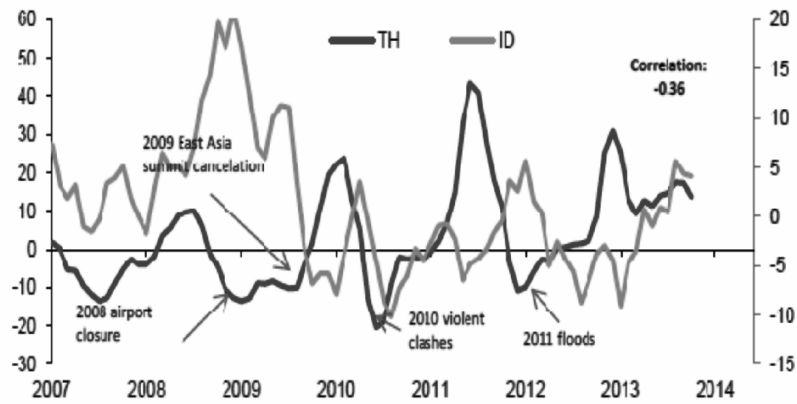
Thailand and Malaysia's relative tourism growth tend to move in the opposite direction. Malaysia outperformed the region whenever Thailand's tourism sector experiences negative shocks, with the exception of the 2010 Thai street violence episode, which coincided with the opening of the Marina Bay Sands Casino in Singapore. The correlation between the two series is -0.45 (Graph: 4). We also find similar, albeit somewhat less stark anti-cyclical pattern between the relative tourism performance in Indonesia and Thailand, with the correlation between the two series -0.36 (Sathirathai, 2014).

Graph- 4: Thailand and Malaysia tourism sector performance



Source: CEIC, Credit Suisse.

Graph 5: The same went for Thailand and Indonesia, albeit to a lesser extent



Source: CEIC, Credit Suisse.

Tourism growth in Singapore tends to correlate positively with that of Thailand, suggesting that when Thai visitor's arrivals underperform the region, Singapore tends to suffer a similar fate (to a smaller extent). One important exception was in 2010, when the street violence in Thailand coincided with the opening of the Marina Bay Sands Casino, which likely boosted Singapore's tourist arrivals significantly.

Consequences

Thai tourism sector analyst has already highlighted the risk that, if political instability lasts most of this year, the volume of visitors may stay roughly flat in 2014 versus a projection of 7.5% yoy growth earlier. It will also affect Thailand's GDP of 2014. Downside risk to Thailand's 2014 has been revealed that current account forecast of 0.5% of GDP, although weak import growth, will likely help cushion some of the hit from tourism. If the Thai political crisis prolongs, it could be seen as instability for the whole ASEAN, deterring FDI inflows into the region and the relationship with India and ASEAN will get set back too. Many linkages between the partners can break and the consequences can be very hard to digest. Intra-regional trade will be affected as Thailand accounted for 15.5% of intra-ASEAN trade in 2009. Trade between other ASEAN members and Thailand could reduce, amid a fragile global recovery, which in turn can affect the economic growth of other ASEAN countries in 2010. The ASEAN is a large market of 600 million consumers and aims to have regional economic integration by 2015. Stability and development in Thailand are crucial for reaching this target. While other ASEAN nations expressed concern for the political crisis in Thailand, they are unlikely to help solve it due to the ASEAN's long-standing principle of non-interference in internal affairs of member states. Not only trade and economy of the partners will be affected but the cultural exchange and the cooperation in the field of education, defence training programmes with India can also have an adverse effect of political disturbance in Thailand.

Tourism is a modern phenomenon that has had an intense impact on social life and culture of the country. It has dominated and encouraged changes in the economic organisation of each society, shifting it from an agrarian to an industrial and service structure. Tourism has also widened the social networks of the community, crossing ethnic and national borders on an international and global scale (Gore, 2003). But due to down market of the industry many aspects related to tourism also has an adverse effect which to some extent hinders the development and growth of the economy of the country.

In spite of the argument in favour of jobs in tourism sector, there are some unfavourable aspects also. Like, most of the jobs created by tourism are seasonal in nature. When the tourism growth of the country slow down than the people involved in this also have to step down due to less requirement. The industry is fairly labor intensive in operation, the expansion of productive capacity is rather capital intensive. Thus,

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tourism is not a very efficient means of creating employment. Further, not only does tourism require types of labor in short supply, but the work tends to be seasonal and low paid and creates social tensions. A number of these jobs tend to be have limited career prospects, except in certain sectors, such as accommodations, have unsociable hours, with staff turnover relatively high compared to other economic activities. There are many other things which also get affected when tourism sector is not booming foreign exchange like accommodation, transportation system, communication, recreation, park, health care, hospitality, amenities etc.

Conclusion

Thus, from the above explanation it can be analysed that the regional implications of political instability in Thailand could witness higher tourist arrivals in other ASEAN countries. The Thai military maintains strong regional relations under ASEAN organization and the current military coup in Thailand which has taken the power from the first female prime minister of Thailand Yingluck Shinawatra will hopefully maintain the same relationship with other ASEAN countries.

Through some sources it has been revealed that the political turbulence is a bane to Thai and Singapore tourism, but potentially a boost to Malaysian and Indonesian tourist arrivals. The visitor arrivals in Malaysia and to Indonesia enjoyed statistically significant lift in almost all aspect of tourism sector during political unrest in Thailand. Political Turmoil in Thailand is one of the promising reasons for Malaysia tourism in 2014 among key ASEAN destinations. Given the instability in Thailand, investors might relocate to neighbouring ASEAN countries, which will benefit them. Political instability of Thailand have setup an example for other tourist countries like India that if the stability of the government in the country is not good many things can go wrong at the same time. Thailand places strong importance on its relationship with India and ASEAN and has clearly defined strategy to enhance its connectivity for this they have to keep their political side strong for future relationship.

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Dynamics of Indo-Japan Bonhomie: 'Look East' – Phase II as the Prism

Mohor Chakraborty

The New Economic Policy unveiled by Indian Prime Minister, Narasimha Rao in 1991 was a litmus test for the Indian policy-makers in the post-Cold War international milieu. In this backdrop, the inauguration of the 'Look East' policy was almost co-terminus with this announcement. Since the unveiling of the 'Look East' policy, more than two decades have passed, and over this period, New Delhi can, indubitably take credence for implementing it successfully, through its steady ascendance from ASEAN's Full Dialogue Partner (in 1995) as well as member of the ASEAN Regional Forum (ARF in 1996) to the coveted Summit-level or ASEAN+1 partner (in 2002) and thereafter from the partner of the East Asia Summit (EAS) in 2005 to a member of the elite ASEAN Defence Ministers+8 forum (ADMM+8 in 2010). It deserves recall that India's ambitious 'Look East' doctrine has been divided into two phases: the First Phase/Phase I (1991- 2001) and the Second Phase/Phase II/ 'Move East' (2002 – the present). It was within the framework of the Second Phase that India has been witness to major achievements in its trajectory of 'looking' East, among which, its participation in the First ASEAN-India Summit, held in Phnom Penh on 5 November 2002 was the stepping stone. A Joint Statement, issued at the end of the Summit highlighted the principles and the future road map of ASEAN-India cooperation, particularly towards closer economic development and preservation of regional peace and stability.^[1] The Ministry of External Affairs (Government of India) in its *Annual Report: 2002-2003*, hailed this Summit as "a significant development in our relations with ASEAN countries, as India joined the ranks of a handful of countries with which ASEAN has summit dialogues, namely, China, Japan, and South Korea", vindicating India's willingness to sincerely engage "with the region to create a mutually beneficial strategic and economic relationship."^[2] India's graduation from a Full Dialogue Partner of ASEAN to a member of the ARF and further as a "Plus One" associate constituted an adroit edifice for the future development and entrenchment of India-ASEAN ties, and its East Asian neighbours (ASEAN+3 members – China, Japan and South Korea), within the

framework of 'Look East' Phase II. It is in this backdrop that the present article will trace the trajectory of Indo-Japan relations during the Second Phase of India's 'Look East' (under the UPA Government) in the context of high-level exchanges between the two sides.

Indo-Japan Bonhomie: The Political Dynamics

With the ushering in of the Second Phase of India's 'Look East' policy, the flow of cordial political understanding between India and Japan continued unabated and scaled even greater heights. The greater heights were scaled with the exchange of official, high-level visits of dignitaries conducted between the two countries. A brief chronological survey of the new developments in the trajectory of Indo-Japan ties has borne testimony to this reality. The foundation of this bonhomie was laid by two consecutive visits to India, first by the Director General of the Japanese Ministry of Foreign Affairs, Mitoji Yabunaka for attending the Second Round of Comprehensive Security Dialogue on 27 January 2004, and secondly, by Yoriko Kawaguchi, the Japanese Foreign Minister on 12-14 August in the same year. In course of the latter's visit, she held high-level talks with the host Minister of External Affairs, K. Natwar Singh on issues of bilateral and global import. Subsequently, in keeping up the whiff of freshness in intramural ties, the Japanese Premier, Junichiro Koizumi's visit to India on 28-30 April 2005, prepared the pedestal for the signing of a broad-based agreement - *Japan-India Partnership in the New Asian Era*. It identified eight key areas for future cooperation, viz. enhancing and upgrading bilateral dialogue architecture by launching a High-level Strategic Dialogue and fully utilizing the existing Dialogue mechanism; engaging comprehensively in economics, through the expansion of trade in goods and services, investment flows, and exploration of the India-Japan Economic Partnership Agreement (CEPA); taking initiative in science and technological cooperation, cultural and academic spheres; and cooperating in international forums like the UN, for facilitating Security Council reforms, among others.^[3] The next achievement in the saga of Indo-Japan conviviality ensued with the Indian Prime Minister, Manmohan Singh's official visit to Japan on 13-16 December 2006. In course of this momentous sojourn, the two Asian neighbours signed a Joint Statement - *India-Japan Strategic and Global Partnership* – sealing five identified pillars of cooperation, viz., Political; Defence and Security Cooperation; Comprehensive Economic Partnership; Science and Technology Initiative; People to People Exchanges and Cooperation in Regional and Multilateral Fora, thereby providing the vision for chartering the future course of bilateral relations.^[4]

Meanwhile, a new vista in the chapter of Indo-Japan relations was reached when the Japanese Prime Minister, Shinzo Abe visited India on 21-23 August 2007, as an ensign of substantiating Tokyo's improving "partnership" with New Delhi. This visit sought to outline a road map for implementing a strategic relationship between the two countries, focusing on a broad concurrence on the role both countries envisaged to play in Asia and other issues like economic interchange, cooperation in science and technology and civil-nuclear energy cooperation. Another highlight of this sojourn was the signing of a *Joint Statement on the Roadmap for New Dimensions to the Strategic and Global Partnership*, which dwelt on opening "a new phase of cooperation" between the two countries by broadening the Strategic Dialogue at all levels; qualitatively upgrading exchanges in the security and defence fields; setting a trade target of US\$ 20 billion by 2010, along with the early conclusion of the CEPA; and initiating a working group on possible collaboration in the sphere of science and technology. Additionally, a separate Joint Statement on enhancement of energy security and environmental protection was also signed between Manmohan Singh and Shinzo Abe during their meeting.^[5] Amidst efforts at such mutual coordination, a momentous event that placed Indo-Japan relations on a higher plane was the official visit conducted by the Japanese Premier, Yukio Hatoyama to India on 27-29 December 2009 for conducting the Annual Japan-India Summit with his Indian counterpart. During his meeting with Manmohan Singh, both the leaders expressed satisfaction at the successful mobility of intra-mural ties, including the Annual Dialogue between the Foreign Ministers, as well as other policy dialogues. At the conclusion of this visit, the Joint Statement issued by Prime Ministers, Hatoyama and Manmohan Singh on the *New Stage of Japan-India Strategic and Global Partnership* identified the following areas of intensified cooperation, viz. issues of common strategic interest through open, transparent and inclusive cooperation; consolidating the 'Global and Strategic Partnership' agreement by regularizing the Strategic Dialogue at Foreign Minister-level, regular consultations between the National Security Advisor of India and his Japanese Counterpart, etc.; Coast Guard cooperation for ensuring maritime safety and protection of the marine environment through joint exercises and meeting between the two Coast Guards; encouraging information exchange in the fight against terrorism and other transnational crimes – by forming Joint Working Group on Counter Terrorism, among others.^[6] Thus, the Japanese Premier's visit to India endorsed the commitment between the two countries to provide new dynamism and momentum to the visage of bilateral cooperation, not only in the spheres

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of defence, economics and politics, but also in a holistic framework of projecting the architecture, built on an “arc of advantage” in the Asia-Pacific region. This spirit of cordiality was sustained with the Indian Prime Minister, Manmohan Singh’s Official Working Visit to Tokyo from 24-26 October 2010 for the Annual Summit, within the scaffold of which, a Joint Statement, *Vision for India-Japan Strategic and Global Partnership in the Next Decade* and a *Joint Declaration on the India-Japan Comprehensive Economic Partnership Agreement (CEPA)* were signed. Furthermore, a year before the expiry of the administrative tenure of UPA-II, in 2013, a milestone was reached in the saga of Indo-Japan ties, since it accounted for the visit of Manmohan Singh to Tokyo in May, to culminate the commemorative events for celebrating the 60th anniversary of the establishment of diplomatic relations between the two countries. In course of this visit, the leaders of the two countries expressed their resolve to further consolidate and strengthen the Strategic and Global Partnership, taking particular cognizance of the changes in the strategic environment and China’s steady influence and penetration in the Asia-Pacific.^[7] Importantly enough, this Prime Ministerial visit paved the way for the official trip of the Emperor Akihito and Empress Michiko to India to commemorate the 60th anniversary of the establishment of bilateral diplomatic ties. Their visit to India from 30 November – 6 December 2013 opened the vistas for further emboldened cooperation between New Delhi and Tokyo, in the context of which, Emperor Akihito expressed, “I hope that this visit will be an occasion to further deepen understanding of India.”^[8]

Indo-Japan Conviviality: Strategic Dynamism

In addition to political cooperation, high-level exchanges undertaken during the period have also enhanced the profile of strategic coordination. In the period under review, the initiative was taken when the Indian Defence Minister, Pranab Mukherjee visited Japan on 25-28 May 2006, within the scaffold of which, he held in depth discussions with the Japanese leaders on issues of mutual interests. The Joint Statement signed at the end of this visit laid out the following strategic objectives - countering terrorism and violent extremism; preventing the spread of weapons of mass destruction and related materials, equipment, technologies and means of delivery; contributing to the safety and stability of regional maritime traffic; promoting international cooperation in the areas of disaster management and provision of relief operations; and finally, maintaining peace and stability in Asia. Furthermore, the two countries also agreed on an Agreement on implementing these measures through the holding of regular

Comprehensive Security Dialogue and Military-to-Military Talks; holding of goodwill exercises between the Indian Navy and the Japan Maritime Self Defence Force; conducting exchange of ship and high-level visits between the two navies, etc.^[9] The contours of a resurgent partnership between India and Japan took further shape when the Indian Minister of External Affairs, Pranab Mukherjee visited Tokyo on 22-23 March 2007 to conduct the first-ever Ministerial-level Strategic Dialogue with his Japanese counterpart, Taro Aso. This Dialogue reflected the convergence of Japan's strategic vision of an "arc of freedom and prosperity" with a newly articulated Indian vision of an "arc of advantage and prosperity", leading to shared approaches for tackling security issues ranging from climate change and energy security to the North Korean crisis.^[10] This was an important diplomatic enterprise in the context of China's enlarging shadow in the Asia-Pacific region and Beijing's ire at the proposed India-Japan-US trilateral military exercises in the Pacific, held in April 2007. Following this initiative, Indo-Japan ties were further fostered by the official sojourn of the Indian Prime Minister, Manmohan Singh to Japan on 22-23 October 2008, within the framework of which, the first Japan-India Annual Summit was conducted between Singh and his Japanese counterpart, Taro Aso, thereby reaffirming the importance of the 'Strategic and Global Partnership'. At the conclusion of this high-level visit, the two leaders issued a *Joint Declaration on Security Cooperation*^[11] conceived as "an essential pillar for the future architecture of the region."^[12] India was the third country, with which Japan had signed this Declaration, only after US and Australia, since Tokyo considered New Delhi crucial to its strategic calculus as well as its most important partner for the task of fashioning the political and security dimensions of Asia's emerging institutional structure. As Asia-Pacific Navies, the protection of SLOCs from non-state actors and non-traditional threats to security as well as the issue of balancing against muscle-flexing by regional Navies highlighted their convergence. In this context, the sensitive issue of Beijing's increasing assertiveness in the South and East China Seas has led to further convergence between New Delhi and Tokyo, emphasizing the security of the SLOCs and the skies, thus, thoroughly maintaining freedom of navigation and over flight, in keeping with the tenets of international law. It stems from their acknowledgement of the mutual benefits accruing from the seas being made thoroughly open, as a matrix of freedom and peace. In this backdrop, India maintains that freedom of navigation should not be impeded, and it urges "cooperation" with major regional littoral powers, so as to ensure "security of sea-lanes and strengthening of maritime

security”. Identifying the “maintenance of peace, stability, growth and prosperity in the region” vital for “the international community”, the Government of India pleads for the immediate resolution of the disputes in the South and East China Seas “through peaceful measures in accordance with universally recognized principles of international law”.^[13]

Therefore, within the framework of defence cooperation, particular accent has been laid on the naval aspect and the Indian Navy and the Japanese Maritime Self-Defence Force (JMSDF) have been engaged in port calls, short of bilateral exercises, till the first bilateral-level naval war-game was conducted in 2012. There have been bilateral Coast Guards exercises as well. Such coordination has also been realized at the multilateral promenade through ARF, EAS and ADMM+8 fora, in which ASEAN acts as the pivot. In the multilateral sphere, the conduct of the Japan-India-US ‘Malabar’ exercises have been buttressed by the objective of further “deepening mutual understanding and trust” among their navies. The latest edition of the ‘Malabar’ exercises was held in July 2014, in a bid to facilitate the building of mutual trust in a tense and volatile maritime stretch. Besides, India and Japan have been engaged as parts of the world’s largest US-led biennial joint maritime exercises, Rim of the Pacific Exercise (*RIMPAC*). In the twenty-third edition of the same, held in June 2012, in Hawaii, India made its *RIMPAC* debut, thus using the platform to interact with twenty-two nations, including Japan. In this backdrop, while emphasizing the view that India’s participation in these regional initiatives is “without any preconditions”, New Delhi’s constructive activism in Southeast and East Asia can be perceived as “the regional face of India’s Look-East Policy”.^[14]

In addition to naval engagements and high-level visits, regular exchanges between their respective Armed and Air Forces have been apace through goodwill visits exchanged between the Chiefs of the wings, establishment of the Army-to-Army Bilateral Dialogue, within the scaffold of a ‘Defence Action Plan’ (2009), as a part of which, Japan became the ninth country with which the Indian Army has such negotiations. The ‘Defence Action Plan’ has carved the roadmap for holding regular meetings between the Defence Ministers, annual official-level Defence Policy Dialogue, regular reciprocal visits of the service chiefs and ground-to-ground staff talks, Navy-to-Navy staff talks, and development of an annual calendar of defence cooperation and exchanges, so as to embrace the entire gamut of strategic cooperation between New Delhi and Tokyo.

Summarily then, in light of the discussion above, it can be argued that as the fulcrum of the global economic and strategic power is shifting inexorably towards Asia in the Twenty-first Century, India and Japan are emerging as influential regional players and are making their presence felt dexterously in the rising tide of Asian economic and strategic resurgence. This is an important step towards the creation of a broader Asian Economic Community, aimed at guaranteeing the long-term affluence of the people of the Asia-Pacific region in particular, as well as contributing to global stability, prosperity and development, in general. Finally, it may be contended that India-Japan relations in the backdrop of the Second 'Look East' Phase (under UPA-II Government) have been vibrant, progressive and full of optimism, encompassing bilateral convergence on a plethora of issues in the politico-strategic and economic realms, which have been codified in the form of Declarations and implemented upon in full earnest by the two sides. However, it is now contingent on the newly inaugurated Bharatiya Janata Party (BJP) Government under the Premiership of Narendra Modi to carry the baton of bilateral cordiality. While whole-heartedly welcoming the new Government in New Delhi in May 2014, the Japanese Premier, Shinzo Abe has expressed his ardent desire to continue mutual cooperation, in addition to "trilateral cooperation including our two countries", thereby paving the trajectory of a more peaceful and prosperous Asia-Pacific.^[15] This gains added significance in the backdrop of Tokyo's unveiling of its maiden National Security Strategy (NSS) calling on the country to make a "proactive contribution to peace" based on international cooperation. These efforts are premised on the belief that Japan, as a "Proactive Contributor to Peace", needs to contribute more actively to the peace and stability of the region and the international community, while coordinating with other countries,^[16] in the scaffold of which, India assumes a responsible role as well. It is in this framework that the incumbent administration in New Delhi can express solidarity and enhanced convergence with Japan for sustaining and bolstering Asia-Pacific security, both traditional and non-traditional, in order to facilitate the realization of the latent potential of the region and its people in a concerted, peaceful and responsible manner.

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Introduction

There are more factors working towards a synergy of interests between Indians and the states comprising the Association of South East Asian Nations (ASEAN) than most other regional entities in the Asia-pacific region. In many centuries back before the advent of foreign intrusion into India, many states ruled by kings in India were having cultural, commercial and trade relation with ASEAN countries. After the Second World War this was not always evident largely because relations were for almost three decades, dormant and shrouded by the political maze of the cold war, the priorities of India and ASEAN states were not rightly understood and the deep divisions and conflicts were within the Southeast Asian region. That situation has changed in the past few years, opening up the possibilities for structural linkages and comprehensive engagement between the two sides.

This is not to argue that India and the ASEAN states do not currently have greater stakes in co-operation with the United States and Japan along with the European Union. What shapes global economic and security structures, provides the markets, capital and technology of that China with its rapid growth, are the large trade prospects and the strategic challenges and security problems it poses. However, India-ASEAN relations if nurtured can have a special importance because of the gravitation of a number of strategic, economic and political factors.

It is essential that all-round ties be steadily deepened so that both emerge stronger not only to face the post-cold war challenges in the areas of security, politics and economy and the problems occurring from deep asymmetry of power in the international system but also to shape the future of Asia and the world.

India and the States of ASEAN are well placed to expand their co-operation. They do not have any bi-lateral territorial disputes, security fears and conflicts. The environment provides great opportunities to

expand a co-operative agenda that will in turn enhance their common good as well as individual autonomy leverage and status in the global order. They share many common social, political and economic problems, besides a long land and maritime boundary. They need to maintain peace and expand prosperity through uncertain and complex post-cold war security and strategic climate together. They could enhance Asia's ability to cope with rapid social and economic change, democratisation and maintain stability in multi-ethnic states.

Growing high level political exchange and dialogue indicates that this is being realised in both India and ASEAN. Their attention and response to non-traditional security issues was equally commendable. Their closer partnership in wide gamut of issues has become beneficial to the Asia-pacific region as a whole, especially for creating a more open, peaceful and stable Asia. While the impetus for mutual co-operation is dynamic, forging a dynamic partnership in the Asian century will require India and ASEAN to overcome several problems and seize key prospects with courage, vision and deftness. It is against this backdrop that this article traces the evolution of India-ASEAN relations and co-operation on climate change and new challenges for future co-operation between India and ASEAN (Letchumanan Raman).

Climate Change as an Issue

Climate change has become a defining and most challenging sustainable development issue of the twenty first century. It is defining in the sense that it is now dictating the pace and nature of economic growth, development and social progress, while potentially becoming the greatest threat to humankind and survival if left unchecked. It is challenging because of its multifaceted nature, affecting almost all sectors and the basic means and lifestyle of human existence. It is no more a mere environmental issue that can be fixed by technology or finite human and capital resources. It is more urgent in the sense that we are talking in terms of years or at most a few decades to address climate change before the earth reaches a turning point at which stage the climate change devastating impacts becomes irreversible. The climate change crisis aptly amplifies the consequences of not acting in a holistic and integrated manner. It cannot be fixed by technology or finite human and capital resources alone. It is also the most urgent in the sense that, if remedial measures are not taken, a point of no return would be reached in the next few decades. The climate change crisis is the embodiment of what can go wrong, if action is not taken globally based on the principle of common but differentiated responsibility.

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The authoritative Intergovernmental Panel on Climate Change (IPCC), the scientific advisory body to the United Nations Framework Convention on Climate Change (UNFCCC) has estimated that globally, emissions reductions of 25-40% of 2000 levels are needed if the global temperature fluctuations are to be maintained within a range of 2°C, a level which is generally taken to sustain life without any irreversible damage. The Stern Review on the Economics of Climate Change has estimated that the cost of inaction could cost up to 20% or more of global GDP, while in contrast the costs of action undertaken now to address climate change to avoid the worst impacts can be limited to 1% of global GDP each year (B. Moraji, 2012).

In the on-going negotiations for renewed and urgent actions on climate change, the debate on mitigating greenhouse gases, essentially carbon dioxide, is fast turning into a development issue – how much growth each nation can pursue given the constraints on the limiting capacity of atmospheric carbon space. The key argument is that the developed countries, with their historically unfettered industrial growth, have enjoyed these rights and have crowded out the carbon space, which is now limiting the development potential of developing countries, given that they too should have the right to equitable development. This draws attention to the stark reality that the environment cannot be separated from economic growth and social development. Each has to support and complement the other.

ASEAN is particularly vulnerable to the impacts of climate change due to the concentration of people and economic activities in the coastal areas, its rich biological diversity, resource-based economies, and the increased vulnerability of the people especially the poor. Due to its geological and geographical factors, the region is also one of the world's vulnerable regions to suffer from a range of climatic and natural hazards such as earthquakes, typhoons, sea level rise, volcanic eruptions, droughts, heat waves and tsunamis which are becoming more frequent and severe. In addition, the geophysical and climatic conditions shared by the region have also led to common and trans-boundary environmental concerns such as air and water pollution, urban environmental degradation and trans-boundary haze pollution.

ASEAN Region: Responding to the Challenge

The ASEAN leaders have expressed their concern and commitment for ASEAN to play a proactive role addressing climate change through their declarations to the 2007 Bali and 2009 Copenhagen UN Conferences

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on Climate Change. They view the protection of the environment and the sustainable use and management of natural resources as essential to the long-term economic growth and social development of countries in the region. The ASEAN Vision 2020 calls for “a clean and green ASEAN” with fully established mechanisms to ensure the protection of the environment, sustainability of natural resources, and high quality of life of people in the region. To realise the ASEAN Vision, in October 2003, the Heads of State/Government of ASEAN Member States (AMS) declared that “an ASEAN Community shall be established comprising three pillars, namely political and security cooperation, economic cooperation, and socio-cultural cooperation that are closely intertwined and mutually reinforcing for the purpose of ensuring durable peace, stability and shared prosperity in the region”. The Roadmap for an ASEAN Community 2009 - 2015 lays out the goals, strategies and actions to realise the ASEAN Community by 2015 – an ASEAN Community that is politically cohesive and peaceful, economically integrated and vibrant, and socially responsible and caring.

ASEAN has been actively engaged in international negotiations in ensuring a fair, effective and equitable outcome for a new climate change regime. The ASEAN Member States made a number of declarations and statements supporting climate change since 2007 (B.Moraji, 2012).

These include:

- a. ASEAN Declaration on Environmental Sustainability (13th ASEAN Summit in 2007)
- b. ASEAN Declaration on COP-13 to the UNFCCC and CMP-3 to the Kyoto Protocol (13th ASEAN Summit in 2007).
- c. Singapore Declaration on Climate Change, Energy and the Environment (3rd EAS Summit in 2007)
- d. Joint Ministerial Statement of the 1st EAS Energy Ministers Meeting (2007)
- e. Ministerial Statement of the Inaugural EAS Environment Ministers Meeting (2008)
- f. ASEAN Joint Statement on Climate Change to COP-15 to the UNFCCC and CMP- to the Kyoto Protocol (15th ASEAN Summit in 2009).
- g. Singapore Resolution on Environmental Sustainability and Climate Change (11th AMME in 2009).

Indonesia hosted the 13th Conference of Parties (COP13) of the UNFCCC in Bali in 2007, which set in place the Bali Roadmap initiating the current talks to conclude a new global climate change deal in Copenhagen in December 2009 at COP15. ASEAN Leaders at their 12th Summit in Singapore in November 2007 issued a Declaration highlighting ASEAN's concerns and expectations of the climate change talks for COP13 in Bali.

ASEAN, in the declaration on the 13th session of Conference of the Parties to the UNFCCC and the 3rd Session of the CMP to the Kyoto Protocol, was resolute in its commitment to address the issue and importance of climate change and achieve its objectives of sustainable development. In its continuing efforts to stabilise the concentration of greenhouse gases in accordance with the UNFCCC and Kyoto Protocol, ASEAN has pledged to address the issue of climate change beyond 2012 through realising an effective, fair, flexible, and comprehensive multilateral arrangement. ASEAN has also ensured their commitment towards effective bilateral, regional and global partnership to promote the development and transfer of low carbon technologies including cleaner and climate-friendly technologies. Building partnerships with international financial and development cooperation institutions to encourage innovative financing options is predicted to stimulate investment in climate-friendly technology and development for ASEAN and the rest of the world. It is recognised within this context that economic and social development, including poverty eradication and environmental protection, are principal priorities of developing countries. It is also accepted in ASEAN that fossil fuel consumption underpin ASEAN's economies. It is devised within the declaration that the underlying goals in sustainable development, along with alternative fuel sources, will be a reality in the foreseeable future. Any action to mitigate climate change should be in a manner that complements and enhances sustainable development and sustained economic growth.

The ASEAN Leaders also issued an ASEAN Summit Declaration on Environmental Sustainability, and together with their EAS counterparts issued the Singapore Declaration on Energy, Climate Change and Environment. Thailand, the former ASEAN Chair played host to the Bangkok Climate Change Talks for two weeks from 28th September 2009, a crucial event which will determine whether a new climate change deal can be reached in Copenhagen. The Prime Minister of Thailand attended the G20 Meeting in Pittsburgh in September 2009 where he articulated, among others, ASEAN's concerns and expectations on climate change. The ASEAN Leaders who met at their 15th Meeting

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on 24th October 2009 issued a Joint Statement to the 15th session of the Conference of Parties to the UN Framework Convention on Climate Change and the 5th session of the Conference of Parties serving as the Meeting of the Parties to the Kyoto Protocol. ASEAN is committed to fully implement various measures to address climate change as outlined in the strategy and actions of the ASCC Blueprint 2009 – 2015.

The ASEAN Strategies and Actions on Climate Change

Recognising the importance of environmental cooperation for sustainable and regional integration, ASEAN has since 1977 cooperated closely in promoting environmental cooperation focusing on ten priority areas of regional importance as reflected in the Blueprint for the ASEAN Socio-cultural Community (ASCC Blueprint) 2009-2015, as follows:

1. Addressing global environmental issues
2. Managing and preventing trans-boundary environmental pollution
 - Trans-boundary haze pollution
 - Trans-boundary movement of hazardous wastes
3. Promoting sustainable development through environmental education and public participation
4. Promoting environmentally sound technology (EST)
5. Promoting quality living standards in ASEAN cities/urban areas
6. Harmonising environmental policies and databases
7. Promoting the sustainable use of coastal and marine environment
8. Promoting sustainable management of natural resources and biodiversity
9. Promoting the sustainability of freshwater resources
10. Responding to climate change and addressing its impacts

The ASCC Blueprint provides priority actions in responding climate change and addressing its impacts under section D10 of the Blueprint. The section's main strategic objective is to enhance regional and international cooperation to address the issue of climate change and its impacts on socio-economic development, health

and the environment, in ASEAN Member States through implementation of mitigation and adaptation measures, based on the principles of equity, flexibility, effectiveness, common but differentiated responsibilities, respective capabilities, as well as reflecting on different social and

economic conditions. The same section identifies 11 priority actions responsive to climate change issues which will be implemented and pursued by ASEAN Member States from 2010-2015, namely:

- Encourage ASEAN common understanding on climate change issues and where possible, engage in joint efforts and common positions in addressing these issues;
- Encourage the efforts to develop an ASEAN Climate Change Initiative (ACCI);
- Promote and facilitate exchange of information/knowledge on scientific research and development (R&D), deployment and transfer of technology and best practices on adaptation and mitigation measures, and enhance human resource development;
- Encourage the international community to participate in and contribute to ASEAN's efforts in afforestation and reforestation, as well as to reduce deforestation and forest degradation;
- Develop regional strategies to enhance capacity for adaptation, low carbon economy, and promote public awareness to address effects of climate change;
- Enhance collaboration among ASEAN Member States and relevant partners to address climate related hazards, and scenarios for climate change
- Develop regional systematic observation system to monitor impact of climate change on vulnerable ecosystems in ASEAN;
- Conduct regional policy, scientific and related studies, to facilitate the implementation of climate change convention and related conventions;
- Promote public awareness and advocacy to raise community participation on protecting human health from the potential impact of climate change;
- Encourage the participation of local government, private sector, non-governmental organisations, and community to address the impacts of climate change; and
- Promote strategies to ensure that climate change initiatives lead to economically vibrant and environment friendly ASEAN Community taking into account win-win synergy between climate change and the economic development.

The Climate Change Challenges & ASEAN Initiatives across Sectors

The ASEAN Socio-cultural Community Coordinating Council in 2009 agreed to enhance coordination mechanisms to synergise efforts across the corresponding sectoral bodies, communities, and across issues such as climate change. Climate change impacts on almost all sectors and these are highlighted in the context of ASEAN regional cooperation areas as below:

Environment: All areas particularly conservation of biodiversity, water resources management, coastal and marine environment, public awareness and environmental education, forest fires and trans-boundary haze pollution etc.

Agriculture and Forestry: Food security, forest degradation.

Disaster Management: More and severe weather related disasters such as floods, droughts, typhoons etc.

Science and Technology: Weather monitoring and forecasting, research and development on climate related impacts and responses, vulnerability studies etc.

Health: More and severe weather related diseases.

Human Development: Impact on poverty, sustainable livelihoods, social development, and generally on the achievement of the MDG goals.

Economic Growth: Affects production and transaction costs through internalising environmental costs, change in products, services and markets, drag on GDP growth, carbon taxes, allocation and trade of environmental rights, new market opportunities for environmental goods and services.

Energy Transportation: Renewable energy, energy conservation, mass and efficient transportation, etc.

Political and Human Security: Environmental security issues, political debate influenced more and more by environmental issues, in particular climate change.

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The ASEAN-India cooperation in agriculture was discussed during the 25th AMAF in October 2004 and further strengthens at the Special SOM

26th AMAF and the Special SOM 27th AMAF in 2005 and 2006. Recognising the importance for sustainable agricultural growth in the region and based on the agreement on “India-ASEAN Partnership for Peace, Progress and Shared Prosperity” which was adopted during the 3rd India-ASEAN Summit in 2004, India had proposed establishment of a Joint India-ASEAN Working Group on Agriculture to pursue cooperation in several areas.

As a follow-up to the 8th Joint Coordination Committee held in 2006 on area of focus for ASEAN-India cooperation in agriculture, a Joint Indo-ASEAN Workshop was held in New Delhi in September 2008 and identified several areas of cooperation, including issue of climate change.

The Special SOM-AMAF in August 2010 welcomed the establishment of an ASEAN-India Working Group on Agriculture (AIWGA). The 1st Meeting of AIWGA held in January 2011 in New Delhi discussed and finalised its Terms of Reference, a draft Medium Term Plan for Cooperation (2011-2015), and the activities for 2011-2012.

The Medium Term Plan of Action for ASEAN India Cooperation in Agriculture, endorsed by the 1st ASEAN-India Ministerial Meeting, held in Jakarta in October 2011 provides direction for cooperation to challenges food security in the region, exchange of information, enhance agricultural R&D, encourage agriculture and forestry related industries as well as strengthen human resources development. ASEAN and India have similarity issue to be addressed in challenging food security and will benefit from cooperation in the areas such as climate change, energy sustainability, and food sustainability, agricultural production that will enhance and strengthen food security between the two regions.

The Adaptation/Mitigation Technologies for Climate Change in Agriculture was included as an activity under the Activity Plan. We are all aware that climate change has become a major area of concern for agricultural growth globally and especially for Asia including India and ASEAN region. ASEAN Member States are facing major challenges due to climate change in agriculture, fisheries and forestry. Countries of ASEAN region have also recognised the importance of climate change on agriculture sector and established several region networks for research and capacity building. The ASEAN leaders’ statement on Joint Response to Climate Change made in HaNoi on 9 April 2010 highlights the urgent need for cooperation in all aspects of climate change including the down scaling models for impact assessment, cooperation in research and development and more towards a low carbon economy. The declaration also emphasised the need for South-South cooperation.

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Both India and ASEAN Member States have already initiated research on climate change adaptation and mitigation on agriculture and forestry, however, there is an urgent need for sharing the knowledge and methodologies between these countries and establish a long-term cooperation.

There is also convergence between ASEAN and India on non-traditional security challenges, particularly in the areas of climate change and natural disaster relief. Southeast Asia, with its densely populated coastlines and huge agricultural sectors, is particularly vulnerable to climate change. According to ADB and WWF projections, ASEAN countries, particularly impoverished ones like Cambodia and Laos, could face significant risk from energy shortages and declining crop yields in the near future, while low-lying 'mega-cities' such as Manila and Jakarta will be highly vulnerable to rising sea levels, tropical storms, droughts and heat waves. Meanwhile, in India, monsoon seasons are getting more difficult to predict and may become shorter in duration (as evidenced by the prolonged drought that affected two-thirds of the country last year), cyclones could become more frequent and intense, and crop yields could decrease by 30% by 2050. The two parties also share a common commitment to assisting each other with disaster relief, an avenue for cooperation that was visibly demonstrated by the 2004 Indian Ocean earthquake and tsunami that rocked South and Southeast Asia, one of the deadly natural disasters in recorded history. While ASEAN and India have facilitated cooperation in the area of non-traditional security by, for instance, creating an India-ASEAN Network on Climate Change and the Green Fund, there's a great potential for further collaboration in the future, such as cooperation in the agricultural sector to meet the challenge of food security.

Conclusion

This article has elaborated the various policies, strategies, programs and actions being taken to address climate change. Responses to climate change should not be viewed in a narrow perspective, but every sector has a contribution to make to address climate change. The discussion here therefore has taken a broad based approach highlighting how actions in various sectoral areas could contribute to addressing climate change though the immediate linkage may not be apparent. ASEAN is committed to pursuing this broad based approach, to play its role in taking voluntary and appropriate mitigation actions, and adaptation measures enabled by technology transfer, provision of concessionary financial assistance, and capacity building to address climate change

issues in a proactive and responsible manner. Climate change and its impact on agriculture, forestry and fisheries in ASEAN Countries and India are very important. Addressing the problem and tackling the issue requires stronger cooperation and partnership between India and ASEAN Member States.

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The end of the cold war has shifted world attention from West to East and geopolitics to geoeconomics. Throughout history Indian geographical conditions had insulated India from external influences for a long time. The Himalayas on the North, Deserts in the West and Indian ocean on the South had played a significant role in shaping Indian politics and economy throughout history. These geographic conditions had allowed only unidirectional movement from Central Asia to the east. The westerners approached India from the Southern oceans. The entry of these influences from central asia and Europe had shaped Indian history for a long time whereas India's connectivity with east Asia was confined to trade and cultural interactions with these countries which were absolutely free from any conflicts or colonial exploitative policies. This region had never posed any threat to India's security or peace. The SouthEast Asian region no doubt faced aggression from Japan and China but its relations with India had always been very cordial with these countries. India remained disconnected from East Asia throughout the cold war period due to the cold war politics. The US tried to keep the entire region under its influence to exclude the Soviet communist influence from the region. The end of the cold war again renewed the possibility of India's interaction with the region as India perceived East Asia as a launching pad for its leap into the global economy. The following article aims to explore India's Relations with ASEAN from a historical trajectory to discuss the changing dimensions of India- ASEAN relations from cold war to post cold war period.

Historical Background:

The British colonialism of India had disconnected India from South East Asia for a long time. Since 17th century the western domination on the Indian ocean and around had hampered the direct connection of India with these countries which it had enjoyed in the earlier times. At the time of independence India aimed to revive its cultural and economic relations with these countries in order to exclude the extra regional powers from Asia. In March 1947, Pt J.L.Nehru had convened

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'Asian Relations Conference' in New Delhi. (Subhash C.Kashyap. 1990)
In 1949 another conference was convened to show solidarity with Indonesia. India wanted to collaborate with China to provide leadership to South East Asia in order to counterbalance the superpowers cold war politics influence in this region.

Ideological conflict :

The communist revolution in China(1949) had brought a twist in India -China relations. India perceived China as an ally and was first to recognize Communist China and one China theory. India's stand was contradictory to the US and western stand as they recognised Taiwan and refused to recognise communist China as a national entity. The communist China, however, was more interested in its alliance with the USSR and perceived India as a competitor. China never wanted India to be treated at par with China. China aimed to emerge as a leader of the third world. Therefore, since beginning of emergence of communist China, India -China relations were not cordial. India's stand on Tibet had further sored India -China relations. Though India was against China's atrocities and aggressive policies against Tibet but India had opposed US involvement and military training and support support to Tibetans to fight against China. India felt that US involvement in Tibet will increase China aggression against Tibetans. China's role in Korean war (1950-53) as USSR partner was also responsible for drawing South East Asia in superpowers cold war politics. Consequently anti-communist feeling began to surge in these East Asia. The new kind of Asia was in making which was contrary to the dream of Indian leaders who wanted to keep the region free from any military alliances and blocs in the region. The superpowers cold war in Vietnam was quite devastating for the country and India's role was not very effective. Though India condemned the war as violation of human rights and also criticised its expansion to Laos and Cambodia but India did not act openly and effectively as a result of which China legitimised its influence in the region.

India's policy of equidistance and neutrality:

Due to superpowers cold war politics, the Southeast Asian nations got allied to the US. Though India adopted the policy of equidistance, in initial years it tried to play a significant role for peace in East Asia. For instance, India was first to condemn both the US and USSR for their proxy war in Korean and appealed both of them to keep Korea free from their conflict and withdraw their forces from the country. In 1954

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, India headed the Neutral Nations Repatriation Group on Korea. India also chaired the International Control Commission set up according to the Geneva accord in 1954 to observe elections and transfer of power in Vietnam. In 1955, the Bandung conference of Afro-Asian countries proved to be a departure in India's interest in establishing relations with East Asian nations. India's policy of Nonalignment and East Asian relations with the non-communist world headed by the US was the main dividing line between India and East Asian nations relations.

Globalisation and changing dimensions of relations:

The end of the cold war has not only led to the withdrawal of Soviet communism from global politics but also led to the integration of the whole world by the process of globalisation. The emergence of economic liberalisation on the global landscape opened new opportunities for various underdeveloped countries to coordinate and interact with economically and technologically advanced countries. South East Asia's geographical proximity, historical cultural connectivity and the economic and technological advancement of these nations attracted India towards these countries.

There are various factors that attracted India to South East Asia. In the post cold war world the economy has become a dominant factor and geo-strategy has been replaced by geo economy. Globalisation has turned the world's attention to the economic factor. Due to the US alliance with these countries and extension of economic and technological aid to these countries, these countries became economically quite prosperous. These countries are categorised as semi peripheral countries by Wallerstein in his World system approach. Due to the infrastructural development and technological advancement, these countries are in an advantageous position as compared to other countries of the global South. Due to globalisation as concept of territorialisation is fading away and world is becoming interdependent, it provides opportunity for linkages with neighbourhood through economic coordination. The declining tariffs, formation of regional groupings and growing interconnections of inter regional and intra regional trade opened various avenues for India to reopen its age old connectivity with the South East Asian. These economic developments are challenging the earlier state centric and militaristic aspect of security that had dominated international relations discipline for centuries.

The rise of China as an economic power is also one of the factors in determining India's relations with these countries. China's growing

economic and strategic power can alter the balance in Pacific Asia. In this regard, the reducing US commitment in the region due to the collapse of Soviet Union as a global power, was perceived to be a compelling factor for India to counter balance China's growing power and influence in the region. India could play a significant role due to advantageous geo political position and also geographical proximity to the region. The role of Japan and Russia in the region was not clear in the early years. Russia's influence had been marginalised due to US alliance with these nations and its influence on Vietnam had also been reduced due to Vietnam's integration into ASEAN. It had put India in a much advantageous position. Both India and South East Asian nations due to their historical economic and cultural connectivity could easily engage in economic relations without much apprehensions. Since military security interest had been replaced by economic security interests, it provided a huge opportunity for India to collaborate with the region either through bilateral relations or through regional forums of South East Asia. It is in this backdrop that India evolved the Look East Policy which encompasses nations beyond just South East Asia like Japan, Australia. In order to establish friendly relations with South East Asian Nations, India adopted "Look East Policy" which became an integral and prominent part of India's foreign policy and grand strategic design.

Look East Policy:

The earlier discussion shows that India had always been interested in establishing relations with East Asia but cold war politics had hampered the process. Though Look East Policy was initiated for economic reasons, the political and security linkages have also started developing due to the changing scenario in the region. The rising power of China and its expansion in the South China sea is posing a serious threat to the economic and security interests of the littoral countries that would act as a binding force for India ASEAN relations. As the events are unfolding, the developments in the region have proved that seeds of India's Look East Policy may be found in Nehruvian vision. Almost sixty years ago , Nehru had viewed that "Pacific is likely to take the place of the Atlantic as a future nerve center of the world. Though not directly a Pacific State, India will exercise an important influence there". The Look East Policy initiated by the then PM of India Narsimah Rao was based on the Asian cultural ethos of "compassion, harmony, and a sense of sharing where individuals and the collective entities are beautifully blended to make life a consistent whole." He further stated that "this vision will be

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realised by the near future and the next century will be a century of partnership for all of us". (PM Narsimah Rao speech. 1994) The PM Narsimah Rao believed that the bonding with the non Chinese South East Asian countries could be developed on the basis of cultural commonalities which would not only remove their threat perceptions about India , developed during the cold war but would also provide strong edifice for their economic relations.

The primary objective of the Look East Policy is to strengthen political contacts with Japan, Australia and South East Asia. Secondly, it aims to attract investments from Japan, Singapore and other countries in East Asia. It also aims to have multilateral and security relations with these nations that will counter and gap or threat perceptions of these countries towards India. It is for this reason that India wanted membership of the Asia Pacific Economic Conference (APEC), the Asian Regional Forum (ARF) and the status of full dialogue partnership in the Post Ministerial Conference (PMC). ASEAN nations were also interested in developing relations with extra regional powers with India as they did not want either unilateralism nor expansion of China.

India was attracted to ASEAN as it emerged as a center of power in East Asia. (Zhongying 2005) In order to strengthen regional economic cooperation and coordination, ASEAN introduced a number of institutional/ organisational mechanisms like ARF in 1994 and ASEAN Free Trade Area (AFTA) in 1992. It aimed at creating a single market and production base in the region. The objective was to transform ASEAN from a loose organization to a community incorporating the elements of economic, political- security and socio- cultural aspects. One of the reasons for strong institutional and cooperation building in the region was to counter the growing expansionist designs of China .ASEAN also created East Asia cooperation including China, Japan and South Korea.

On the economic front India initiated cooperation in trade and investment, science, technology and tourism. It is witnessed that Indian tourism to these countries has increased remarkably in the last two decades which acts as a confidence building measure between India and these nations. Then exchange of visits of ministers of these countries took place to explore the possibility of economic cooperation. However for some reason these countries perceived China, Japan and India as threat to their security. ASEAN signed separate AFTs separately with all the three countries. Consequently ASEAN is emerging as a center of power and playing a leading role in the region.

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Some of the political analysts perceive India- ASEAN Defence partnership as India's ambition to be a predominant power in Indian ocean as it can play a significant strategic role in South East Asia. In view of the rising power of China, India is perceived to be a balancer player in South East Asia. It is evident from the fact that India entered into the Treaty of Amity and Cooperation in Southeast Asia (TAC) on 8 October 2003 to ensure peace, security and development of South East Asia. Both India and ASEAN also entered in Joint Declaration for Cooperation to in Combat International Terrorism. Both India and ASEAN became partners for peace, progress and prosperity in the region. Subsequently, India became a Dialogue partner to exploit the opportunities and overcome the challenges emerged in wake of global financial crisis by evolving political and economic strategies. In 1995, India became a full dialogue partner of ASEAN. India also sponsored new sub regional organisations like BIMSTEC groupings which aims to promote economic and technical cooperation in the littoral countries. India also promoted the Mekong-Ganga cooperation mission aimed at EAST-West transport connectivity between South Asia and Indo-China region. India has always been encouraging for ASEAN role in various Asia Pacific groupings as it constitutes an integral part of Pacific region. In 1996 India joined ARF. The US is also encouraging India and South East Asian countries defence partnership and has developed the term "indo-Pacific" to emphasise the commonality and connectivity of these two regions' security interests.

Indian ocean and India's strategic position:

India's strategic location in Indian ocean and emerging challenge of Chines expansionism in South China sea is creating strong linkages between India and ASEAN as both have common interest in countering China's hegemonic designs and India can play a significant role in ensuring the security of maritime trade routes and security against terrorism and smuggling. India's predominant position in Indian ocean encompassing Bay of Bangal and Andaman and Nicobar, conecting port of Pacific ocean through Malacca strait, (important point of international trading route) enables India to have leverage to counter the contending nations. India- ASEAN partnership is perceived as a significant toll to deal with threat to sea communication lanes and trading routes etc. It can also help in curbing the terrorism and separatist movements in Sri Lanka, Mynmar Thailand and India. Various countries like Indonesia, Malaysia, Thailand, Singapore and Myanmar located on theses waters are attracted to India due to its strategically advantageous position

India and ASEAN

and relative capabilities. Since 1971, India has been trying to guard Indian ocean and focussing on building strong naval defence capabilities. India's location of Andaman and Nicobar islands located in Andaman near Malacca strait also secures India's position in the Bay of Bengal. (K. M. Panikkar, 1945.96) India's strong strategic capabilities in these areas would enable India for any power projection in the South China sea which concerns all the countries of SEA. India's strong naval capability near Malacca strait is termed as 'metal chain' by Chinese that can block the western end of Malacca strait. (Zhang Ming, 2006.23) Since 2010, India has been building modern military infrastructure and strong bridges. In 2012 India opened a forward air base in Nicobar primarily for maritime surveillance. India is developing cooperating security relationship with several ASEAN countries and carrying out joint naval exercises. India has been hosting biennial MILAN gathering of regional navies at Andaman and Nicobar which is instrumental in enabling India to assert its leadership. India's strong strategic capability ensures maritime security and provides public goods in situations of crisis or natural calamities like tsunami, earthquake etc in these countries. Interests of India-US-ASEAN coincide on the issue of security of Malacca strait. Both the US and ASEAN perceive India to be a balancer in Indian ocean and Malacca strait. ASEAN countries perceive India as a benign security provider.

Though India does not aim a competition or conflict with China, it perceives the regional security essential for the peace and development of the nations of this region. As Chinese expansionist designs strategy is unfolding, India is making concerted efforts to strengthen its relations with most of the countries in the region both at the bilateral and multilateral or organisational level.

China factor:

In the post cold war scenario as China's economic interests are expanding, it seeks to develop and secure its trading routes and markets by increasing its trade ports and strategic presence in these waters. China's presence in countries around India-Mynar, Sri Lanka, Bangladesh, Maldives and Pakistan creates the feeling of insecurity in India. China's One Belt One Road Initiative (BRI) adopted by China to strengthen its presence by developing various commercial ports, naval facilities and intelligence infrastructure is a part of its global infrastructural development strategy adopted by China in 2013. ("Interview with Admiral Arun Prakash, 2005) India is trying to encounter it by creating a new naval base on the East Coast by

deployment of aircraft carriers and nuclear submarines. (Sudha Ramachandran, 2006) In view of the changing scenario in South East Asia, India is trying to build cooperative relations with ASEAN nations both at bilateral as well as organizational level. India and Singapore have entered in defence cooperation. Vietnam is perceived as a most “trusted and friendly ally” and has entered the defence cooperation to counter China. India also tried to develop relations with Thailand, Indonesia, Malaysia,. Indonesia is treated as Primus Inter Pares in ASEAN and a major Importer of Indian goods. India and Thailand are also cooperating as they have shared interest in Indian ocean security. In 2012, both entered in defence cooperation by signing an MOU and have established provision for annual defence dialogue. Therefore, India ASEAN relations are not confined to economic cooperation but also aim at defence cooperation due to their common interest in security the defence of Indian Ocean and South China sea. Due to the hegemonic designs of China, both India and ASEAN are extending their security partnership with other major powers like the US and Japan.

India-ASEAN relations constitute an integral part of India’s foreign policy in the post cold war world. Both India and ASEAN can collectively make use the opportunity and tackle the challenges more effectively that would serve the long term interest of peace and security of the region. PM Modi after coming to power in 2014 has expressed his interest to enhance India’s role in East and South East Asia by transforming ‘Look East Policy’ to ‘Act East Policy’. (Daniel Rajendram, 2014). It will be instrumental in enhancing India’s power projection and also to achieve its long term objective of economic growth and security.

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Status of Access to Information Commitments in the Governance of ASEAN and Indian Experience

Pankaj K P Shreyaskar

Introduction

ASEAN's political and security cooperation has been underpinned by the twin principles of (a) settlement of difference or disputes by peaceful means and (b) renunciation of threat or use of force. Furthermore, under the Bali Concord II of 7 October 2003, ASEAN has resolved to promote and achieve common standard of political norms towards "building a democratic, tolerant, participatory and transparent community in Southeast Asia." This community building endeavor should provide balance to the equally important principle of respecting national sovereignty and identity.

Consensus-building and consultations are hallmarks of ASEAN decision-making. For example, in the case of promoting regional economic integration, ASEAN has been working closely with the private sector through mechanisms such as the ASEAN Chambers of Commerce and Industry, the ASEAN Business Forum and specialized or sectoral groups such as the ASEAN Federation of Mining Associations and the ASEAN Ship Owners Association, among others.

ASEAN is cognizant of the opportunities and challenges associated with globalization and interdependence. As the region becomes more integrated, it is not only the opportunities that are multiplied, but also the instability and dislocations associated with this process. Thus, efforts to engage in economic competition are complemented with measures to mitigating the socio-economic impact of the polarization effect between the competitive and less than competitive economies. In this regard, ASEAN established a task force on social safety nets following the 1997 financial crisis. Its work has now been taken over by the more permanent Senior Officials on Rural Development and Poverty Eradication.

ASEAN maintains its relations with some individual non-government organizations as well as some regional networks, such as the Working Group on Human Rights Mechanism and the ASEAN Peoples' Assembly (APA). It has been an ASEAN practice to reach out to relevant NGOs either in the course of formulating or implementing some of our regional programmes, particularly in the social development sector. The formulation of the ASEAN Work Programme on HIV and AIDS and the 2001 ASEAN Summit Declaration on HIV and AIDS was very much a case of bottom-up and multi-sectoral approach. It involved the Asia Pacific Network of People Living with HIV/AIDS and five other major NGO networks in the region.

ASEAN Governance

The concept of "Governance," at the nation-state level of political organization, refers to the exercise of authority over a defined population. Authority is the capability to make decisions binding on that population by reasons of affective loyalty, habituation to the legal order, calculations of interest, or, in the last analysis, coercion. The social/legal framework through which political authority is wielded is the state, the territorial boundary of which defines the population subject to the political authority.

There is a great diversity in the stages of development and levels of performance of the economies of Southeast Asia. At one end, leaving aside the Brunei anomaly, there is the high-tech, IT-based economy of Singapore, the land of the five Cs: careers, condos, clubs, credit cards, and cars. At the other extreme is Cambodia, a land still recovering from a generation of warfare. In between, depending on how one ranges the macroeconomic indicators—per capita GDP being a popular measure—we find in descending order Malaysia, Thailand, the Philippines, Indonesia, Vietnam and Laos.

How do we relate the level of a state's economic performance to its governance? To answer is not to make absolute statistical comparisons but to examine how well the resource endowment underpinning the particular economy is being managed. For example, Laos can never be a Singapore but must it stay in its reduced circumstances of derelict penury? If we take the 1997 ASEAN financial crash as another example, the issue of governance is how those countries most affected—the non-socialist market economies—dealt with the crisis. Which leaderships had both the political will and capacity to manage and adapt to the changed economic circumstances? The answer is clear: Thailand, Malaysia, and Singapore.

Perhaps the most obvious mark of the quality of governance is the degree to which public interest is subverted by corruption. The ADB defines corruption as the abuse of public or private office for personal gain. This means any behavior in which people in the public or private sectors improperly and unlawfully enrich themselves or those close to them or induce others to do so. This is a relatively narrow definition attuned to the economic requisites of development. In a broader sense corruption also comprehends the unlawful manipulation of the political system through “money politics” or intimidation.

Freedom of Information commitment has been globally regarded as one of the pivotal tools to contain corruption as also an effective tool of participation. People who have access to information and who understand how to make use of the acquired information in the processes of exercising their political, economic and legal rights become empowered, which, in turn, enable them to build their strengths and assets, so as to improve the quality of life. In view of this, almost every society has made endeavours for democratizing knowledge resources by way of putting in place the mechanisms for free flow of information and ideas so that people can access them without asking for it. People are thus empowered to make proper choices for participation in development process.

The character of ASEAN’s participatory and transparent governance may be understood at two levels- at the level of the member nations and at the level of the ASEAN as a community itself. ASEAN, as an organisation does not guarantee any systemic arrangement for the transparency as also out of ten member countries, only two of them viz. Indonesia and Thailand have in place a statute to this effect to begin with.

Indian Experience and possibility of its playing a key role

Even though ASEAN has resolved for participatory and transparent community in Southeast Asia, there do not seem to appear any institutional arrangements for achieving these goals. While delivering keynote address at the ASEAN-EC Regional Symposium, the Secretary-General of ASEAN observed that “ASEAN does not use explicitly the terminology of good governance in its multi-dimensional and varied activities and programmes. However, it instinctively either practices the key elements of governance mentioned above or encourage the individual ASEAN Member Countries to pursue them in the course of carrying out their commitments in ASEAN. Common sense makes us

do so.”

The RTI Act in India is an outcome of sustained social movements by the Non Governmental Organisation (NGO) and Civil Society Organisations. The MKSS based in Rajasthan has played a pivotal role in this movement. In their article Jenkins & Goetz^[1] noted that “The MKSS’s interest in the right to information arose from its work in the late 1980s and early 1990s on livelihood issues, such as the failure of the state government to enforce minimum-wage regulations on drought-relief works, to ensure availability of subsidised food and other essential commodities through the Public Distribution System (PDS), or to prevent the illegal occupation of government land by powerful local interests.”

Hirschman in his seminal work, *Exit, Voice and Loyalty*, dichotomized the transparency mechanisms as exit and voice. This concept was expanded by Lindsay Stirton and Martin Lodge as *Voice, Representation, Choice and Information*. ‘Voice’ promotes the exercise of individual contributions while ‘choice’ includes all types of possibilities through which users can exercise exit. ‘Information’ facilitates the quality of user knowledge, enhancing in particular the exercise of voice and choice. ‘Representation’ in contrast, aims to provide and institutionalised interest in the wider policy decision making.

The RTI Act has proved to be a useful tool for citizens and civil society groups to legally demand information on the functioning of state—sponsored rural development and welfare programs. For example, in 2006, Sabar Ekta Manch, an NGO in Gujarat, filed an RTI application seeking information on the minimum wage being paid to MGNREGS workers. The information revealed that these workers were being paid a paltry wage compared to what state mandates. Based on this, the Sabar Ekta Manch filed an RTI request in the Gujarat High Court, seeking to fix irregularities in the wage payment system.^[2] The institutionalization of the law as well as the social audits within the MGNREGA has brought a greater focus to issues of transparency and accountability in the delivery of social-sector programs.^[3]

Given the importance of the timely release of information to allowing meaningful participation in agency rulemaking, the process by which agencies decide what information to release could be streamlined. Agencies should publish, on their websites, any information that they, or a court, have already determined does not fall within a RTIA exemption. To enhance timely access, such information should be made available without forcing the public to go through what would be, in

instances where information has already been released or determined to be releasable, a superfluous administrative procedure. Nevertheless, when an agency in good faith believes that RTIA exempts the agency from disclosing the requested information, it can and should deny and, if necessary, litigate the matter. If the agency loses, however, the information should be made available not just to the information seeker, but to the public (via website) without others needing to file a request for it.

The detailed description regarding E-Publishing has also been provided in the abovementioned circular. It will be mandatory for all Ministries/ Department of the Central Government, their attached and subordinate offices, Central Public Sector Enterprises (CPSE) and autonomous/ statutory bodies to publish their tender enquiries, corrigenda, thereon and details of bid awards on the CPP portal using e-publishing module.

It further advises that the “individual cases where confidentiality is required, for reasons of national security or to safeguard legitimate commercial interest of CPSEs, would be exempted from the mandatory e-publishing requirement.^[4]

Conclusion

At its best, the right to information can deliver important social benefits. It can provide an important underpinning of democracy, fuelling peoples’ ability to participate effectively and to hold governments to account. Examples of the right to information being used to expose corruption are legion and powerful; ranging from grassroots cases linked to basic livelihoods to major corruption scandals which have brought down governments. The right to information has also been used less dramatically, but no less importantly to ensure an efficient flow of information between government and business.

These utilitarian benefits of the right to information have been recognized since at least 1776, when the idea first found legislative recognition in Sweden. Of far more recent vintage, however, is recognition of the right to information as a fundamental human right, an aspect of the right to freedom of expression which under international law, guarantees not only the right to impart, but also to seek and receive information and ideas.

India can play a pivotal role in establishing access to information rights in the governance of ASEAN since the law has been in force for almost

close a decade. The law has transformed rather revolutionized the Indian governance. It is imprinting its trademark transparent mechanisms in the public disclosure norms beginning the government procurements, Non-Performing Assets in the banking sector and bringing political parties under the transparency regime to name a few.

For decades, the ASEAN failed to recognize the importance of transparency; its internal culture and the attitudes of member countries encouraged confidentiality. This strengthened the view prevailing on the outside that the ASEAN believed that it was answerable only to itself. The ASEAN now need to be a transparent institution through a comprehensive program of publication of its internal documents with the help of Indian experiences in this regard.

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India and ASEAN Relationship with Special Reference to Singapore

S. Manivasakan

The relationship between the Indian Sub-continent and the region of South East Asia is one that transcends time. A bird's eye glimpse of the history between these two regions covers at least a couple of millenniums. In addition, the historic ties cover a great canvas that transcends as well as covers host of spheres. With the laps of time, the influence of history is not only recorded but also visible to the naked eye, even today. The one aspect that stands out and is most visible with respect to the influence of history on the nature of ties between the India Sub-continent and South East Asia is the cultural similarities. The ruins of Java (Indonesia), the Vishnu temple of Angkor Wat (Cambodia) and the spread of the two prominent religious in the region, Buddhism first and Islam later stand testimonial to the near continuous interacted and ties between the two regions.

The historic and cultural impact, these similarity between the two regions are not only profound but have withstood the test of time. Such a conclusion can derived from the fact that the Indian mythology, Ramayana, is even now the main stay of the culture narrative of the region, even though it has taken a local flavour. However, the focus of this paper will be limited to tracing out the nature and evolution of India's ties with Southeast Asian region since India's independence. At the same time this paper will also elucidated the reasons for India's ties with Singapore overshadowing New Delhi's engagement with the rest of Southeast Asia.

India and Southeast Asia

The contemporary history of India and Southeast Asia can pegged to the advent of Vasco da Gama, the first European to sail directly to Asia from Europe by circumventing the southern tip of Africa, The Cape of Good Hope. Vasco da Gama's voyage to the *orient* soon opened the seas to the other European maritime states. Since the turn of the fifteenth century, the political landscape of the orient was a product of the

European design whose foundation laid on *colonialism*. Neither the India Sub-continent nor Southeast Asia escaped the yoke of European colonialism, which in turn has left a lasting impact on the *orient*. Until the advent of the Europeans, the nature of ties between India and Southeast Asia was anything but hostile, despite sporadic instances of warfare and conflict. The end of European hegemony of the orient resulted in by reorienting the nature of engagement between the India and Southeast Asia. One gets a clear picture of the complexities that come to play in India engagement with the nations of Southeast Asia by tracing out the event of the past few decades.

India's ties with the Southeast Asia region in the years prior to the "Look East Policy" was in complicated since the region was a divided house that was limited which shared a checker history due to the structural constraints^[1] of the Cold War. This structural constraint, found resonances in the diverging ideology of that time and was one of the major factors that hindered India's engagement with the region. With the end of the global ideological conflict, the rift between Indian and the nations of South East Asia became irrelevant.

However the modern history of the relations between India and the nations of Southeast Asia is one that is largely influenced by Colonialism.^[2] During the colonial era large number of Indians immigrated to Southeast Asia as labours who worked in the plantations, traders who specialised in textiles and spices, and moneylenders.^[3] Apart from them there were other who was employed as civil servants of the colonial bureaucracy and members of the colonial armed forces.^[4] The cheap and unskilled Indian labours were employed in rice mills and plantations of Singapore, Malaysia and Myanmar.^[5] In the French colony of Indochina, there were Indian textile merchants and moneylenders.^[6] This has now resulted in a significant presence of people of Indian origin in many Southeast Asian nations.

Indo-China and others

The overall trajectory of India's ties with Cambodia, Laos, Brunei, and the Philippines is one that is not comparable with that of the other ASEAN member states. This is partial as the result of developments of the past many decades as well as a question of distances. In fact, these four nations can be considered as the weak links of ASEAN as there are either underdeveloped or too small, geographically, to make any significant contribution to the regional organisation or to anyone else.

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Laos and Cambodia were overshadowed by Vietnam, a nation with whom Delhi shares more and a cordial relationship. These two nations were also deeply embroiled with Cold War that plagues the Indo-China region. In the case of Philippines, a former colony of the United States was perceived to be and even today an outpost of the US's political and security architect in the region. Manila, one can say still mirrors the position of the Washington on a number of issues.

From an Indian perspective, Philippines along with Brunei sits on the other side of the globe and offers much too little for New Delhi. What can be achieved for Delhi by engaging these two nations addressed many a time more by other nation like Vietnam and Japan.

However, India's ties with Vietnam have been quite different when compared to the rest of Indo-China and are such that it has not been limited by the geographic distance between them. India was one of the few nations that had extended support in political and economy to Vietnam consistently, whether it as during the latter's war for independence against the French or with the United States during the 'Vietnam War' or during the Cambodian-Vietnam War that brought an end to the reign of the Khmer Rouge. India and Vietnam share close strategic ties. This when compared to the nature of India's relationship with other ASEAN members is unique, since New Delhi-Hanoi ties are one that has been smooth without any road blocks and bumps; whereas, with respect to other nations, New Delhi has to reset its ties with them and thereby giving birth to the 'Look East Policy'.

At present, the corner stone of the bilateral ties are based on the mutual security and strategic concerns. The on-going dispute in the South China Sea, wherein both Vietnam and China having overlapping maritime territorial claims that includes other nations as well, has come to such a stage it is brewing a conflict in the region. It is in this light that the India-Vietnam relation is largely seen. At the same time the bilateral military-to-military ties have deepened which include regular port calls by vessels of the Indian Navy, joint exercise as well as India's training Vietnamese military personal and the sale cum maintenances of military.

India – Singapore Relations

Off all the nations in the region, India's ties with Singapore have been the most dramatic and promising. As to why Singapore is more, that important in this region for India is as follows. Historically, Singapore as a city state came into existence, if one can say that, in 1819, when

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Sir Stamford Raffles, of the British East India Company established a trading post with the permission of the then Sultanate of Johor and the backing of Lord Hasting, the then Governor General of British India, as a lucrative centre to service the India-China trade route.^[7]

Since the establishment of trading post, the British Empire showed great interest in developing this city-state into a hub that will facilitate both trade as well as further London's other interest as well. Modern day, Singapore has met the London's aspiration by transforming itself as the epicentre of most commercial and economic activities in the region.

When Singapore declared its independence from Malaysia in 1965, New Delhi was among the first countries to recognise this new state as well as established diplomatic relations.^[8] India, not only establishing formal ties but Singapore with also facilitated its acceptance in a number of international forums. During the initial days, both nations were supportive of each other. Singapore extended unconditional support to India with its war with Pakistan in 1965, when at the same time with Indonesia, as mentioned earlier, favoured New Delhi's adversary. However, the momentum that was generated in the '60's did not sustain for long. This again as was the case with the rest of the region was a child of the Cold War dynamics.

Singapore, during this period was on the lookout for security guarantors and even approached India. With New Delhi declining this offer, Washington found yet another ally in the region. The primary concerns for Singapore were two fold. On the domestic front, economic development and progress was the foremost concern. Whereas on the external front of security and foreign policy the concerns were two fold, the first being to avert the threat that spread communism in the region imposed and the second was to ward off any hegemonic designs of the two neighbours, Malaysia and Indonesia.

These concerns of Singapore by the end of the Cold War were not only addressed but also overcome as well as integrating Southeast Asia into a cohesive bloc under the aegis of ASEAN. By the time the Cold War ended, Singapore along with South Korea, Taiwan and Hong Kong transformed itself from a shantytown in the region, joined the list of developed nations, and became a beacon of progress and economic growth. While at the same time, Singapore became the economic hub of the region with the associated infrastructure. This has been one of the reasons for India's engagement with Singapore is of greater significance when compared to other nations in the region.

Economic and Trade ties

The economic progress can largely be attributed to the easy with business could carried out. Apart from this, Singapore had developed important infrastructure that not only supported its export depended economic but also complemented it in its progress. Singapore has now become an important hub for international trade, travel, and financial centre. As a hub for trade, travel and financial institutions, Singapore is now a centre for most economic and trade activities in the region. The role that Singapore plays in the region is paramount for the regions progress, thus attracting the attention of over 5000 Indian companies, who operate from Singapore and is the largest foreign business community of this city state.^[9]

For corporate India, Singapore is the preferred centre for their offshore logistics and financial as well as a hub for their operations in the Asia-Pacific region^[10]. The reverse can be also true, but only in a limited sense. After Mauritius, Singapore is the largest source for foreign direct investment (FDI). Since April 2000 to October 2013, the cumulative FDI from Singapore into India was around US \$ 22.33 billion, or 11% of total FDI inflows, second only to Mauritius. However, the latest figures put Singapore the largest source of FDI surpassing Mauritius. For the year 2013-14 Singapore accounted for US \$ 5.98 billion FDI into India whereas Mauritius accounted US \$ 4.85 billion. According to available data, the city state account a quarter of the total FDI for the same period.^[11]

One of the factors that has made Singapore an important trading and economic partner of India is that Singapore is due to its enabling investment environment, research infrastructure, finance opportunities that this city state offers. Singapore is also the world's fourth largest forex trading (\$337 billion average daily volume), a neutral location for arbitration, a strong IP protection regime (ranked among top five by the World Economic Forum since 2006).^[12] In addition to this, Singapore has more inked as many as 69 Double Taxation Avoidance Agreements, which only goes on to facilitate trade investments. With the conclusion of Comprehensive Economic Cooperation Agreement (CECA) in 2005, bilateral trade has grown from US\$ 8.8 billion in 2005-06 to US\$ 21.3 billion in 2012-13.^[13] CECA is the first such agreement that India has signed with any nation.^[14] And with the conclusion of the CECA, Singapore accounts to almost a third of India's trade with Southeast Asia and the tenth largest trading partner internationally.

Security and Strategic Cooperation

The mere fact that Singapore has become an important partner of India in terms of trading and commerce stands testimony to the growing bilateral ties. But then the bilateral ties is not only limited to the trade and commerce but also covers a host of other areas as well. Since 1991, there have been regular interactions between the uniformed services of the two countries. Joint naval exercise that was first held in 1993 has now become a regular feature in the bilateral ties.^[15] The Defence Cooperation Agreement that was signed in 2003 has only institutionalised this military-to-military engagement. This agreement paved the way for the Joint Military Exercises in 2007. Because of this, the armies of the two countries as well as the air forces now have regular exercises. The depth of defence ties can be best ascertained by the fact that Singapore is the only nation in the world that is permitted by Delhi to station its forces permanently in India.^[16] Singapore on the other hand has been an ardent supporter of India in many international forums and has extended its support to Delhi's bid in becoming a Permanent Member of the United Nations Security Council.

People-to-People Contact

India's ties with Singapore is not only limited to the sphere of politics, security, economics and trade but also covers a large canvas of people-to-people contact. The depth of this particular aspect can be best seen on the official language policy of Singapore. Tamil, a language native to Southern India is one of the four officially reorganised languages of Singapore; the other three being English, Chinese (Mandarin) and Malay. At the same time the name of this city is the English derivative of the Sanskrit word *Singapura*.^[17] On the demographic front, people of Indian origin constitute about 9.2 per cent of the total population of Singapore.^[18] As a matter of fact, Singapore has the largest percentage of ethnic Indians when compared to other nations of the region. Apart PIO's there are considerable number of Indians who reside in Singapore. These people are present in walk of lifestyles, whether they lived by blue-collar workers, students, trade and business people or white-collar people. According to official data there are as many as 150,000 Indian migrant workers in Singapore.^[19] As a result of such a large presence of the Indian community, there exist a number of Indian educational institutions like the Global Indian International School, Delhi Public School, National Public School, Yuvah Bharati International School, DAV School and S.P. Jain Centre of Management.^[20]

As result of this large presence of NRI's and PIO's, Singapore and India have a large number of flights that connect both these two nations. The two nations have now has as many as 216 weekly flights connecting 12 Indian cities with Singapore and thus, having the largest air connectivity corridor when compared to the rest of Southeast Asia.^[21]

Conclusion

The key to the success of India-Singapore ties lay largely to do with Singapore. This city state has transformed itself into a hub for all economic activities in the region. As a regional hub, Singapore is credited to be one of the easiest places to business. Thus Singapore, when compared to its neighbours, is better suited for an economic engagement since it is a pro-business nation that provides least resistance to commerce. While at the same time its political outlook is one that welcomes greater engagement with India. For Delhi, security cum political ties with Singapore is a path of least resistance and the baggage of the past does not haunt the present. At the same time Singapore's expectations for India are such that, they can and have been addressed by New Delhi, thus providing a win-win outcome in bilateral engagement.

Another facet that contributes in the deepening the bilateral ties between the two nations is concept of 'smart cities'. The new government in India under the stewardship of Prime Minister Narendra Modi has made it its priority to develop the hundred of satellite townships or cities that can accelerate growth, development and facilitate urbanisation of India along with the necessary infrastructure.

Singapore has already expressed its interest in engaging with India in this endeavour.^[22] Singapore, as a city has already made a great strides in this regard. Its electricity and power sector with reference to generation and transmission and carbon emission has been a success story which India hopes to replicate. The smart city as a concept aims at improving economic efficient along with providing a better quality of life which is sustainable.

In short India hopes to create at least a hundred Singapore's in India. And in this process the bilateral ties between the two nations will not deepen but also reach new heights. None of the other nations in Southeast Asia, but for Singapore are least suited to partner with India this regard. And thus this is another feather in the hat of Singapore, and therefore in the bilateral ties of this city state with India.

Finally, it should be noted that for the bilateral relationship between India and Singapore recognise the fact that such a pattern of relations would help to faster stability and security of the region, which both India, as an emerging economy and Singapore, as a maritime leading state, desire.

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South China Sea's Strategic Importance in India-ASEAN Relations

S. Utham Kumar Jamadhagni

As India's engagement with her Eastern neighbours increases, new areas of cooperation and possible confrontation unravel. The South Asian power's 'Look East' Policy accords greater emphasis to the adjacent region of Southeast Asia. The article tries to look at the strategic significance of the South China Sea in the growing expanse of India-ASEAN relations.

Introduction

India as an emergent power aims to build new ties and nurture old friendships especially in the greater Asian region. With a reorientation in India's foreign policy towards geographically proximate countries, the bond with ASEAN countries is under renewed focus. In fact, the foreign minister of India under the incumbent central government, Sushma Swaraj, on her maiden visit to Vietnam in August 2014, talked of "Act East Policy" to replace the earlier "Look East Policy".^[1] In an age when economic interdependence is ever increasing, other aspects of engagement are assuming added importance. India aims to widen its arc of influence over the area spanning from the Persian Gulf to East Asia. It is in this context that her involvement in the South China Sea warrants attention.

South China Sea

South China Sea is the expanse of water that lies between the Indian Ocean and the Pacific Ocean. It is bounded by China in the South, Philippines in the West, Vietnam in the East, Indonesia in the North, Malaysia and Brunei in the North west and Singapore and Malay peninsula in the North east. It houses the world's second busiest sea lane and serves as a strategic link between the Indian and Pacific Oceans. It contains nearly 200 rocks, reefs, islands that have been laid claim to by countries including Philippines, Vietnam, Malaysia, Taiwan and China. It is also estimated to possess vast reserves of oil and natural

gas both of which form a vital part in driving any economy. The East Asian economies of Korea, Japan, Taiwan and China receive majority of their energy supplies through these waters and hence vital^[2]. With other areas like West Asia becoming politically unstable and thus unreliable as energy supplier, countries in East Asia and even India must look for alternate sources. The waters also boast of being rich fishing grounds and thus a main supplier of protein to a large population in the region. Contributing about 8% of the world's total commercial fishing output, South China Sea is significant as a vital food provider. The concern is that China is trying to establish control and territorial rights over many of the islands. Yet another factor to be considered now is India's involvement in these waters.

Foray into troubled waters

India had been spearheading the cause of self determination and decolonisation of the various countries of Asia and Africa for long. After the end of World War II, most of these countries won freedom and were amply supported by India in their democratic efforts. The personal ties with ASEAN leaders were quite strong. The rapid growth of Southeast Asian economies often termed "Asian tigers" meant India's relations could deepen and remain mutually beneficial. The trade volume is said to cross the \$100 billion by 2015. ASEAN is one of India's top economic partners. So, the thrust is to enhance India's commercial relations with these friendly nations.

For India, yet another reason to firm up ties with these neighbours is energy security. As a large importer of energy, diversification of sources is vital to secure energy needs. While bulk of India's oil imports are still from West Asia, the volatility of the region places enormous risks over the maintenance of the supply chain. It is in this context that India is in search of newer and nearer, more stable providers of energy. Also exploration for gas and oil has been undertaken rigorously in the ASEAN region. Added to this is the fact that India received an invitation from Vietnam to conduct off shore exploration activities. These oil and gas fields are located in the South China Sea. India acquired the exploration license for Block 6.1 in the undisputed Nam Con Son basin. India began extracting natural gas in 2003 and continues to obtain its share from the Lan Tay and Lan Do fields. For example, while in 2011-12 it was 2 billion cubic metres (BCM), it was 2.1 BCM till September 2013.^[3] In 2013, India was also awarded 7 more oil blocks for exploration of which three are on exclusive basis.^[4] While earlier Block 127 in the Phu Khanh Basin was returned as it was found to be dry, Vietnam has requested

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India to continue exploring for another two years in Block 128. In August 2014 Vietnam renewed the lease of oil blocks for another year.^[5] It has also offered five additional oil and gas blocks for “exploration”. A letter of intent is proposed to be signed between ONGC Videsh Ltd and Petro Vietnam then.^[6]

So, principally India has entered the South China Sea to shore up its energy requirements. However Vietnam's efforts are seen as a process of internationalising the dispute by increasing the number of stakeholders in the region.

India has also played a role in this. In a joint statement issued on the occasion of the visit of the General Secretary of the Communist Party of Vietnam, Nguyen Phu Trong to India in 2013, there is open mention of the South China Sea especially regarding the freedom of navigation in these waters and resolution of disputes according to international law rules.^[7] In July 2014, three Indian naval warships INS Shivalik, INS Ranvijay and INS Shakti undertook “operational deployment to the South China Sea”.^[8] This not only strengthens Indo-Vietnam relations but is a direct counter to Chinese wariness about foreign naval presence in the region. It is in continuation of the joint exercise that was conducted last year in these waters. Forays into the troubled waters began in 2000 when Indian Navy planned joint exercises with South Korea and Vietnam here.^[9] Surely it can be seen as a check in the increasing influence of China in the region.^[10] The South China Sea has been identified as a “secondary area”^[11] of interest as far as maritime security ambitions go. The area also falls under the Indian Maritime Doctrine “arc of influence”^[12]. Vietnamese naval personnel would also be trained by India on the Kilo class submarines.^[13] India is also offering \$100 million Line of Credit facility to Vietnam to enable the purchase of four offshore patrol vessels.^[14] This would be finalised during 14-17 September 2014 visit of President Pranab Mukherjee to Vietnam. It is also proposed to train Vietnamese pilots on Russian-made Sukhoi (Su-30MK2) fighter aircrafts in India. There are also plans to sell the supersonic BrahMos missiles to India's closest ally in Southeast Asia.^[15]

Other ASEAN countries like Singapore, and Philippines would also like to see an increased Indian presence in the South China Sea. In the words of Laura Q. Del Rosario, the Philippines' deputy minister for international economic relations, “India should go East, and not just Look East.”^[16] Countries like Philippines see India as a balancer.^[17] Singapore has been one of India's closest friends in the ASEAN group. The sea phase of the Singapore-India Maritime Bilateral Exercise or

SIMBEX has been conducted in the South China Sea periodically in 2005, 2009, 2011 and 2013^[18,19] Countering Chinese “expansionist tendencies”^[20] through the formation of an alternative East Asian bloc could be a possible Indian strategy. Thus the South China Sea is a significant factor in India-ASEAN strategic relations.

The geostrategic location of this water expanse straddling one of the busiest sea lanes in the world is also another factor in its significance to India. With increasing energy imports from the ASEAN region, India must ensure that the safety of SLOCs and freedom of navigation are intact.

Thirdly, India’s giant neighbour China has shown growing interest in the Indian Ocean which India sees as its backyard. The aim of China to possess an all-ocean navy; the desire to counter America’s maritime predominance in Asia by rapid modernization plans; the attempt at veritably enveloping India by gaining access and even control over ports in the region through massive impetus to infrastructure projects and increasing belligerent stance all point to repeated and sustained Chinese attempt to gain a foothold in what was earlier India’s lone “sphere of influence”. India’s journey to the South China Sea could also be seen as an act of counter-balancing. In other words, as China gains access in the Indian Ocean so could India, in the South China Sea.

Code Red

China on the other hand, lays claim to the entire South China Sea. Her maritime territorial claims are based on a-1946 map. Energy reserves estimated in these waters have surely heightened Chinese sensitivity towards disputed areas. China is witnessing unprecedented demand for energy to sustain its economy and thus has huge stakes in protecting the energy routes passing through Southeast Asia. China’s growth is feared to be “a source of destabilisation and bullying in the region”^[21]. China also claimed complete jurisdiction over the entire South China Sea with the institution of the Sansa Administrative Region based in the Hainan Island. The oil-rich Natuna islands off Borneo could become a conflict issue between Indonesia and China. The increase in naval activity near the Hainan island with the unveiling of the Sanya Submarine base and equipping of Chinese fishing boats with surveillance and wireless equipment plant suspicion in the Vietnamese and Filipinos.

The waters of South China Sea are highly productive in terms of commercial fishing. This area yields nearly 8% of global fishing output.^[22]

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Also it is a vital sea route for Chinese trade and can be seen as the reason for China's pique over external powers interfering in the region. Every country that has competing maritime territorial claims in the South China Sea is significantly smaller in size, militarily weak and economically less powerful than China. Chinese assertion of claims now includes threatening fishing boats, and even confronting defence forces of disputing countries. Alongside Taiwan and Tibet, South China Sea has also been declared as a "core issue" by China.^[23] This has escalated the regional tension and would justify China's use of military might to assert its claims. Chinese military aggressiveness in the South China Sea against Vietnam should be "wake up calls" for India and Vietnam to intensify strategic and military dimensions of their relationship.^[24] The 2013 Scarborough Shoal standoff between Philippines and China illustrate the gravity of the situation in this vital area. The island nation has sought international arbitration on the issue and awaits judgement. One of the strategies adopted by the ASEAN countries is to seek assistance from external powers like US, and even India. This takes the shape of strategic partnerships, defence tie ups or indirect help like presence in the region. The islands of Spratly and Paracel are strategically located in the South China Sea. The Declaration of the Conduct of the Conflicting Parties in South China Sea was signed in 2002 and was often seen as a "bedrock of the negotiations in future".^[25]

India's response

In a rare instance of exhibition of resolve India refused to be cowed down by Chinese dissatisfaction of India's entry into the South China Sea. India supported the Vietnam claim of freedom of navigation in these waters. However, this did not stop China from throwing the very blocks that were assigned to India for global bidding. Though India returned one of the blocks citing lack of commercial viability, India publicly defied Chinese objections. Recently India has accepted an international arbitration ruling that awarded 19,500 sq.kms of disputed area in the Bay of Bengal to Bangladesh^[26] and this puts Chinese defiance of suggestion to refer to an international forum to settle the dispute, in bad light.^[27]

With many ASEAN countries aiming to allay fresh Chinese challenge and belligerence towards asserting maritime territorial claims, the strategic environment is favourable for India to continue engaging with them over the issue. Naval show of strength, fulfilment of commercial commitments and a willingness to support the ASEAN neighbours in times of need regarding the South China dispute will stand in good

stead for India. This would also provide leverage to India in answering to the increase in Chinese influence among Indian Ocean states like Pakistan, Myanmar, Sri Lanka, Maldives, Bangladesh and other African states.

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Vietnam-India Bonhomie and India Look East Policy

Sheila Rai

Vietnam has been an important country within Southeast Asia by all counts. It has not only fought wars against the United States and China in the second half of the 20th century, but even after the end of the cold war it has adapted to the emerging circumstances. Vietnam adopted tools of globalization which has helped it immensely in reviving its economy at a fast pace. With a resurgent economy, dedicated military and an advantageous geography Vietnam also has a huge coastline of over 3,000 KM along the South China Sea which connects Indian Ocean to the Pacific Ocean.

India launched 'Look East Policy' in 1992 to consolidate its leverage in Southeast Asia. After 22 years of such policy initiatives India can boast of positive all round relationship with Southeast Asia. For the past few decades, Vietnam and India have enjoyed considerably friendly relations and therefore their bilateral relations have emerged as a fulcrum of India's Look East Policy. Although bilateral trade between India and Vietnam is around US \$ 8 Billion but it is slated to reach \$ 15 billion dollars by 2020. In 2012 India had US \$ 80 billion dollars bilateral trade with ASEAN, which is far less than China-ASEAN bilateral trade of \$ 250 billion dollars in the same year.

Notwithstanding the above, at the strategic level both countries have enjoyed excellent relations. The perception that Pakistan is a strategic asset for China within South Asia, is similarly considered in the case of Vietnam, as it has been playing a similar role for India in the region. In 1988 Vietnam allocated oil exploration blocks to India in the South China Sea within its legitimate waters. The Chinese who have of course registered a landmark economic progress since last 4 decades after adopting globalization process in 1978, have raised objections to these allocations, although only after 2010.

In the changing Asian security architecture the Chinese have probably decided that it is pertinent and opportune for them to capture the Asia-Pacific canvass similar to how the United States has established its dominance over the globe. The fact remains that India, Vietnam,

Indonesia, Japan and South Korea are inclined towards creating multipolar Asia and multipolar world. Thus, these are the inherent divergences between India and other Asian countries vis a vis China. It is apparently clear that China is more than keen to convert its new earned economic capability into the strategic domain. This has triggered many disputes in the region. South China Sea is one of the most significant among them within the ambit of Southeast Asia. China seems desperate to convert South China Sea into its own lake. China's disinclination to abide by relevant norms of the international laws regarding settlement of disputes with ASEAN countries has provoked Vietnam and many other countries of ASEAN.

Despite being a signatory of United Nations 1982 UNCLOS, China in the last few years has refused to resolve this issue within the prescribed parameters of the 1982 law. China seems more intent on resolving this issue on bilateral basis. It has inked a deal with ASEAN in this regard in 2002. But Vietnam has remained one of the harbingers against China on the issue of South China Sea. Free flow of international navigation within the ambit of the international law within South China Sea has been a concern of India as well, because this Sea connects Indian Ocean to Pacific and therefore more than 2/3 Indian trade is conducted through this area. Major western bound trade is also routed through this sea. Therefore, besides the East Asian countries, even the great powers are keen to ensure free flow of navigation through this sea.

In fact, the last few years have witnessed the emergence of global flashpoints in the South China Sea. In August 2014 when a United States plane was flying over this Sea, one Chinese fighter plane flew very close and tried its level best to frighten the Americans. Such conflicting incidents have proliferated in the past few years.

In the light of the fact that Southeast Asia, a sub-region in Asia, is incrementally pulsating with its tremendous economic growth makes it favourable as investment destination as well. The progress of Association of Southeast Asian Nations (ASEAN) in regional cooperation, has further added to its strategic importance and accentuated the attraction of major powers within Asia viz. China, Japan and India – as well as other influential global powers beyond. The visits of the US President Barack Obama and Japanese Prime Minister Shinzo Abe respectively in November 2012 and January 2013 in Southeast Asia underlines the strategic importance of the region. The fact that they chose this region for their first foreign visit destinations after winning the second-term elections, clearly signifies the importance they attached to the vibrant region.

Sheila Rai

The year 2013 was marked by a number of high-level visits by Vietnam's policymakers to India. Nguyen Phu Trong, Vietnam's topmost leader and General Secretary of the Communist Party of Vietnam, came on a four-day State visit to India in 2013. Earlier, in October 2011, Truong Tan Sang, the President of Vietnam, also undertook a State visit; in December 2012, Prime Minister Nguyen Tan Dung visited India to mark the 40th anniversary of bilateral diplomatic relations and 5th anniversary of Strategic Partnership. He also participated in the 2012 India-ASEAN Commemorative Summit held in New Delhi. The year 2014 again remained important for India and Vietnam because Modi government has sent its foreign minister Smt. Sushma Swaraj in August 2014, to prepare the ground for the visit of President, Pranab Mukherjee. Thereafter, the President of India visited Vietnam in September 2014, at the same time when the Chinese president was visiting India. Both the visits resulted in many agreements being inked between Vietnam and India. Vietnam has also extended the lease of oil blocks exploration and given two new blocks in the disputed South China Sea to India.^[1]

Initiated in 1992, the LEP was a landmark initiative for developing extensive economic relations with the Association of Southeast Asian Nations (ASEAN) and since then India has progressed from a Dialogue Partner to the present status of a comprehensive Strategic Partner.^[2] It could be rightfully assumed that India's Look East policy (LEP), formulated by India's former Prime Minister P. V. Narasimha Rao, has fruitfully completed its journey of two and half decades.

The LEP has three-fold purposes; first, to ensure India's economic integration with other Asian economies; second, on the political front, become part of all ASEAN-led institutions that emerged during the last decade such as East Asia Summit (EAS) and emerging ASEAN Defence Ministers Meeting (ADMM), and the expanded consultations among the region's defence ministers and; third, the geographic scope of LEP has been expanded to include Japan, South Korea and Australia.^[3] The special focus of the LEP is on the ASEAN countries and a separate administrative unit, the CLMV (Cambodia, Laos, Myanmar and Vietnam) desk, in the Ministry of External Affairs of India, has been created signifying their importance for India.^[4]

India's consistent support to Vietnam for a peaceful resolution of the South China Sea dispute has also played a significant role in deepening mutual trust between Hanoi and New Delhi. Historically, under the purview of Asian solidarity, India stood by Vietnam's side during its struggle for liberation against the French Colonial masters. Vietnam's interest also lies in countervailing China's influence in the region with

the help of external powers such as India and the US. Given Vietnam's strategic location in East Asia and a fiercely independent foreign policy, undoubtedly, it is a leader in Southeast Asia and a pivot of East Asian power politics.^[5]

Economic Relations

India conferred the status of 'Most-Favoured Nation' to Vietnam in 1975, just three years after the establishment of full diplomatic ties; it is still Vietnam's 10th largest exporter. However, it is a recent phenomenon that India and Vietnam are inching closer on the trade and investment front. Consequently, bilateral trade is growing rapidly and has touched US\$ 3.94 billion in 2012 i.e. an increase of 1.1 per cent vis-à-vis 2011. The total volume of India-Vietnam trade was recorded at US\$ 2.2 billion till May 2013 and the two countries aim to reach the US\$ 7 billion mark by 2015 and US\$ 15 billion in 2020. As far as investments are concerned, as of June 2013, India was ranked 30th out of 101 nations and territories investing in Vietnam, with 73 valid projects worth over US\$ 253 million in the Southeast Asian nation.^[6] Several Indian companies in sectors as diverse as oil and gas, steel, minerals, tea, coffee, sugar and food processing have invested in Vietnam and most Indian investments are in the form of wholly foreign invested projects.^[7] The major amount of India's investment in Vietnam is in the field of oil and gas exploration. Nevertheless, the real worth of economic cooperation is yet to be realized. Economic relations need to be expanded. China-Vietnam trade was \$ 41 billion dollar in 2013. India- Vietnam strategic relations are significant but needless to mention that it could be further strengthened by perpetuating economic relations.

Energy Security & South China Sea Dispute

India-Vietnam energy cooperation has substantially increased in recent years, encompassing joint oil and gas exploration activities in the South China Sea. India's state-owned oil company, ONGC Videsh Limited (OVL) has so far invested approximately US\$ 360 million in the three acquired blocks namely 06.1, 127 and 128. India has invested US\$ 342.78 million in block 06.1 till March 2012; US\$ 68 million in block 127 till March 2010; and US\$ 49.14 million in block 128 till March 2012.^[8] Indian operations in extracting natural gas in Block 6.1 since 2003 in the region which is not under dispute continues from where it got two billion cubic metres (bcm) of gas in 2011-12 for its 45 percent participating interest.^[9]

Although India-Vietnam joint exploration activities date back to 1988 when Vietnam allotted block 06.1 in Nam Con Son Basin of South China Sea to India, it has been more in the news since 2011 because of China's opposition to India's involvement in the exploration of oil and gas in the South China Sea. In 2011, the issue caught international attention when China began to resist India's oil exploration in blocks 127 and 128 in Phu Khanh Basin. These blocks were allotted to India in 2006 with 100 per cent stakes. Ironically, logistics restraints coupled with non-availability of enough oil in the block 127 led India to withdraw from the block. Amid these tensions, it was reported by the *Financial Times*, London that the unidentified Chinese warship demanded that India's *INS Airavat*, an amphibious assault vessel, which was on a friendly visit to Vietnam and other Southeast Asian countries, needs to identify itself and explain its presence in the so called Chinese waters'.^[10] India's decision to withdraw from the oil blocs was not seen as a good strategic move.^[11] However, India reviewed its stand and decided to continue with the project.

China maintains that any country carrying out oil and gas exploration activities with Vietnam in the South China Sea interferes in China's internal affairs. India's official position has been that engagement with Vietnam for oil and gas exploration activities in the South China Sea serves commercial purposes and has little to do with China. It reiterates its support for freedom of navigation in the waters of South China Sea and other international waters. In response to China's opposition to India's involvement, President of Vietnam Truong Tan Sang stated in 2011, cooperation projects between Vietnam and other partners, including ONGC, in the field of oil and gas are located on the continental shelf within the Exclusive Economic Zone and under the sovereign rights and jurisdiction of Vietnam, entirely in conformity with international laws, especially the 1982 UN Convention on the Law of the Sea".^[12] For India, "maritime multilateralism" is a useful tool for addressing contemporary transnational challenges such as piracy and terrorism as also economic activities in places like South China Sea^[13] China is in disagreement over the ownership of uninhabited islands in the South China Sea with several Southeast Asian countries (Brunei, Malaysia, the Philippines and Vietnam) and has warned India not to carry out oil and gas exploration activities with Vietnam in the South China Sea. While China is consistently reiterating its assertive postures vis-à-vis the South China Sea dispute, Vietnam is also not shying away and has unambiguously shown its preference for external presence and intervention in the matter. For instance, Vietnam's Prime Minister,

during 2012 India-ASEAN Commemorative Summit, called upon India to:

“...back ASEAN and China in fully and effectively implementing the Joint Statement marking the 10th anniversary of the Declaration on the Conduct of Parties in the East Sea and support ASEAN in implementing its Six-Point Principle on the East Sea to ensure the settlement of disputes by peaceful measures in line with international law, especially the 1982 United Nations Convention on the Law of the Sea”.^[14] The Modi government took strong stand during August 2014 ASEAN Summit in Myanmar and stated that South China Sea dispute is a multilateral issue and it must be resolved through amicable means.

Conclusion

India-Vietnam relations have emerged as bedrock of India's LEP. Vietnam has also provided an emulative path to smaller countries for containment of mighty enemies. In the changing security equilibrium, the importance of Vietnam is set to increase in future. It is imperative that India must extend all possible support to Vietnam to ensure mutually beneficial and sustainable development.

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India and Australia: Closer and Closer?

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Introduction

In the big shift of economic and political power back to Asia the prospect of closer relations between India and Australia is tantalizing for Australia. But while the task of turning a multiplicity of weak ties into robust, mutually rewarding relationships has begun there is a long way to go. At this stage firming up potential agreements may depend as much on firming up mutual understanding of how to talk to each other as on identification of interests in common. Three threshold issues stand out: identifying a robust range of mutually interesting questions; defining specific questions for attention; and exploring such questions without the conversations petering out.

This paper begins with a summary of the differences in background that make strengthening relationships hard work. It then examines, first, relationships between India and Australia in the Indo-Pacific region and barriers to strategic convergence, and second, trade cultural and other initiatives which may help build stronger relationships. It concludes that India and Australia have much to benefit by getting closer to each other. But to underpin big initiatives it may be desirable to work also on smaller and cumulative initiatives that build capabilities to work closely together.

Differences

The search for productive conversations begins from very different standpoints. Both countries recognize the significance of the rising economic and political power of Asian states. But asymmetries of history, location and aspiration get in the way. India's experience of colonization was of foreign institutions and practices superimposed on local ones; contemporary Australia began as a set of settler colonies in which indigenous peoples were displaced. India occupies a subcontinent with far reaching links to West, Central, East and South East Asia; Australia occupies a large island continent at the far eastern tip of South East Asia (but while the distance from Darwin to Bali is shorter than that to

Melbourne, the distance from New Delhi to Melbourne is greater than that to London).

With its size, ancient and sophisticated civilization, young population and economic potential, India aspires to great power status. But in the meantime it needs to handle the immediate problems of a troubled South Asian neighborhood. Its internal affairs are complex and demanding. It wishes also to maintain links with other states in the non-aligned movement in which it played a leading role. It has found it hard to change old positions or commit to new ones. Discussions about foreign policy are subject to competing views. Continued reliance on incremental adjustments to positions adopted first under Prime Minister Nehru has cogent and influential advocates. But so does advocacy of much bigger changes.

In comparison, Australia is a small, resource endowed country with a developed economy and a population enriched not only since 1945 by European but also more recently by Asian migration (100,000 Australians speak Hindi at home; nearly 450,000 Australians are of Indian origin). It seeks to build up its profile as a middle power (Evans) and to be influential in international forums dominated by the great powers. Since the 1950s its trade links have shifted decisively towards Asia (Harcourt). Indeed, for a quarter of a century its major trade partners have been in East Asia—China, Japan and Korea. Significantly, trade with India, while growing is nowhere near as substantial. Despite bruising and inward looking partisan conflict, it enjoys broad continuity in foreign policy. But the mismatch between its traditional links and the trade patterns that drive its current economic success is stark. Closer economic integration with Asia and continuing close cultural and security links with the United States and Europe coexist in uneasy accommodation.

Even characteristics shared by both India and Australia lead to parallel rather than converging perspectives (Grare). For both, China is the major trading partner (although unlike India Australia has a favorable trade balance). Both also have significant relationships with the US. But while the prospect of increasingly competitive relationships between China and the US is a source of shared fascination and not a little apprehension, progress towards closer engagement has been slow. Following the collapse of the Soviet Union India has tended to follow a pragmatic course of interest based multilateral arrangements. It seeks to maintain strategic autonomy and to resist the emergence in Asia of any one dominant power. A generally closer relationship with the US

has nevertheless been characterised by ebbs and flows. Relations with China are pragmatic on trade but testy on borders.

In contrast Australia continues to rely very substantially for security in Asia on alliance with the US. As the US turns more closely towards Asia it looks to Australia for support and facilities. Australia also actively pursues multilateral as well as bilateral strategies of engagement with Asian states, but not at the expense of the US alliance. Despite its fundamental importance to the economy, trade with China is partitioned off. The significance of power shifts within Asia is acknowledged (Grare), but both sides of politics affirm that no choice between the US and China is necessary (see for example, Carr). While dissenting voices exist—a former conservative prime minister advocates increased independence from the US (Fraser a.), a leading strategic analyst advocates that the US make space for a rising China (White) and a former foreign minister (Gareth Evans) has said that Mr Fraser's recent book (Fraser b.) is a major contribution “to the debate Australia has to have” (Tingle) —official and effective public engagement with the issues they raise is muted.

For these reasons enduring closer relations between India and Australia may rely on both countries playing a long game.

Indo-Pacific

The region where India and Australia's interests most closely meet is the Indo-Pacific. The rise of the Indian ocean as the world's 'busiest and most strategically significant trade corridor' is a potential turning point for both countries (Medcalf: 3). It directs attention to how India and Australia might best relate to each other in a region they both share. Because the definition of the Indo-Pacific is about activities and links it focuses also on their emerging relationships with China and the US within the region and beyond.

Medcalf (2014) and Rumley (2013) outline the rationale for an Indo-Pacific region. It developed from thinking by defence strategists in Australia and has received bipartisan acceptance by Australian governments. The basis for the region is the flow of activity between the Pacific and Indian Oceans and the rise of China and India (Medcalf: 2):

The accelerating economic and security connections between the Western Pacific and the Indian ocean region are creating a single strategic system.

This system is about (Medcalf: 2-3):

the arc of trade routes, energy flows, diplomatic bonds and strategic connections between the two oceans. These links in turn emerge especially from the rise of China and India as outward-looking economic and military powers, the expansion of their economic interests, and their strategic and diplomatic imperatives in what each might once have considered its primary maritime zone of interest.

For India, the Indo-Pacific encompasses existing interests in the Indian Ocean, puts it in the company of China and the US and extends its perspectives beyond South Asia. For Australia, the Indo-Pacific gives it standing in Asia as a member state (Medcalf) and gives it reasons to look more closely towards South Asia. With India to the north and Australia to the south, using the region as a frame of reference directs attention to their overlapping security interests in the Indian Ocean and complementary relationships with countries in South East Asia.

India's interests

India's interests of particular relevance to Australia begin in the North East Indian Ocean and extend from there into South East Asia. These are a subset of India's interests in the Indian Ocean littoral which extend from the Gulf Region in the west, along the east coast of Africa, and across to South East Asia and Australia. In the North East ocean India, despite past apprehensions about Myanmar as a possible host to a naval presence by China, has a dominant role. It has also fostered cooperative security arrangements with ASEAN states bordering the Bay of Bengal/Andaman Sea (Brewster: 128) From there, as Brewster explains, India's defence facilities in the Andaman and Nicobar Islands potentially project its influence into the South East Asian trade routes and from there into the South China Sea (Brewster: 127). The key is the ability to control access to the western end of the Malacca Strait. As Brewster has argued:

The Indian Ocean is the one area in which India holds a clear military advantage over China and the potential to control the Malacca Strait reinforces that advantage. (Brewster: 131)

As traffic through the strait on which China depends continues to increase (one estimate suggests that by 2030 up to 80 per cent of China's oil and 50 per cent of its gas will be imported through the strait) (Dupont) the sensitivity of India's role will continue to grow.

However while India is well-positioned to 'look outward', and has an increasing need to do so, it has been hesitant about entering into arrangements to formalise such a role. It has tried to position itself in South East Asia as a 'benign security provider to the region as a whole' (Brewster: 133) but this aspiration remains unconsolidated. Further, proposals from the US and Japan for multilateral security arrangements involving India for many years did not draw support. While Singapore became India's 'advocate' in South East Asia strategic relationships did not develop as Singapore would have liked. Similarly, India's relations with Vietnam, which date from the Cold War, did not develop as Vietnam sought. Proposals for closer ties with other South East Asian states, especially Indonesia, and with South Korea for long remained proposals. Moreover, India's potential for leadership too was not accepted by all South East Asian states. India thus found itself building up military relationships bilaterally or with groups of states (including the US, Japan, Singapore and Australia) while also continuing to place a high value on autonomy and restraint.

India's strategic interests in South East Asia are complemented by its 'Look East' economic policies. The thinking behind the liberalisation initiatives in the Indian economy in 1991 followed close interest by Indian ministers and advisers in the sources of economic growth in Malaysia and other South East Asian countries (Mukherji). The economic crisis that crystallised policies of liberalisation prompted a drive to expand trade and investment links. India became a 'dialogue partner' of ASEAN in 1995 and it is the institutional vehicle for pursuing economic links in South East Asia. Since 2002 an India-ASEAN summit has taken place each year and India has promoted other sub-regional forums for economic cooperation in the Bay of Bengal and with Indochina (Brewster: 134). India also promotes ASEAN as a forum for discussions on security and participates in meetings of Ministers of Defence from ASEAN plus Australia, China, Japan, New Zealand, Russia, South Korea and the US. However ASEAN provides only a limited forum for deliberations on security. Whether an alternative vehicle for such discussions will emerge and what part, if any, India might take in it remain to be seen. In the meantime India has developed webs of interactions with South East Asian states and the many other states with interests in this region and the wider Indo-Pacific. Also, through active participation in BRICS Summits India not only extends links beyond the Asia Pacific but facilitates relationships with Russia and China. The experience gained from these interactions provides a foundation on which to craft more ambitious relationships in the Indo-Pacific Region. The renewed impetus to 'Look East' by the Modi

government suggests that in both trade and security India will seek to do so.

Australia's interests

Australia's interests of most relevance to India begin also in South East Asia. But from there it also looks up towards its trading partners in East Asia and across the Pacific to North America. Despite a long exposure to the Indian Ocean on its western coast Australia had found the diversity of interests represented by littoral states hard to grapple with. Until rising trade flows solidified the definition of the Indo-Pacific, relationships with South Asia in general and India in particular remained fuzzy and easily dissolved (Weigold). However the heightened salience of Indo-Pacific trade routes and maritime security provides a persuasive reason for exploration of potential interests in common. For Australia, as for India, ASEAN and its related forums has provided a vehicle for engagement. However, Australia has been much keener than India to go beyond 'soft security and dialogues' (Grare: 7). In a variety of statements and forums involving a range of stakeholders, including state governments and business groups, Australia has outlined opportunities for closer bilateral cooperation (Cerule Consulting, Grare :5). In 2008 India and Australia signed a joint security declaration which 'established a framework for the further development of the security relationship' (Grare: 6). Australia also removed the irritant of a ban on uranium sales to India. However a 'quadrilateral security dialogue' initiated earlier by then Secretary of State Colin Powell and involving the US, Japan, India and Australia dissolved (Garnaut). In 2013 Australia's Defence White Paper (Grare: 7) reiterated the importance of relationships with India and the then Defence Minister for India made the first visit of such a minister to Australia. In 2014 the election of the Modi government dramatically revived possibilities for stronger security arrangements.

In July 2014, in a move that linked security in the Indo-Pacific with wider security issues in the Pacific associated with the rise of China, India and Australia agreed to strengthen military ties. The agreement with India took place as Australia was drawing closer to both the US and Japan. These steps sparked renewed interest in a four way relationship between the US, Japan, India and Australia, with a possible extension to include Indonesia. Following renewed US interest in Asia, governments of both persuasions in Australia have agreed to provide improved facilities for the US, for example facilities for US Marines in northern Australia (Gillard Labor government) and improved military

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communications (Abbott Liberal National government). US officials and former officials have also been urging Australia to increase expenditure on defence. However in other areas of the Asia Pacific, uncertainty about US preparedness to come to their assistance in the face of rising Chinese assertiveness influenced countries to form their own coalitions. In this context Japan sought to increase its defence partnerships. It looked to the Philippines, Vietnam, India and Australia. It also moved away from post 1945 pacifism to a policy of 'collective self defence' in which Japanese forces can be deployed alongside those of allies.

Sensitivities

The moves to closer ties between India and Australia have thus taken place in sensitive circumstances in which the management of relations with China is a major driver. China is concerned about being surrounded by unfriendly neighbours. It has many land borders and maritime neighbours extending from East to South East Asia. However, other powers are concerned about growing Chinese naval strength, territorial claims, an expanded air defence zone and other initiatives to project Chinese influence. They are also trying to extend relationships with China without inhibiting closer ties with current or potential allies. Experiments with overlapping relationships in which consultation and collaboration, including the US, China or neither, take precedence over formal and confrontational alliance building are taking place. However Chinese comments indicate that the difference between say, a 'consultative security forum' or a 'countervailing coalition' and a 'military alliance' is a matter of interpretation (Garnaut, Kerin a.). While multi track strategies or strategies of multi polarity and multi alignment continue to be explored (for example Australia's joint exercises with the US and China [Kerin b.] and India's joint exercises with the US and Japan [Aneja]), the extent to which they are sustainable has yet to be determined. In this context the appreciations that India and Australia make about China and the kinds of responses they make to Chinese assertiveness may be critical to the further development of relations with each other. For example, that both India and Australia have urged the resolution of territorial disputes in the South China Sea through international law and on a regional or multilateral basis rather than through force provides a significant perspective in common (McGrath and Carney; Roy).

Also important will be how adeptly they manage relationships with each other and with other participants with interests in the Indo-Pacific. In addition to ASEAN and related forums, India and Australia participate

in other forums where shared interests can be explored. The East Asia Summit is one. Others include the Indian Ocean Rim Association and the Indian Ocean Naval Symposium. While the absence of a single regional institution which spans the whole of Asia is often noted, the more important question may be how to make the best use of those that exist. When former Australian Prime Minister Rudd proposed the creation of a new Asia-Pacific Community the importance of relationship management was reinforced (Ayson and Taylor). There was little enthusiasm for a new structure but a 'high degree of interest in discussing further how cooperation processes may be enhanced' (Frost). As Ayson and Taylor have proposed (Ayson and Taylor: 193):

The most important *institutions* of regional politics are not the formal organisations that hold regular summits, but the rules and patterns of behavior that operate between the major actors on a daily basis. Such an informal approach would suggest that the basis of Asia's strategic future, including China's role, is not a regional architecture—which seeks to organise and perhaps even to control the actors—but a set of regional bargains that nourish and support their most important strategic relationships. One of these bargains is an effective but informal compact between the United States and China that they will recognise each other's leading role in regional affairs.

From this perspective there are already enough forums. However using them creatively to manage competition, promote cooperation and avoid zero sum games will be a major challenge.

How effectively India and Australia approach this challenge will be influenced by how they balance internal policy drivers with existing and emerging interests. In different ways both countries face internal challenges that spill over into how they present themselves to the world. In India the most prominent challenges are about how to create sustainable economic opportunities that meet the expectations of a restless electorate and enhance its standing in international forums. In Australia the most prominent challenges are about how to manage a developed economy subject to painful structural change while growing beyond the electoral temptations of fear of 'the other' and to operate more confidently beyond the Anglosphere.

Closer and closer?

With closer military ties in prospect questions arise about how far they will extend, whether they will be accompanied by thickening economic

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and social ties, and whether indeed effective cooperation on security will depend on thicker ties in general. The extended gestation period between the identification by security analysts of opportunities for cooperation and recent official announcements is a reminder that analysis alone does not drive policy change. Similarly, the webs of business, institutional and personal contacts between India and Australia that now exist (for example, two way foreign direct investment, state government business development offices in India, cultural programs in both countries, Bollywood enthusiasts, enrolments from India in a recent MOOC on India presented by the Australian National University, engineering consulting services, participation by Indian civil servants in programs of the Australia and New Zealand School of Government, extensive programs of the Australia India Institute, high level round table discussions, and links between universities and individual scholars) do not guarantee thicker ties. Earlier economic, scholarly and social contacts (for example Australian economic planners in India in the 1950s, Hindustan Machine Tools investments in Australia in the 1970s, Victorian agricultural scientists in India in the 1970s and the continuing work of Queensland semi-arid tropics scientists with ICRISAT in Hyderabad) were often discontinuous or remained specialised. More recent connections such as Indian student enrolments in universities and other institutions of further education have also been troubled. However, overall the variety of current links, including those provided by immigrants from India to Australia, provides a stronger basis than before on which to build connections that link military, economic and soft power.

Realising this potential will demand conscious efforts by both countries. Indian interest in doing may be underpinned by Prime Minister Modi's emphasis on the soft power of 5Ts: trade, tourism, talent, technology and tradition (Mattoo) and on India's stance at the BRICS Summit in Brazil (Ministry of External Affairs), including Mr Modi's own address in which while praising BRICS initiatives he also consciously looked outwards and beyond summits (India Today). The high level discussions of the 2014 Australia-India Roundtable included similar factors (Lowy Institute). In this connection, three Roundtable priorities stand out:

- Federalise the bilateral relationship, encouraging dynamic states and cities in both countries to connect more with each other
- Improve business and regulatory environments to enable cross-investments by the private sectors in the two countries, including in the entire energy chain

- Foster champions for the bilateral relationship among leaders and opinion-makers in both countries, as well as encouraging the further growth of people-people relations (Lowy Institute).

The first recognises the trend for subnational authorities in each country to look outwards and their potential to strengthen a wide range of practical links. The second directs attention to the difficulties businesses in both countries have experienced, sometimes substantially, with barriers to foreign investment. It is also relevant to the argument that greater economic complementarity will help drive improved ties on security (Grare; Earl). The third recognises that ultimately the deployment of power, whether hard or soft, depends on strategic relationships between people.

Opportunities for closer ties are plentiful and potentially fruitful. For both countries the size and influence of the Indian diaspora in Australia is a strategic resource. But further and systematic efforts are needed. If a cautionary tale is needed about the risks of discontinuity it is provided by the Gillard government's Asian Century White Paper and the implementation plans designed to refocus private and public sector attention on change in Asia. On the election of the Abbott government the paper was summarily archived (DPMC). While among the current government's initiatives is a program to send Australian students to study in Asia, intention is still more prominent than results. Similarly the initiatives of Indian immigrants in Australia and Australian residents and visitors in India may, on their own, be insufficient.

Conclusion

There is now no doubt that India and Australia have a wide range of mutually interesting questions to explore. September 2014 New Delhi visit by Australian Premier and conclusion of much awaited Uranium deal has further deepened the relationship. Indian Premier has already indicated that he is visiting Australia in November 2014 after 28 years of any Prime Ministerial visit to Australia is slated to enhance the warmth between both natural allies.

However, the task of deepening relationships, especially on security and trade, is barely begun. Meaningful convergence on specific issues is likely to depend on much more exploration of questions of mutual interest and potential complementarities. A positive sign is that interest in the task is high. But each country will need to become far more aware of what the other can offer and work systematically to turn opportunities into achievements.

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ASEAN-India-China Triangle & Geopolitics of Asia-Pacific

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ASEAN came into being in 1967 with the sole aim of safeguarding its territorial integrity from the Chinese expansionist designs. Today after 47 years of its formation this baggage of history still prevails in the mindset of the ASEAN's ruling elites. ASEAN-India-China trilateral relationships are going to reshape new geopolitics in Asia-Pacific. They have over \$ 250 billion dollar bilateral trade but Chinese fear has gone up in ASEAN countries. India also fought war with China in 1962 and still over 14000 square KM Indian territory is captive under illegal occupation of China. Again Sino-Indian bilateral trade stands over \$ 65 billion dollar by FY of 2013-2014 and slated to reach \$ 100 by the FY of 2015-2016. In 2013 March leadership has changed in China and a new duo of Li & Xi has taken over and will be in the helm of affairs till March 2023. India has also witnessed amazing political changes. Thanks to the political acumen of the Indian common man, they have given full majority to Narendra Modi led BJP. It has maiden positive incident in the annals of Indian political history since independence that a non Congress party has got full majority by its own strength in national elections. Since 1984 Indian political horizon was dominated by the regional parties who had less or parochial leanings of foreign policy. In September 2014, Chinese President Li has visited India and inked many deals and pledged \$ 20 billion dollar investment in next 5 years. But during his stay in India, Chinese army had made incursions in the western sector of Laddakh. In May 2013 Chinese Prime Minister Li had also visited India and during his stay the same kind of incident took place. In recent years particularly after the inking of Nuclear treaty between the United States and India in 2008 these incidents have gone up. During Kargil conflict (1999) Prime Minister, Nawaz Sharif and the Chief of Army Staff; General Pervez Musharraf had visited Beijing to garner support against India. But the Chinese had not only declined their demand but advised them to resolve the issue with India through amicable means.^[1] India and China are cooperating partners in BRICS, Trilateral Cooperation and gamut of ASEAN platforms. They are on the same page on global warming issues too.

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Despite many convergences they have more arenas of divergences therefore their relations remain conflictual as opined by Kenneth Walsh. Long back Kautilaya stated that foreign policy is determined by the convergences of interests and other equalities hardly matters. If it is not then why Soviet Union and China, Vietnam and China, India and the United States, Iran and Saudi Arabia etc have been in hostile stage despite their many ideological and other convergences.

After the end of Cold War and 9/11 terror attacks tilt of global power is inclined towards Asia-Pacific. China had been nursing its global aspiration since its present incarnation in 1949 and is willing to dominate Asia-Pacific in the contemporary scenario. India, Japan, South Korea, Indonesia and Iran are also important powers and is willing to keep Asia-Pacific multi-polar.

The problem of Asia-Pacific is that major countries are in Cold War status for their dominance over the region before the region has established its dominance over the global system. After the Industrial Revolution, Europe had established its dominance over the global system and after that they started fighting against each other. Asian powers are replicating the same module but before their dominance over the global system. They are trying to establish their own versions of power equilibrium over Asia-Pacific. It is the root of prevailing trust deficits in Asia-Pacific. India and ASEAN along with Japan, South Korea and Australia stood together in this evolving power equilibrium of Asia-Pacific and China is in opposition with some puppet countries like Pakistan, North Korea and Cambodia.

The power game is on in a different kind of Cold War, where economic relations are going up without helping strategic relations. It is strategically important that President of India Vietnam's September 2014 visit was coincided by the Chinese President's India visit. During Chinese president's visit \$ 20 billion dollar was announced as investment in India but incidents of incursions were reported during 3 days stay of Chinese president. It has vindicated the fact that China is not interested to resolve the boundary dispute for the sake of economic benefits. China keep saying that Macmohan line drawn after 1914 Shimla conference is illegal but it has resolved its border dispute with Myanmar in 1960's only on the basis of this line. This attitude of China has again rejected the notion of economic integration theory which propagates that growing economic relations will reduce the tension between hostile countries. After returning from India President Xi had given the impression that he had no prior knowledge of border incursion in the

western sector of Laddakh during his September India visit. In fact it was his well planned move. To understand the framework, what the Chinese Communist Party (CCP) leader Xi Jinping said (Speech delivered at a party Politburo Study session convened on 28 January 2013) are important. He declared that *“China will never pursue its development at the cost of sacrificing interests of other countries. We will never give up our legitimate rights and will never sacrifice our national core interests. No country should presume that we will engage in trade involving our core interests or that we will swallow the ‘bitter fruit’ of harming our sovereignty, security or development interests”*^[2]

The Chinese are doing this kind of nasty behavior to remind India that it is not a powerful country. For Mearsheimer, rising powers tend to seek regional hegemony and China is heading in this direction.^[3] The Chinese have refused to adhere by international laws to resolve South China Sea and East China Sea disputes with ASEAN and Japan respectively. In Tibet case too, China has violated all norms of the international standards to respect human rights. To vindicate the prevailing situation in the Asia-Pacific the following statement of the Philippines President is self explanatory

“The Philippines is one of the disputant countries against China over South China Sea. Philippines President Benigno S. Aquino III called for nations around the world to do more to support the Philippines in resisting China’s assertive claims to the seas near his country, drawing a comparison to the West’s failure to support Czechoslovakia against Hitler’s demands for Czech land in 1938.

Like Czechoslovakia, the Philippines faces demands to surrender territory piecemeal to a much stronger foreign power and needs more robust foreign support for the rule of international law if it is to resist.

If we say yes to something we believe is wrong now, what guarantee is there that the wrong will not be further exacerbated down the line?” he said. “At what point do you say, ‘Enough is enough’? Well, the world has to say it — remember that the Sudetenland was given in an attempt to appease Hitler to prevent World War II.”^[4] Tokyo and Manila are even more expressive about their willingness to uphold territorial claims, no matter the cost. On many occasions, Abe has vowed publicly that he will ‘never make concessions’ over the sovereignty of the Diaoyus/ Sankakus and will defend ‘Japanese territory at all costs.’^[5]

South China Sea is a serious conflict flashpoint among ASEAN disputant countries and China. Beside Vietnam, Indonesia, Malaysia, the

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Philippines and Brunai has also confronting with China over the overlapping claims over South China Sea. It has emerged as potential global flashpoints. The Nation of Bangkok warns in an editorial that:

“If the current tension continues in South China Sea, especially between the Philippines and China, it could lead to an all-out war. This is not an alarmist’s warning but a real concern. With poisonous rhetoric and growing tension, there is a possibility that conflicting parties would cross the line. This could be a result of miscalculation.”^[6]

In recent years China has clubbed its Pakistan policy with India policy. Since 2006 every visiting Chinese leader is compulsorily visiting Islamabad.^[7] India demanded that China respect India’s ‘core national interests’ in relation to its territorial integrity, in much the same way that Delhi defers to Beijing on Tibet and Taiwan. This new equivalence between Tibet and Kashmir marks a new moment in the long-running territorial disputes between India and China.^[8] Weeks before September 2014 Chinese President’s India visit, foreign minister, Sushma Swaraj demanded that Beijing must respect Indian sensitiveness if it wishes that New Delhi will reciprocate. Modi government has upgraded zero-sum-game policy with China. For that purpose Japan has emerged as a golden asset for India. In his August-September Japan visit, PM Modi and Japanese PM, Shinzo Abe proved that they have immense convergences and are bound to cooperate. Chinese are extremely jealous form this deepening of relationship. The growing bonhomie between United States and India has created a situation akin of ‘Prisoner’s Dilemma’ for China. During Cold War era India-United States relations were termed as ‘Estranged Democracies’ which has been converted as “Engaged Democracies’ in 21st century. President George W. Bush (2000-2008) contributed immensely to cement these ties.

President Bush and his Indian interlocutors were careful not to define their relations in terms of opposition to China. Bush’s surprising warmth to India, his willingness to invest huge political capital in transforming the bilateral relationship, and his controversial decision to facilitate nuclear energy trade with India were widely interpreted as driven by a desire to make India a counterweight to a rising China. While there were no official proclamations to this effect, a key architect of Bush’s India policy, Robert Blackwill, would later reveal the centrality of the China factor. “President George W. Bush based his transformation of US-India Relations on the core strategic principle of democratic India as a key factor in balancing the rise of Chinese power”, he noted. He made it clear that this was not based on the concept of ‘containing’

China. Nonetheless, Blackwill added, without this China factor at the fore ‘the Bush Administration would not have negotiated the Civil Nuclear Agreement and the Congress would not have approved it.’^[9] During President Barack Obama’s tenure (2009-2016) the Bush era’s warmth has declined a bit but again it is improving in the second half of his tenure. The warmth President Obama has shown during PM Modi’s in September 2014 United States visit is self explanatory. China has been extremely jealous of this cooperation among democracies. Coincidentally majority of ASEAN countries, United States, Japan, Australia and India all have adopted democracy as a way of governance. Global Times, the mouth piece of Chinese regime had expressed this frustration in December 2010. “The title of “the biggest democratic nation” looks like a glass of red wine enjoyed together by India and the West.

But it doesn’t generate anything substantial that is of India’s national interests. With a huge population and much work left to be done in developing the economy, perhaps India won’t get too drunk to act superior in front of China, because such superiority will delight India much less than it delights the West.’ See Who wins the Dragon-elephant contention”.^[10]

Sino-Indian rivalry is millennia old. Both countries have millennia old historical linkage, but they never accepted each other as their friends. After many decades of the spread of Buddhism in China, Han Yu, an anti-Buddhist intellectual in the 9th century (who later became the harbingers of Confucianism). Put the issue starkly in his ‘Memorial on Buddhism’ written in 819.

“The Buddha was of a barbarian origin. His language differed from Chinese speech; his cloth of a different cut; his mouth did not pronounce the prescribed words of the Former Kings; his body was not clad in the garments prescribed by the former kings. He did not recognize the relationship between prince and the subject, nor the sentiment of father and son.”^[11]

This status has been further emboldened with the anticipation of shifting of global power towards Asia. ASEAN has become more powerful to tilt the balance in this game of balance of power. Historian K.M. Panikkar highlighted the Indian importance in ASEAN in pre World War periods. According to him “A free and stable government in India conscious of its responsibilities and capable of playing its part in Southeast Asia, is the essential prerequisite for the success of such a collective security system. In the absence of such a government in India he insisted

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Southeast Asia will remain the cockpit of colonial ambitions, incapable of defending itself, and a prey to the predatory urge of any power which is strong enough to attack it.”^[12] Christopher Jaffrelot has argued, convincingly, that India’s post Cold War Look East Policy could be traced back to the Asianist ideals of the Indian national movement.^[13] Lord Curzon had also dreamt India as an engine of Asian growth during British rule over India.

Asian situation is quite anarchic and quite close to Hobbes Leviathan’s projections of human behavior. According to the neorealist thinker, Kenneth Waltz “Because the future is uncertain, states are more concerned about relative gains and how gains will be divided. For this reason cooperation is hard to achieve in international relations. The basic nature of the international relations is therefore essentially conflict.”^[14]

Despite very good economic relations, China and ASEAN have hostile relations on strategic affairs. India must nurse ASEAN by all counts. There are hardly any divergences between India and ASEAN. ASEAN countries are very much interested that India must accelerate its presence in their part. India has rightly done while extending its imprint in South China Sea and developing all weather relationships with Vietnam. ASEAN countries are bound to sustain their Look West Policy towards India. Due to expanding security concerns, ASEAN countries have accelerated the pace of accumulation of weapons. This market is over \$ 40 billion dollar and India must put aside shyness and export weapons to these countries. Modi government has started this work with new will power and is slated to sustain this tempo. Needless to say that it will not only contain China within its own backyard but embolden India’s importance on the larger canvass of the Asia-Pacific. It will be extremely helpful to India and ASEAN to reshape the geopolitics of Asia-Pacific based on the basis of peace, stability, development and international order.

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The East and South China Sea–Arc of Conflict or Cooperation?

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The nature of post cold war international politics widely differs from the cold war international politics of super power rivalry and competition. The international politics of post cold war is mainly characterized as balancing the economic interests. Concomitantly war as an instrument of foreign policy has lost its relevance in the post cold war period. Though nations are concerned about the military threat from rival nations, a full scale armed conflict between nations possessing weapons of mass destruction is unlikely in the post cold war period. However the significance of military power still remains in the international politics, and nations are in hot pursuit of developing and stockpiling weapons of mass destruction. The emergence of non state entities, especially the international terrorist group, poses a major threat to international peace and security. No nation whatsoever powerful can singlehandedly ensure its security. This realization among nation along with the intense phase of globalization strengthened multilateralism in international politics.

Though all these changes have taken place at the global politics, most of our strategic thinkers are still in the cold war mind set and they see every international hot spot as a potential conflict area. The East China Sea dispute between China and Japan need to be viewed in this context. It is true that most of the issues related to territorial claims and maritime borders between nations dates back to cold war and pre cold war period. However, today these issues need to be settled in the present post cold war context. In the post cold war context it appears that no nations venture in to a full scale war with another nation. This is mainly because of the vertical and horizontal proliferation of weapons of mass destruction and also due to the existing international power structure, manifested as neither unipolar nor multipolar. There is an urgent need to restructure the existing conflicts resolving mechanism at the international level to address the existing and emerging conflict situations. It is also imperative that the nations involved in disputes need to settle it through internationally accepted norms in interstate

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interactions. Those who pay less regard to the international law need to be pursued by others to accept it.

The East and South China Seas are the landscape of escalating territorial disputes between China and its neighbors, including Japan, Vietnam, and the Philippines. It appears that the tensions, is shaped in the region by China's growing assertiveness, and the US strategic policy of Asia pivot as well as its defence commitment to Japan. There are six countries who lay overlapping claims to the East and South China Seas, an area that is rich in hydrocarbons and natural gas and which is a nerve centre of global trade. As it seeks to expand its maritime presence, China has been met by growing protest from regional claimants like Japan, Vietnam, and the Philippines. The increasingly frequent standoffs span from the Senkaku Islands, on China's eastern flank, to the long stretch of archipelagos in the South China Sea that comprise hundreds of islets. The U.S. strategic policy of Asia pivot, involving renewed diplomatic activity and military redeployment, could signal the US active role in the disputes, which, if not managed, could turn part of Asia's maritime regions from booming trade channels and cooperation into arenas of conflict.

The dispute over sovereignty of the Senkakus in the East China Sea can be traced to the Sino-Japanese War of 1894. The Sino-Japanese war, fought primarily over control of Korea, ends with the signing of the Treaty of Shimonoseki, in which China cedes territories including Formosa (Taiwan) to Japan. China maintains that this transfer included the islands, while Japan claims that it had owned them since January 1895, when it officially annexed the uninhabited land. This division comes into play after the Second World War, when China maintains that the islands should be returned to China as a result of the Cairo and Potsdam declarations, which oblige Japan to renounce claims to all territories seized through war. Thus Japan's defeat in World War II and Cold War geopolitics added complexity to claims over the islands.

The fight over overlapping exclusive economic zones in the South China Sea has an equally complex chronology of events rooted in the Southeast Asian history. The accelerated pace of globalization and consequent extensive free trade pacts between claimants and recent development like the U.S. "pivot" to Asia has further exaggerated the two disputes. As China's economic rise facilitates growing military capabilities and assertiveness in both seas, other regional players are also experiencing their own rise in nationalism and military capability, and have exhibited greater willingness to venture territorial claims.

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The conflicting claim put forth by the claimants on the basis of history as well as international law is further aggravated by the economic interests of external powers. Further China's strategy to play a zero sum game through its assertive moves and the protective umbrella offered by the US to its allies appears to flare up the dispute. In such a situation the best course of action available before the disputing parties are:-

- (i) The claimants in both the South China Sea and East China Sea could cooperate on the development of resources, including fisheries, petroleum, and gas. A resource-sharing agreement could include bilateral patrolling mechanisms, which would deter potential sources of conflict like illegal fishing and scuffles arising from oil and gas exploration.
- (ii) Dialogue between military forces has the potential to reduce the risk of conflict escalation. Communication mechanisms like military hotlines to manage maritime emergencies, similar to the one set up by China and Japan and the one that China and Vietnam agreed to institute in June 2013, could be established among all claimants. These hotline systems would connect leaders in the event of a crisis that could arise from such mishaps as naval maneuvers misinterpreted by captains of merchant vessels or fishermen. Lastly, joint naval exercises could support greater military transparency and help develop shared rules of the road.
- (iii) The development of a multilateral, binding code of conduct between China and ASEAN countries is often cited as a way of easing territorial disputes in the South China Sea. The parties have already agreed upon multilateral risk reduction and confidence-building measures in the 2002 Declaration on the Conduct of Parties in the South China Sea, but none have adhered to its provisions or implemented its trust-building proposals. While China has historically preferred to handle all disputes bilaterally, the resumption of negotiations between China and ASEAN still holds promise for reinvigorating a multilateral framework toward greater cooperation and conflict resolution.
- (iv) Placing the territorial disputes to an international legal body presents another means of conflict mitigation. The International Court of Justice and the International Tribunal for the Law of the Sea are two forums where claimants can file submissions for settlement. In July 2013, a UN tribunal was convened in The Hague to discuss an arbitration case filed by the Philippine government

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contesting the legality of China's territorial claims in the South China Sea.^[3]

It appears that the present communist regime in China will be more assertive due to two important factors. Firstly the present leadership fears a democratic twist in China as an after effect of economic liberalization and ICT revolution, and also the struggle for regional autonomy in various provinces. Secondly, China also tries to keep the external powers away from the region, especially the US military presence. However, China would also face the same destiny of former Soviet Union if it plays an assertive role in the region and initiate any coercive means to settle the disputes with its neighbors. Therefore it appears that the best course of action before China is amicable settlement of the disputes with its neighbors as per the internationally accepted norms. This would not only help to expand China's influence in the region by winning trust and confidence of nations but also keep at bay the external power military intervention in the region. Thus it appears that the dispute in the East and South China Sea would lead to one of the two contradictory outcomes – conflict or cooperation.

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India's Rendezvous with ASEAN in the New Global Order: Achievements and Pitfalls

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The importance of regional economic organization and its connotation in the mindset of the political leaders of the Southeast Asian countries had been ascribed since early 1960s'. The issue of regional cooperation and establishment of a regional organization may be studied in the backdrop of their protracted experience of conflict and turmoil. The outfit of such bitter experience led some countries of Southeast Asia to establish a regional economic organization for better dexterity among them. The initial attempts to establish a regional organization, like Association of Southeast Asia (ASA) in 1961, followed by MAPHILINDO in 1963, ended almost at the time of their birth. However, after these experiments, ASEAN was finally established on 8 August, 1967 in Bangkok, led by five members, Indonesia, Malaysia, Singapore, Thailand and the Philippines, with the incentive to encourage regional economic, social and cultural development through cooperative programmes; to safeguard the political and economic stability of the region against big power rivalry; and to serve as a forum for the resolution of intra-regional differences. Gradually over time, ASEAN increased its membership from five to ten with the joining of Brunei in 1984, Vietnam in 1995, Laos and Myanmar in 1997 and Cambodia in 1999. Reasonably speaking, after more than 47 years of its concert, based on multiple principles through trial and error methods, ASEAN has emerged as one of the most successful experiments in regional cooperation in the developing world, and may be considered a role model for attracting many extra-regional countries to follow in its footsteps, thereby playing a very constructive and prominent role in developing a sense of regional identity in Southeast Asia.

India, during the Cold War years, in spite of ASEAN's multifarious economic achievements, never displayed its eyes towards it. In fact, ASEAN lagged behind in New Delhi's foreign policy domain and the former remained a 'discomfited alien', making the entire relationship severely lack in economic and political substance. For ASEAN, India

was not among those countries that enthusiastically welcomed its creation, and its approach was rather dissimilar, on account of the implications of the East-West antagonism and the Sino-Soviet rift. In fact, India's lack of warmth in political relations and weak economic linkages (due to closed and regulated economy) with ASEAN were caused due to their differences in discernment and actions in security and other related issues of great power activities in the Southeast Asian region. India's close association with the former Soviet Union and its support to Vietnam's action in Cambodia displeased many Southeast Asian countries. Its recognition of the Heng Samrin government in Cambodia, in July 1980 was a further obstruction. During this time, New Delhi did not wish to surrender its close ties with Hanoi and Moscow because it valued these relations more than its standing among the ASEAN countries, which resulted in that India's multilateral relations with the latter during the Cold War years brought little benefits through trade and political links. However, this state of better coordination between India and ASEAN went in opposite direction in the post-Cold War years, on account of the changing global order and coincided with the drastic transformation of India's old economic order. Presently, India-ASEAN relations have crossed more than two decades and during this period, India's achievements with reference to this regional organization remains quite momentous.

India's Changing Approach towards ASEAN: the New Dawn

In the early 1990s', global and regional politics underwent qualitative changes. With the collapse of the former Soviet Union and the initiation of the processes of globalization and liberalization, nations began to apprehend that the means to making wealth was by securing international trade and encouragement of foreign investments. Under such circumstances, speedy economic development and growth of Asian countries, especially some countries of Southeast, East Asia and beyond was exhibited prominently. India, in the context of this new world economic environment recognized and was overwhelmed by their economic development and their growing strength in the progression of regional economic integration. So, this new economic environment largely provided the space and scope for redefining the territorial compass of the regional groupings of the future for India. As against such backdrop, India in 1991, inaugurated the New Economic Policy under the leadership of P.V. Narashima Rao. This new policy embarked on a substantive and wide-ranging programme of economic reforms, restructuring and liberalization and thereby bringing the Indian

economy in line with the world economy, including the ASEAN countries. India's choice to give a special policy thrust to its relations with ASEAN and "desired improved relations with individual countries in the ASEAN region and with ASEAN as a collective entity"^[1] virtually eliminated its hitherto uncaring attitude towards it. India, under the leadership of Narasimha Rao, announced its 'Look East' policy, which was premeditated and thought-out, and supported by India's conscious effort to connect with Southeast Asia and beyond. He perceived that the end of the Cold War had given India an opportunity to broaden its relations with these countries, which it lacked due to the obstruction of Cold War power politics. Therefore, India's 'Look East' ASEAN Policy is a product of both the force of liberalization and the craving to replicate the East Asian growth miracle.

Conversely for ASEAN, India's size, population, educated middle class, industrial base, military strength, technological capability, ancient cultural history and existence of overseas Indians were factors in India's favour. Also, ASEAN's observation of New Delhi as an emerging regional power and China as a source of security threat, the sour situation in the South China Sea because of conflicting claims over the Spratly islands, the standoff in the Taiwan straits and the Korean peninsula and the troubled ties among US, Japan and China, convinced ASEAN of the need for a paradigm shift in India-ASEAN ties. It was also felt by the ASEAN members that India's image as a benign power and its peaceful rise followed major strategic benefit for them to play a more effective regional role. Thus, mutual needs affected their convergence and that coordination was further augmented following New Delhi's 'Look East' policy, which coincided with ASEAN's 'Look West' mindset and this newly found sense of regionalization ultimately led to a better understanding of relations between India and ASEAN.

This favourable environment resulted in ASEAN governments responding to Indian overtures in 1992, and between 1992 and 1996, New Delhi first became a 'sectoral dialogue' partner of the grouping and thereafter a 'full dialogue' partner. India also joined the security entity of the ASEAN, the ASEAN Regional Forum (ARF), in 1996, and thereby her entry was into multilateral security deliberations outside the United Nations aegis for the first time. In the same year, at New Delhi, the ASEAN-India Joint Cooperation Committee held its first meeting. They also started political dialogue and consultations at the senior officials level in 1998. In addition to an ASEAN-India Business Council, the two sides have set up three ASEAN-India working groups dealing with development cooperation, science and technology and

trade and investment respectively. India's active mobility through its 'Look East' ASEAN diplomacy reached its height, when the ASEAN leaders promoted India to a Summit level partner in 2002. This promotion in the orbit of ASEAN's economic, political and strategic process was a product of history of more than two decades. In this Summit, Prime Minister Atal Behari Vajpayee represented India and had the distinction of being the first leader not only of India but also from the entire South Asia to address the ASEAN Summit. In this Summit, he proposed to create an ASEAN-India Free Trade Area (FTA) by 2012, which would gradually eliminate the trade barriers between the ASEAN members and India. The Indian Prime Minister also agreed to offer greater tariff concessions to less developed members of ASEAN, namely Laos, Cambodia, Vietnam and Myanmar. At the end of ASEAN-India Summit in Phnom Penh, in a press conference, Vajpayee said that, "our intention is with each of the ASEAN countries to enhance our level of dialogue, our economic interaction and political interaction and to have credible and respectable portfolio of activities that are going on with them."^[2] Therefore, this India-ASEAN Summit was a watershed event since the fall of former Soviet Union. Following this promotion, the next elevation took place when India joined as an 'East Asia Summit' Partner in 2005, followed by Strategic Partnership in 2012. Having reached its greater heights, it is now urgent to implement India's long drawn 'Look East' ASEAN policy not in theory, but in practice. Thus, with these mutually reciprocal interactions, ASEAN's closer ties with India began to take shape in by displaying the decades of relative ignorance of an economically emerging, politically matured and strategically vital dynamic India in the orbit of the Southeast Asian region. While assessing India's overall achievements from the prism of ASEAN, this article will try to highlight the excellent understanding developed between them in the last two decades, based on certain parameters.

Major Accomplishments of India's ASEAN Policy

India's engagement with the ASEAN members through its 'Look East' plan achieved enormous momentum in political, economic and strategic spheres following Narashima Rao's Singapore speech in 1994. During its interaction with ASEAN, one might ask the question: whether India has become a stable participant in the ASEAN process or whether New Delhi has been able to achieve the expected results from its 'Look East' policy? More importantly, has the ASEAN accepted New Delhi as a major regional player or only as a marginal player in Asia-Pacific's economic and security architecture-cum-gallery? India, through its saga

of relations with the countries of Southeast Asia, has been able to prove its genuine interests towards the region. Through its 'Look East' ASEAN policy, New Delhi clearly exhibited a progressive performance in its development of relations with some economically advanced countries of Southeast Asia, though this could not be reflected with other late entrants ASEAN, which were economically vulnerable at that time. In the last two decades, India's 'Look East' ASEAN policy has seen certain major achievements and they are as follows:

The **first achievement** of India's ASEAN policy remains the growing economic cooperation. Over the last two decades, India and ASEAN as regional trade partners, offer a huge and attractive interconnected, geographically contiguous market of more than 1.5 billion people. Growth in India's exports to ASEAN countries in recent past has been much higher in comparison with other important destinations, though in case of imports, those from other regions have achieved faster growth. Thus, economic cooperation and trade scenario has acquired a prominent place between India and Southeast Asia, owing to their emerging complementary economies. Presently, Indian companies have invested in Singapore, Thailand, Malaysia and Indonesia in pharmaceuticals, textiles, paper and pulp manufacturing and palm oil refining. Besides this, New Delhi also developed better economic ties with Thailand, Indonesia and the Philippines. Unfortunately it lacked attention towards Brunei, another developed country within Southeast Asia, the per capita Gross Domestic Product (GDP) of which remains second only to Singapore, due to unknown reasons. In spite of this growing economic engagement, India's bilateral relations with the economically advanced countries of ASEAN, have not yet evolved into a meaningful partnership in which both sides have a vital stake. ASEAN's trade and investments in India with developed economies of Southeast Asia (i.e. Singapore, Malaysia, Thailand, Indonesia and the Philippines) after an initial spurt, have stagnated, in part because of ASEAN's preoccupation with the financial crises in 1997 and 2008 on the one hand, and also due to their disillusionment with New Delhi's daunting procedures, requirements and an unresponsive bureaucracy, on the other. Moreover, a large number of important proposals have not yet been implemented even after protracted negotiations, thus blemishing New Delhi's image in this region. Fortunately enough, in the current period there has been an upward mobility in the India-ASEAN economic and political ties.

Trade ties over the years have clearly exhibited a sharp increase in India's exports to this area. ASEAN accounted for 3.6% of India's exports to the world in 1980, which by 1992 increased nearly 6%. In terms of

value, India's export to ASEAN countries had more than quadrupled in 1992 and in the later years, India's trade in terms of both exports and imports increased very rapidly. In the last five years, India's exports to ASEAN have increased by over 280% and India's imports from ASEAN countries have increased by around 220%. India's trade with the ASEAN members, during the year 2013-14 was US \$74897.99 million, which remained 20 times more than the year 1992-93. However, the Balance of Trade, except for the year 1993-94, has tilted in favour of the Southeast Asian countries (see: Table-1). In fact, in the last seven years, bilateral trade has nearly doubled from US \$ 39 billion in 2007-08 to US \$ 74.9 billion by 2013-2014. Besides this, ASEAN remains the fifth most important market in the world in terms of Indian exports and fourth in terms of imports. Among the Southeast Asian countries, Malaysia and Singapore have been India's most prominent trading partners and India's trade with Laos has been the least in value terms (as per 2013-14 trade statistics). However, the trade turnover declined quite sharply in 1997 and 1998, as a result of the 'East Asian Financial Crisis', mostly due to a steep fall in New Delhi's exports. Since 1999, the situation recovered and in 2012-13, India remained ASEAN's seventh-largest trading partner accounting for 12% of India's global export market. During this period, exports and imports grew at an average rate of 23.7% and 18.6% respectively.

The growing economic ties between India and ASEAN are reflected in the continued buoyancy in trade figures. With the process of economic liberalization, ASEAN countries are increasingly undertaking Foreign Direct Investment (FDI) in India in crucial infrastructure sectors, such as telecommunications, heavy industry, fuels, hotel and tourism services, chemicals, fertilizers, textiles, paper and pulp and food processing. Malaysia, Thailand and Singapore have become the major FDI sources. From a negligible amount in 1991, cumulative approved FDI from ASEAN has so far reached more than US \$ 5 billion. Unfortunately, compared to other dialogue partners of ASEAN, the volume of trade and investment flows between India and ASEAN remained very low. However, this situation has been changed in recent years. FDI from ASEAN into India during the period April 2000 – July 2008 totaled US\$ 6 billion, and ASEAN accounted for 8% of India's total FDI inflows (US\$ 74.8 billion), during the same period, with Singapore emerging as the second largest source. Similarly, Indian investments in ASEAN region amounted to US\$ 9.7 billion during April 1996 to December 2007, and ASEAN's share in India's total FDI outflows accounted for 19.6%, during the same period and where Singapore is the largest destination for India's global FDI outflows.

Tridib Chakraborti

Table 1: India's Trade with Southeast Asia

(Value in US \$ Million)				
Year (April-March)	Exports	Imports	Total Trade	Balance of Trade
1990-91	748.00	1474.00	2222.00	-726.00
1991-92	1022.30	1274.60	2296.90	-252.30
1992-93	1508.25	2230.24	3738.49	-721.99
1993-94	1981.71	1950.00	3931.71	+31.71
1994-95	2326.27	3059.50	5385.76	-733.23
1995-96	3177.77	3881.88	7059.65	-704.11
1996-97	3353.46	4492.58	7846.04	-1139.12
1997-98	2987.21	5177.91	8165.12	-2190.70
1998-99	2090.35	5865.13	7955.48	-3774.78
1999-2000	2721.05	6281.73	9002.78	-3560.68
2000-01	3362.20	5210.49	8572.69	-1846.31
2001-02	3945.86	5767.12	9712.98	-1821.26
2002-03	5219.16	6565.61	11784.77	-1346.45
2003-04	6494.35	10058.46	16552.81	-3564.11
2004-05	8,425.89	9,114.66	17540.55	-718.77
2005-06	10,411.30	10,883.68	21294.98	-472.38
2006-07	12,603.86	18,089.64	30693.50	-5485.78
2007-08	16,413.52	22,674.81	390,88.33	-6261.29
2008-09	19,140.63	26,202.96	453,43.59	-7062.33
2009-10	18,113.71	25,797.96	43911.67	-7684.25
2010-2011	25,627.89	30,607.96	57,885.77	-3330.15
2011-2012	36,744.35	42,158.84	78903.19	-5414.59
2012-2013	33,008.21	42,866.36	75874.57	-9858.15
2013-2014	33,279.22	41,618.77	74897.99	-8339.55

Source: Prepared by the author from various tables and pages based on *Ministry of Commerce Annual Reports*, Government of India, New Delhi, April-March 1990-91 to April-March 2013- 2014.

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Moreover, New Delhi has also set up joint working groups with Malaysia, Indonesia etc. for working towards Comprehensive Economic Cooperation Agreement (CECA). The Comprehensive Framework Agreement was actually signed by the leaders of India and ASEAN, at the Bali Summit in 2003, and laid a strong base for the eventual establishment of an ASEAN-India Regional Trade and Investment Area (RITA), which includes FTA in goods, services and investment. However, On 13 August 2009 at Bangkok, after six years of negotiations, the India-ASEAN Free Trade Agreement (FTA), as part of the CECA was finally signed and it came into effect from January 1, 2010 with Malaysia, Thailand and Singapore and it is expected to be applicable to other ASEAN member by 2016. Under this ASEAN-India FTA, the two sides would eliminate tariffs for about 4000 products (which include electronics, chemicals, machinery and textiles) out of which duties for 3200 products will be reduced by December 2013, while duties on the remaining 800 products will be brought down to zero or near zero levels by December 2016. Presently, India and ASEAN are negotiating Agreements on Trade in Services and Investment, where this sector would contribute approximately 58% of India's GDP. It covers a wide range of activities, such as trading, transportation and communication, financial, real estate and business services, as well as community, social and personal services. Interestingly enough, the former India Prime Minister, Manmohan Singh during his visit to Bandar Seri Begawan on 10 October 2013, in connection with the 11th ASEAN-India Summit and Eighth East Asia Summit (EAS) meeting said that India and the ASEAN members have concluded negotiations on a Free Trade Agreement in Services and Investments which has been inked in September 2014. Therefore, though New Delhi has been a campaigner of multilateralism and acted as a responsible member of the WTO, regionalism as a reaction to the multilateral process has gained its ground of its foreign policy agenda in the present juncture, and this FTA remains a major step of India's 'Look East' policy in reducing its dependence on trade with U.S, E.U and China and turning towards South East Asia, in order to strengthen its regional dynamics.

The **Second achievement** of India's ASEAN policy involves security cooperation and expansion of its area of influence in the Southeast Asian region and beyond, with a view to becoming a major actor in the emerging Asian security architecture. This security cooperation involves joint operations to protect sea-lanes and pooling resources in the war against terrorism. The Indian Navy has been claspng an effective role in combating piracy in the Malacca Straits, and has offered to cooperate with the littoral states in the

implementation of the 'Eyes in the Sky' programme for patrolling the piracy-infested Straits of Malacca. Besides, among other areas where India and the ASEAN members are jointly harmonizing their efforts, are the problems of piracy, terrorism menace, insurgency, trafficking of small arms and drugs, illegal migration, environmental pollution, narcotics traffic, other security-related issues, including the safety of the sea-lanes-of-communication (SLOC), which are vital for the region's economic development. India's recent Naval activities in the Indian Ocean region, based on the Indian Maritime Doctrine of 2004, by displaying its latest designed missile destroyers, holding annual joint exercises in the Andaman Sea with the smaller littoral navies, exercising off-shore during extended "goodwill" tours with the host country's naval vessels, etc. have clearly exhibited its strategic existence. The recent voyage of INS Sudarshini, which set sail from Kochi on 15th September 2013, visited 9 Southeast Asian countries on a commemorative voyage celebrating India's warm ties with countries of ASEAN^[3], over a period of six months, demonstrating an epic with reference to India's naval diplomacy. With this maritime security diplomacy, India came closer to ASEAN. Besides this, military contacts and joint exercises that India initiated with ASEAN countries on a low key basis in the early 1990s are now expanding into full-fledged defence cooperation. Over the years, India has signed multiple defence agreements with most of the ASEAN members. New Delhi has also quietly begun to put in place arrangements for regular access to ports in Southeast Asia. India's defence contacts have widened to include Japan, South Korea and China, which were hitherto never engaged by India in such a multi-directional diplomacy.

The **Third achievement** of India's ASEAN policy has been its engagement with Southeast and East Asia, through East Asia Summit (EAS). The First EAS meeting, held in December 2005 in Kuala Lumpur, consisted of 16 countries (ASEAN, China, Japan, Korea, India, Australia and New Zealand) and remained a historic event in the emerging global politics. The road to this first Summit has been followed by recent events, especially the ASEAN plus formula and the EAS initiative can be termed as the first step for establishing an East Asian Community on the lines of the European Economic Community, with the aim of promoting peace, stability and economic prosperity in East Asia and its surrounding areas. Manmohan Singh, after attending the inaugural EAS (2005) underlined the importance for India to be in a group that had the "potential to play a major role in global affairs. Its composition, its evolving agenda and format give it the potential to play a major role in global affairs. India's presence in this group from its very outset is an

opportunity we value.”^[4] He described this EAS as “a historic meeting” and the ASEAN as the “experienced driver”. Thus India’s presence and participation both in the ASEAN+1 and EAS are no doubt a good beginning for its ultimate integration with that region. In fact, rapid integration with East Asia as part of India’s ‘Look East’ Phase II policy has made the region India’s largest trade partner, ahead of the EU and the US. India is evolving a complete FTA with ASEAN, and is presently studying Free Trade Area’s (FTAs) with Japan, China and South Korea and trying to integrate as a part of the growing larger web of FTAs in the region. In other words, in the context of emerging regionalism in Asia, India could emerge as a hub between East on the one hand, and South, West and Central Asian countries on the other, where Southeast Asia could act as a bridge. The participation of India in the 4th EAS, held in Hua Hin, Thailand in October 2009, once again exhibited its growing importance in the Asia-Pacific, and the EAS leaders’ endorsement of India’s proposal to establish the Nalanda University as a centre of excellence in education and international understanding, remained a major achievement of India’s ASEAN policy. While expressing the success of this meeting, Manmohon Singh, described it as a “tremendous goodwill for India in South East and East Asia, and therefore the sky is the limit for our engagement with this region”.^[5] The importance of EAS for the policy makers of India was reflected again through the Indian Prime Minister’s speech delivered at the 8th EAS, held in Brunei on 10 October, 2013, where he said: “Asia has been a late starter in terms of building regional architectures of cooperation. We have embarked on this collective journey in large part because of the outstanding vision and leadership of ASEAN, first in pursuing ASEAN integration and then expanding it to the wider region. We will be successful if we adhere to the principles of unity, cooperation and integration that have guided ASEAN and if ASEAN centrality continues to shape the East Asia Summit processes. I reaffirm India’s commitment to contribute to this process.”^[6] Therefore, India deems the EAS as a firm move in the direction of realizing its long cherished dream of building the Asian community and its participation in the EAS is a real opportunity to broaden and deepen its engagement within the emerging Asian architecture.

The **Fourth achievement** of India’s ASEAN policy has been its active participation in the Initiative for ASEAN Integration (IAI) programme, which is a regional framework for integration, aimed at narrowing the development gap within ASEAN and enhancing regional integration. It was felt by the ASEAN members that the accelerated process of market liberalization for regional integration ran a risk of

provoking distributional problems by producing negative effects on the economy of less developed members through intensified competition. This issue had serious implications for ASEAN, which experienced the development gap when it achieved the ASEAN-10 by accepting the Indochina States (Vietnam, Cambodia and Laos) and Myanmar in the late 1990s. During that time, there was a serious gap in development between the old members and the newly joined CLMV (Cambodia, Laos, Myanmar and Vietnam) countries. To overcome this chasm, at the Fourth Informal Summit in November 2000, at Singapore, the Singapore Prime Minister, Goh Chok Tong proposed the IAI. Besides narrowing development divide between ASEAN's old and new members, the IAI aimed to promote equitable economic development, and help alleviate poverty of the new members. India being a responsible 'Dialogue Partner' of ASEAN had actively played a very constructive role in this programme. India has successfully completed the "Railway Training Programmes for 48 trainers from CLMV countries in India." Additionally, India is presently implementing a project namely "India-Singapore Joint Training Programme for CLMV in English language Training". New Delhi is involved in an Entrepreneurial Development project in each of the CLMV countries, with the objective of providing technical and advisory services to CLMV for the establishment of Entrepreneurial Development Institute in each of these countries, as part of efforts to train entrepreneurs and prepare small enterprises that face the challenge of globalization. So far, New Delhi has already established Entrepreneurship Development Centres in Cambodia, Laos and Vietnam, and in Myanmar it will be set up soon. This active focus of New Delhi on the IAI has been looked upon by ASEAN countries as a sign of India's commitment to ASEAN and its processes. Therefore, India's ASEAN policy in the 21st Century has truly become multi-dimensional and is clearly multi-pronged in character.

The **Fifth achievement** of India's ASEAN policy remains the connectivity policy (mainly in improving road, railway, sea and air linkages) initiated by both sides. Connectivity with ASEAN-geographical, institutional or people-to-people - is a strategic priority for India. In December 2012, New Delhi hosted the India-ASEAN Commemorative Summit to mark 20 years of its association with the grouping and 10-years of its summit level partnership. In this Commemorative meeting, relevant mechanisms under the ASEAN-India framework to further endorse the connectivity policy were established. The key intention of this connectivity policy is to promote ASEAN centrality in the regional architecture, facilitate the building of an ASEAN Community and pragmatically present it as a foundation for constructing enhanced

connectivity outside the region and encouraging trade and investment. Currently, India has already involved in multiple connectivity projects with ASEAN members and they are: India-Myanmar-Thailand Trilateral highway project, building bridges and upgrading 120 km road between Kalewa and Yargyi, land connectivity between Northeast India with Myanmar, the building of Mekong-India Economic Corridor, a Delhi-Hanoi road and railway link and also the transportation networks including the East-West Corridor project and the Trans-Asian highway, etc. These important initiatives are viewed as the advancement of transport and infrastructure links which would alleviate the cross-border movement of goods and services between India and ASEAN in the Mekong Basin, for further operation of the ASEAN-India FTA. The opening of 2nd Car rally (second time, which would traverse nearly 8,000 Kms in 22 days) by Manmohan Singh on 21 December 2012 from New Delhi, in the presence of Heads of State and Governments of the ASEAN members has been another momentous event in recent times. The main objective of this programme is to acknowledge and demonstrate the geographical proximity between India and ASEAN members; stress on the need to develop efficient road links and seamless connectivity and to convey the driving message of augmenting people to people contacts. While describing the India-ASEAN ties at an “exciting stage”, Manmohan Singh in the inauguration programme of this car rally said: “Our future will be driven by the bonds of connectivity we build in the coming years. These physical bonds will be strengthened by digital links, which will help our younger generations to network better. Together, this web of linkages will help unleash the vast economic potential of our region, accelerate development and deepen our strategic partnership”.^[7] Another milestone event, which took place in the same year between India and ASEAN, was the establishment of an ASEAN-India Centre in New Delhi, followed by the ASEAN-India Strategic Partnership Agreement, representing an elevated echelon of a strategic understanding between them. In this December meeting, the leaders also adopted a Vision Statement or a blueprint for future India-ASEAN cooperation. The declared principles of this Vision Statement were that India and ASEAN are Strategic Partners; India agreed to support ASEAN community (to be setup in 2015); Work for ASEAN-India Partnership for Peace, Progress and Shared Prosperity (2010-2015); support and cooperate closely with ASEAN to realize the ASEAN Community in 2015, comprising three pillars, namely, the ASEAN Political Security Community, the ASEAN Economic Community and the ASEAN Socio-Cultural Community; to establish an ASEAN-India Centre using existing capacities, and political and security, economic,

socio-cultural and development cooperation in future^[8] Therefore, this Car Rally endeavour clearly revealed the indispensability of India-ASEAN connectivity for further integration.

The **Sixth achievement** of India-ASEAN policy remains the sub-regional forum initiatives in order to develop better connection with this region. To advance its “Look East” ASEAN policy, India used multilateralism as a principal tool in its geo-strategic perception. In terms of geo-politics, the contiguous sea spaces of the Bay of Bengal - South China Sea could be regarded as hubs of geo-economic and geo-strategic advantages and opportunities for New Delhi. It was felt by the Indian foreign policy makers that poor trade ties with ASEAN countries during the Cold War years had largely reduced its idea of an extended neighbourhood, and kept dormant the transport links with this region. However, this outlook was radically altered when New Delhi perceived that the immediate neighbourhood policy would be of vital national interest in the context of the emerging global economic order. This pragmatic viewpoint resulted in that in the later part of its ‘Look East’ Phase I, India actively supported the creation of bilateral and sub-regional groupings, to complement its larger goal of enhancing ASEAN-India ties. The creation of the Bangladesh–China–India–Myanmar (BCIM) Forum for Regional Cooperation, established in 1999 and formerly known as the ‘Kunming Initiative’, a sub-regional initiative by India, as against the backdrop of its ‘Look-East’ Policy was essentially to promote the long-term demand of India’s North Eastern Region (NER) for the opening of trade, connectivity and people-to-people contacts with the neighbouring countries which constitute nearly 98% of the region’s borders. Besides this, the formation of BIMSTEC in 1997 and the Mekong-Ganga Cooperation (MGC) in 2000 has been instrumental in promoting cultural tourism as well as in defining regions in the new global economy and seeks to broaden and intensify joint efforts at economic cooperation between India and ASEAN in the Mekong region. Furthermore, these linkages between India and the countries of Indochina States over land might accord New Delhi a chance to expedite economic development with the NER and its integration into the Eurasian land bridge system. Thus, the formation of BIMSTEC and MGC permits New Delhi to break out of the astringent confines of the sub-continent that it had long dented and be credited with the creation of geographical connectivity for the promotion of sustainable economic partnership between India and the Indochina States in the present century. The launching of India-ASEAN Car Rally in 2005- starting from Guwahati and ending in Indonesia –aimed to promote India-ASEAN relations, with reference to better scope for enhanced

trade, road transport and connectivity, investment, tourism and people-to-people links, evidently demonstrated a forward stride in this innovative initiative.

The **last**, but not the least **achievement** has been evident in the last few years through New Delhi's participation in a number of ARF meetings, ASEAN Defence Ministers Meet plus (ADMM+), ASEAN Maritime Forum and other strategic activities relating to confidence-building measures (CBMs), maritime search and rescue, peacekeeping, non-proliferation, preventive diplomacy and disaster management, which have been productive for the facilitation and introduction of appropriate CBMs among ASEAN members. Over these years, India has taken number of strategic decisions, in order to enhance her status not only among the ASEAN members, but also for developing a vibrant Asia in its entirety. The key strategic parameters shared between India and ASEAN in the last two decades are — Combating piracy; Intelligence sharing and counter terrorism; Maintenance of coastal security and protection of the legitimate sovereign use of International waters; Enforcement of International law; Disaster relief operations; Climate change; Conservation of environment, including marine; Comprehensive economic development; Re-establishing hearty cultural relations; Cooperation in education, science and technology and other multifarious areas, promoting people to people contact, etc. Summarily then, India's participation through these multiple activities, via its 'Look East' policy has carved a win-win situation for New Delhi's overall ASEAN policy in the last two decades.

The Road Ahead

Based on the above analysis, it is clear that India's ASEAN policy in the initial post-Cold War years has been temporarily soft-pedalled with the Southeast Asian region. In the ASEAN mindset, India has evolved as an emerging power and its keenness to expand relations with it has been viewed as beneficial to the ASEAN countries as a whole. The ASEAN members felt that India possesses strategic capabilities and can be a strong stabilizing regional force. Economically, India, with its burgeoning middle class, can be a significant market for ASEAN manufactures and consequently, an important source of benefit for the region, following which, this region can gain from India's development in its service sector. India understands that the ASEAN grouping consists of countries which have achieved noteworthy growth in the past few decades. Therefore, it is in its interest to establish beneficial linkages with these countries to gain from their past experience and current

standing. Thus, there is huge potential stemming from the synergies between the two economies and strengthening economic ties would benefit them. ASEAN's strategic location makes its stability crucial for India's energy and economic security, and it aims to develop its regional influence by forging vital ties with ASEAN. Today, India-ASEAN relations are marked by a novel resilience and energy as they move towards greater economic integration not only at India-ASEAN level but also at the pan-regional level. While referring to the successful conclusion of the India-ASEAN FTA in Services and Investment, the Indian Prime Minister, Manmohan Singh characterized India-ASEAN relations at an 'exciting stage' with the possibility of their bilateral trade going up to US \$200 billion in a decade. Moreover, India is also part of ASEAN's fresh initiative for negotiation towards a pan-Indo-Pacific economic integration involving sixteen founding members of the EAS, known as Regional Comprehensive Economic Partnership. Currently, there is growing acceptance on the part of ASEAN that India has a much larger responsibility and greater role to play in Southeast Asia in the second decade of this century. In fact, New Delhi's role is becoming critical in shaping the regional strategic discourse that has been drifting towards uncertainty, multi-layered rivalry and multi-polarity. Naturally, many ASEAN members requested India to play a more active role in the regional security discourses, especially with reference to the South China Sea issue, on account of China's growing assertion in the region.

Therefore, ASEAN-India partnership holds plentiful prospective for a successful future. As things stand, it is evident that both sides are keen to establish a strong relationship with a long-term emphasis on greater cooperation and integration, apart from the escalation of economic and strategic ties. However, there are definite challenges to be addressed before achieving a consolidated East Asian Community, for which, New Delhi must change its Cold War mindset. It should also play a more pragmatic, practical and pro-active role through its 'Look East' ASEAN policy, so as to establish herself a stable and strong powerhouse in the Asian region. Thus, its average attitude, flavoured with less priority towards the 'Look East' policy calls for a change without deviating its focus and objectives. In other words, to make India's 'Look East' ASEAN doctrine an effectual one, New Delhi should follow a more pragmatic, practical and vision-oriented policy, to minimize the space, which it had lost during the last decade, since a better and deeper relationship between ASEAN and India is ultimately to the benefit of the greater East Asia and Asia Pacific regions, culminating in a stable and peaceful Asia.

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Book Review

Jomo Kwame Sundaram and Anis Chowdhury, *Is Good Governance Good for Development?*, United Nations Publications, August 2012.

One may anticipate from the title, the general tone of *Is Good Governance Good for Development?* is sceptical, with the authors arguing that donors and academics have chosen to prioritise “good governance” reforms despite limited empirical support. Throughout the book the main interest is in the role of governance in promoting growth, and this is tackled explicitly by the book’s editors – Jomo Kwame Sundaram and Anis Chowdhury – in their introductory chapter, as well as Arthur Goldsmith in “Is Governance Reform a Catalyst for Development?”. In the final essay, Mushtaq Khan concludes by proposing a “growth-enhancing approach to governance”.

In their introduction, the editors provide a broad critique of the current literature on development and growth. They choose to concentrate primarily on measurement issues, devoting several pages to a critique of the World Bank’s Worldwide Governance Indicators and associated research: “This most widely used data set, and the conclusions derived from it on government effectiveness, are, at best, partial and, at worst, misleading”, they argue. Although the Governance Indicators have been used elsewhere to demonstrate the importance of governance reforms, the editors hold that “the ostensible evidence using [these] problematic measures actually suggests that growth and development improves governance, rather than vice versa”.

The problem of identifying cause and effect, rather than simple correlation, is a theme that runs throughout the book. Arthur Goldsmith therefore takes a detailed look at four case studies – Argentina, Jamaica, Mauritius and the United States – to ask whether good governance preceded episodes of economic expansion. He finds that the evidence is far from clear. In the case of the United States for example, one of the most dramatic periods of technological and economic expansions occurred during the Gilded Age (1866-1900). Goldsmith argues however that “public institutions from that time look secretive, personalistic and arbitrary when measured by today’s standards”. Even the protection of property rights was not assured during the period.

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Goldsmith notes that state judges “were prone to reinterpret common law with respect to property and contracts” and that states were granted “widespread authority to use their power of eminent domain to expropriate assets and assist private companies”. Goldsmith concludes from his four case studies that “good governance reforms are more effect than cause of sped-up development, though over time they seem to become a more important factor in sustaining development”.

In the book’s concluding chapter, Mushtaq Khan argues that good governance, as currently conceived, can only ever be “more effect than cause” of development. Khan notes that developing countries lack the resources required to enforce good governance, and these resources can only come from development itself. As Khan notes, “it is unlikely for a poor country to achieve enforcement of the rule of law or of property rights that is significantly beyond its ability to pay for these public goods”. It is no coincidence therefore that developing countries score poorly on every common measure of good governance. Given their constraints, significant improvements in governance are unrealistic in the short- to medium-term, and “most regression analysis shows that the additional growth that *feasible* improvements in good governance can offer is limited”.

The solution to these capacity constraints is what Khan aims a “growth-enhancing approach to governance”. This approach identifies specific market failures within a country, and looks for feasible reforms that can address each failure. Importantly, the optimal solution may not always be that prescribed by the traditional principles of good governance. The cost of establishing property rights over land for example is prohibitive for many developing countries. It may be necessary therefore for governments to intervene directly in land markets, including through compulsory purchase orders. Universal principles of “good governance” are therefore inadequate – “we would expect feasible and effective strategies of incremental reform to be different across countries, depending on their political settlements and other initial conditions”.

This emphasis on country-specific, feasible reforms is a positive one, and it is echoed by a number of the book’s contributors. It is not so clear however that this represents such a significant divergence from mainstream thinking as suggested. In his concluding comments for example, Khan notes that “international agencies do not like to admit that this kind of country-specific experimentation drives development because this does not allow a consistent and general set of policy advice

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to be provided to all countries”. Yet international agencies (and donors) invest heavily in country-specific research, and recipient countries are expected to develop their own reform agenda – as formalised in the 2005 Paris Declaration on Aid Effectiveness. The introductory chapter acknowledges that mainstream thinking on governance has moved beyond the “Washington Consensus”, but this is not always clear in subsequent sections.

Likewise, the academic literature in this field is perhaps more advanced than the authors tend to give credit for. There is an abundance of work on the political economy of reform, as well as the need to develop state capacity. Moreover, the evidence supporting good governance reforms is never really given its fair due. There is strong and varied evidence linking governance reforms with improved outcomes, on many levels, and not all of these need be country-specific. In the case of basic infrastructure for example, chronically lacking in most developing countries, better governance has been shown to increase investment, improve performance and reduce capital costs. The necessary reforms are perfectly feasible for most countries and (as evidence shows) can have real effects. Given the vast resources that international organisations and donors invest in such areas, it seems reasonable for them to encourage and monitor basic governance reforms.

Ultimately though, this book is about presenting an alternative perspective on governance. It argues that wholesale reforms can be extremely difficult to achieve, and resources may be better spent elsewhere. As the editors note in the introduction, “a more useful question may be how to achieve economic growth and development in spite of weak governance”. This viewpoint is valuable and deserves to be heard. For those studying or working in the field therefore, *Is Good Governance Good for Development?* is a very worthwhile read.

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