

# ISAS Insights

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## Singapore Symposium 2012 Papers – 2 ASEAN-India Relations<sup>1</sup> See Chak Mun<sup>2</sup>

### Abstract

ASEAN-India relations intensified when the Narasimha Rao government initiated India's Look East Policy in the early 1990's. Initially the engagement was mainly economic, but the Vajpayee government added a security dimension to it. The 2004 agreement on an ASEAN-India Partnership for Peace, Progress and Shared Prosperity envisaged a multi-faceted co-operation programme, but the implementation of the Action Plan has not been fully satisfactory. For the ASEAN-India relations to be elevated to a higher level such as a strategic partnership, there should be new impetus which should come from (a) shared political and security interests, (b) increase in the economic stakes and inter-dependence, and (c) greater public understanding and awareness of the historical and cultural links between India and ASEAN.

1 ASEAN-India relations saw a quantum leap when the Narasimha Rao government initiated India's Look East policy in the early 1990's. ASEAN (Association of Southeast Asian Nations) responded positively. The Cold War was over and the Cambodian conflict was drawing to a close. At the same time, there was a heightened sense of political uncertainty in the region

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<sup>1</sup> The paper by Ambassador See Chak Mun is based on his comments during the first session of panel discussion at the Singapore Symposium, organised by the Institute of South Asian Studies (ISAS), an autonomous research institute at the National University of Singapore, and Aspen Institute India in New Delhi on 12 July 2012. The session was chaired by Professor Tan Tai Yong, Director of ISAS.

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after the United States of America (US) withdrew from its base facilities in the Philippines in 1992. India was accepted as a Sectoral Dialogue Partner in 1992 and a full Dialogue Partner in 1995. The initial India-ASEAN engagement was primarily economic as the Rao government sought more trade and FDI flows from Japan, Korea and the ASEAN countries to bolster its economic reforms programme. Simultaneously, it also concluded defence co-operation MOUs with Malaysia, Vietnam and Laos. The Indian navy began a series of multilateral (MILAN) naval exercises with foreign navies, mainly from countries surrounding the Bay of Bengal. Those were not real military exercises as such but more in the nature of naval interactions intended to allay regional concerns about a rapid Indian naval build up in the late 1980s as well as speculations about India allowing the Soviet fleet to use its naval base facilities in the Andaman and Nicobar Islands.

2 There was also a noticeable shift in ASEAN's attitude towards its role in regional affairs. While détente was evident among the US, China and the Soviet Union, there was the absence of any multilateral security dialogue among the great powers in Asia, quite unlike the situation in Europe. There was also the need to engage China amidst growing concerns about China's assertiveness in the South China Sea. Thus ASEAN decided to launch the ASEAN Regional Forum (ARF) in Bangkok in 1994 which included all the ten Southeast Asian countries, ASEAN Dialogue Partners (Australia, Canada, European Union, Japan, New Zealand, and the US) plus China and Russia. The ARF was envisaged to be the primary forum to enhance political and security co-operation in the Asia Pacific via confidence building measures and preventive diplomacy with ASEAN as the driving force. India was admitted into the ARF in 1995.

3 When the Vajpayee government came to power in 1998, it added a security dimension to India's Look East policy in the light of Delhi's new concerns about possible links between Islamic extremist groups in South Asia and Southeast Asia (example, the Jemaah Islamiyah) and China's rising influence in Southeast Asia, especially Myanmar. The Indian navy began to project power beyond the Indian Ocean and began a series of joint naval exercises in the South China Sea. While the ASEAN countries generally welcomed holding bilateral naval exercises with the Indian navy, there was noticeable apprehension among the ASEAN littoral states about involving the Indian navy in safeguarding maritime safety in the Straits of Malacca as they have previously rejected a suggestion for a Regional Maritime Security Initiative by an American admiral in 2004.

4 To a large extent ASEAN saw a continuation of policy approach under the Manmohan Singh government since 2004. The then new Defence Minister Pranab Mukherjee in an address to the 7<sup>th</sup> Asian Security Conference in Delhi held on 29 January 2005 pointed to the need to maintain 'an equitable strategic balance' in the East Asian region which had now been expanded to include the Pacific.

5 ASEAN formally accepted India's admission as a founding member of the East Asia Summit (EAS) in 2005 together with Australia and New Zealand, thus effectively recognising India as a regional player which could help shape the evolving regional architecture as well as community building in the East Asian region. Notably, the debate over the composition of EAS membership brought to the surface an underlying divergence of views within ASEAN as to what would constitute the balance of power in East Asia, given the US pre-eminent power and influence in the Asia Pacific. In October 2010, India was also invited to join the ADMM+8 forum (ASEAN Defence Ministers Meeting plus Australia, China, India, Japan, South Korea, New Zealand, Russia and the US) whose objective was to move beyond the ARF dialogue process towards practical co-operation such as in maritime security, humanitarian and disaster relief, counter-terrorism, and peacekeeping. Despite India's hitherto aversion to participation in a multilateral security alliance, it has decided to join the ADMM+8 partly because it was primarily ASEAN driven, and partly because it was only a co-operative security forum that poses no threat to any major power.

### **ASEAN-India Relations – A Stock-Take and Future Directions**

6 ASEAN-India economic relations accelerated after India became a Sectoral Dialogue Partner of ASEAN in 1992. ASEAN-India total trade rose from US\$ 2.9 billion in 1993 to US\$ 55 billion in 2010. By 2010, India's FDI flows to ASEAN amounted to US\$ 2.58 billion or 3.4 per cent of total FDI flows to the ASEAN region. Still, the volume in trade and investments flows lagged behind those of other ASEAN Dialogue Partners such as China, Japan and Korea.

7 ASEAN's dialogue relations with India were conducted under a multi-faceted co-operation framework which ranges from energy, tourism, FTAs to issues of counter-terrorism and transnational crimes. There has however been comparatively less activism in political and security as well as socio-cultural sectors of engagement.

Hence much can be done to deepen ASEAN-India relations by bringing into focus the core interests of both India and ASEAN in implementing the 2004 agreement on an ASEAN-India Partnership for Peace, Progress and shared Prosperity. There has certainly been no lack of ideas and proposals. The Action Plan (2010-15) comprises 82 items and includes a wide range of proposals for ASEAN-India co-operation in various fields ranging from international terrorism, drugs to transportation and energy. However, the diverse range of proposals and the resources and manpower that they demand have obviously prevented full implementation at the bureaucratic level. At the March 2011 ASEAN-India Senior Officials meeting, the ASEAN

Secretariat reported that only some 40 per cent out of 94 activities listed in the Action Plan (2004-2009) had been completed.

8 As ASEAN and India will be commemorating the 20<sup>th</sup> anniversary of ASEAN-India relations in December 2012, both sides could consider how the ASEAN-India relations could be qualitatively improved and be elevated to a higher level such as a strategic partnership. From the ASEAN perspective, the key consideration is whether India has the strategic interest and the commitment to engage ASEAN on a sustained and long term basis. This would depend to a large extent on how both India and ASEAN perceive their shared interests in the region. India saw the need to engage ASEAN in order to increase trade and investment flows, to forestall a perceived threat of an Islamic arc spreading from its western front to the east, and to check the rising influence of China in ASEAN, particularly Myanmar which shares a land border with India. On the ASEAN side, India's growing economic strength, its status as a de facto nuclear weapon state, and its readiness to engage all players in the Asia Pacific would offer not only new economic opportunities for ASEAN but India's active involvement in the region would provide additional driving space for ASEAN in dealing with the major powers.

9 India's overriding interest is to preserve its strategic autonomy in a multi-polar world. Thus India has indicated its preference for an open, inclusive and loosely structured economic and security architecture in the Asia-Pacific where India's role would be welcomed by ASEAN. This coincides with ASEAN's interest, as ASEAN's ability to retain its centrality and to leverage its influence on the major powers would diminish in a geo-political situation where power relationships for example between China and the US are sharply defined in the region. Hence since 1994 ASEAN has initiated a process of multilateral security dialogue that is open, transparent and inclusive of extra-regional powers and which has led to the establishment of such regional mechanisms as the ARF, ADMM+8, EAS. Together with APEC and sub-regional functional groupings like BIMSTEC, Greater Mekong Basin Cooperation, Mekong-Ganga Cooperation, they have provided a regional framework for strategic and economic co-operation. Their roles overlap, but they have served ASEAN well as they have given all interested parties an appropriate role to play in the region.

10 However, shared political and security interests, important as they are, such as in the evolving regional security architecture, or ideological affinities alone are insufficient to sustain a durable long term relationship. Nor are commonalities in value systems such as democracy and pluralism, as ASEAN societies are also diverse, as in India. Such shared interests and values could serve as the foundation of a durable long-term relationship only if they are accompanied by efforts to increase the economic stakes and inter-dependence as well as public understanding and political awareness of the historical and cultural links between India and the ASEAN countries. A notable example in the revival of such links is the Nalanda University project. From

5<sup>th</sup> Century A.D. until its destruction during the 12<sup>th</sup> Century, Nalanda was a pre-eminent centre of research and Buddhist learning. The Nalanda University project would serve to revitalise the historical links between India and East and Southeast Asia, and to reinforce the perception that India is not at the periphery of East Asia but part of an ancient Buddhist world. At the practical level, the Nalanda project would help to attract foreign investment to develop infrastructure in the Indian state of Bihar, particularly at Buddhist pilgrimage sites like Bodh Gaya, Rajgir and Nalanda. Collaboration in the Nalanda project would provide many spin-offs for ASEAN-India co-operation in the educational, cultural and tourism fields.

11 India's greater engagement in the region would require a more proactive India, instead of being a 'benign actor', in the deliberations in such fora like ARF, ADMM+ and the EAS about the evolving regional security and economic structure particularly in areas where they are likely to affect the core interests of India such as maritime security and freedom of navigation. India is a major stakeholder as it controls the sea lanes between the Andaman and Nicobar Islands in the Indian Ocean.

12 India's participation in the ASEAN Connectivity will benefit not only ASEAN but also India, as it would demonstrate India's commitment to further integrate itself with Southeast Asia and other parts of East Asia. Economic linkages could be explored through India's involvement in the implementation of the Master Plan on ASEAN Connectivity which not only covers physical infrastructure connectivity (both land and maritime) but also institutional connectivity and people-to-people links. Through Myanmar, roads and railways could connect the landlocked northeast states of India with the rest of Southeast Asia, and which could help develop the natural resources of the region. In fact, India's Prime Minister Dr Manmohan Singh flagged off an Indo-ASEAN car rally at Guwahati, capital of Assam, on 22 November 2004 to symbolise this land link between India and ASEAN and to demonstrate that with improvement of land connectivity, India and ASEAN could become an integrated region.

13 In short, the new impetus to ASEAN-India relations should come from (a) shared political and security interests, (b) increase in the economic stakes and inter-dependence, and (c) greater public understanding and awareness of historical and cultural links between India and ASEAN. India's greater involvement in the regional security dialogue and re-connecting India and ASEAN could be the focal points in the future direction of the ASEAN-India relations. This should be extended to include enhancing business connectivity as well as exchanges among the media, academics, parliamentarians and civil society groups.

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