

# ISAS Insights

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## Inter-Regionalism and its Possibilities<sup>1</sup>

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Southeast Asia has the Association of Southeast Asian Nations (ASEAN) and South Asia has the South Asian Association for Regional Cooperation (SAARC). Both regional organisations were founded to minimise and settle disputes without the use of force, and to maximise growth through economic development and trade. In other words, peace and prosperity are the goals of ASEAN and SAARC. There will be security and stability. There will be benefits for the people. Other nations outside Southeast Asia and South Asia will desire stronger relations with the two regions, which means greater links with the world, and the multilateral international system is therefore more open and further strengthened.

Put simply, we will have a vast region of cohesive and progressing nations externally-oriented and committed to peace, prosperity and a people-centered future. Are we there? If not, what can be done to bring us there?

There is now a closer network of regional cooperation between South Asia and Southeast Asia. We see a range of overlapping structures, from the ASEAN Regional Forum (ARF) to the Bay of Bengal Initiative for Multi Sectoral Technical and Economic Cooperation (BIMSTEC), shaping the framework of cooperation of our regions. India and Pakistan are Dialogue Partners of ASEAN. India, Pakistan, Bangladesh and Sri Lanka are also members of the ARF. India is a member of the East Asia Summit (EAS) process. India has also proposed an iconic cultural project - the Nalanda University. This project has the potential to bring South Asia and Southeast Asia even closer together and revive the old civilisation links. Nalanda is also meant to bring us closer to the Northeast Asian nations - China, Japan and Korea - through its core action of rejuvenating Buddhist studies and reinforcing inter-faith understanding.

Throughout ASEAN and SAARC, influences originating from the Indus civilisation are prominent. This is not just about the great religions and their inclusiveness. It is about how the magnanimity of power through the centuries before us created new culture, life and zeal for the flourishing of the human spirit. Mother India is omnipresent and so, we need to see how the India of today fares in the cooperation of our two regions.

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<sup>1</sup> This paper was the keynote address for the Workshop on “Inter-Regional Relations: South Asia and Southeast Asia”, organised by the Institute of South Asian Studies on 9 September 2008.

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India is an important neighbour and stakeholder. A strong ASEAN-India partnership is the key to tackling current and future challenges. Among South Asian countries, India's relations with ASEAN are the most entrenched. Singapore believes that, as a major power, India can play a positive role in Southeast Asia with others like the United States of America, China and Japan, and India has a critical stake in ASEAN's peace and prosperity. That is why Singapore has always encouraged greater engagement of ASEAN by India and why Singapore pushed strongly for India's inclusion in the EAS process. Over the past decade, with India's economic opening up and its "Look East" policy, ASEAN and India are increasingly partaking in each other's growth.

Prime Minister Manmohan Singh has articulated India's "Look East" policy in his vision of an "Arc of Advantage" - an Asian economic community consisting of an integrated market, linked closely by rail, road, air and sea. Prime Minister Singh's commitment to the expeditious conclusion of two key building blocks in this architecture - the ASEAN-India Free Trade Area and the ASEAN-India Open Skies Agreement - is a signal of the resolve of today's India to become a key player in shaping the regional architecture.

Underpinning the thriving ASEAN-India relationship is the convergence in our strategic outlooks that view each other as natural extensions of strategic and economic space. It is likely that this geostrategic logic provided strong impetus in driving the recent conclusion of the Goods chapter in the ASEAN-India Free Trade Agreement (FTA), even if the negotiations may have been a drawn-out process. The conclusion of the investment and services chapters, aimed for 2009, will further anchor the strategic and economic relationship between ASEAN and India.

In 2007, ASEAN's trade with India grew to US\$38 billion. This figure represents just two per cent of ASEAN's global trade. The ASEAN-India FTA has the potential to catalyse economic linkages between the two regions, even as it acts to further anchor ASEAN-India relations.

During his visit to Indonesia in April 2005 for the 50<sup>th</sup> anniversary of the Bandung Conference, Prime Minister Singh stated that India intended to stay engaged by sharing experiences gained from India's own development process with the Asian nations. He said that, "Human resource development holds the key to employment and wealth creation, particularly in this age of globalisation. This has been our strategy and we have laid particular emphasis on training and skills development as we globalize..." Indeed, India has set up training centres in ASEAN member states to impart technical knowledge, English as a language of international communication and commerce, and foundation learning for the young of Southeast Asia.

Therefore, India has strengthened economic ties, pursued educational cooperation and reinforced strategic relationships. This combination of hard and soft power is still in its infancy. A consolidation of this approach will lift India's engagement to an unprecedented level. It is important to bear in mind three things that India can offer Southeast Asian nations which no other Asian power is able to do likewise. These are English language skills; management of "unity in diversity" (that is, a multi-ethnic and multi-cultural society); and capacity building for a democratic governance (for example, an independent and functioning Election Commission).

The emerging assessment is quite positive for India's role in advancing cooperation between Southeast Asia and South Asia. The challenge is to sustain this good progress. There is no doubt that domestic politics in India will draw attention away from this endeavour. Perhaps, the way forward is to get SAARC to carry the task into the future through an institutionalised partnership between the two regional organisations. Is this possible? Let us see what has happened in ASEAN-SAARC collaboration.

ASEAN and SAARC have been stepping up their engagement in recent years. Officials from both sides have met to exchange information and best practices in areas ranging from trade to tourism, and to tackling HIV/AIDS and Avian Influenza. Looking ahead, we can expect cooperation to increase in scope and intensity as the two regional bodies continue to mature and develop, and as we find more areas of common interest.

ASEAN is moving purposefully towards the ASEAN Community by 2015 based on the three pillars of political/security cooperation, economic integration and socio-cultural cooperation. The ASEAN economic integration will create a single market and production base in Southeast Asia. Many small and technical steps have been undertaken by ASEAN. Economic integration may not be very obvious to the layman but it is for real. In any case, ASEAN cannot stop this or move backwards because the geopolitical, economic and strategic drivers are in motion.

SAARC has also started its own free-trade agenda and is moving on small and technical steps. ASEAN and SAARC can share experiences, in the spirit of what Prime Minister Singh stated during his visit to Indonesia in April 2005 for the Bandung Conference commemoration. The trade liberalisation initiatives in South Asia and Southeast Asia will create new opportunities to forge stronger economic and political ties.

Some experts and scholars have been depressed by the slow progress and minimal developments to date. They argue that the huge size of India and its devotion to the maintenance of India's advantage in the sub-continent have been the drags on SAARC's own evolution and transition. Their contention is that the South Asian nations are in a continuous state of fire-fighting, managing one crisis after another arising from hubris and political manoeuvres. As such, this region is not well connected with the external actors and cannot do much with ASEAN in a common endeavour of regional cooperation and collaboration.

However, in my view, there is enlightened leadership in the South Asian nations and it has been shown to exercise statesmanship and manifest a regional ego. Political will can be delivered if mutual interests are articulated and demonstrated well. Globalisation and its attendant consequences, particularly the increased inter-dependence, require all governments and leaders to seek new policy options and competitive designs. In any case, the challenges looming ahead, such as climate change, environmental degradation, natural disasters, and rising cost of energy and food, are all transnational in nature and would need multi-lateral strategies to manage. Working together with ASEAN and Southeast Asia gives the extra wherewithal.

I hold the view that India and SAARC have contributed to inter-regional partnership. They are supported by the positive attitudes of the other South Asian countries, especially Pakistan, Bangladesh and Sri Lanka. It is a real treat to see these four partners of ASEAN working constructively for the regional good at ASEAN-led forums. ASEAN's trade with Pakistan reached US\$3.3 billion in 2006. Pakistan is attracting more investments from ASEAN

member states such as Malaysia, Singapore and Thailand. Bangladesh's and Sri Lanka's trade with ASEAN individually totalled more than US\$1 billion in 2005. There is also a large work force from Bangladesh and Sri Lanka in ASEAN consisting not merely of manual labour but high-skilled professionals as well. Enhanced cooperation in the field of transnational crime has taken place, notably in the exchange of information on drug and human traffickers, and international terrorists.

What else can be done to obtain more benefits from inter-regional cooperation? Let me suggest the following possibilities:-

1. Educational exchanges between 10 universities from ASEAN and 10 from SAARC;
2. Twinning 10 cities in ASEAN with 10 in SAARC;
3. Starting dialogues between Track II parties and inviting them to observe ASEAN/SAARC official meetings;
4. Connecting youth bodies via the e-net and other technological innovations;
5. Linking up Parliamentarians through intellectual pursuits and sports;
6. Harnessing the latest technologies in increasing productivity, especially at the SME-level and in agriculture and aqua-culture;
7. Improving transportation links to facilitate movements of people and tourists;
8. Working together in international bodies and forums which have programmes and projects for the protection of children, women and the elderly and helping them to contribute in their own ways to society;
9. Those South Asian countries in the ARF can initiate more confidence-building and conflict prevention activities for ARF participants, especially joint training of relevant personnel; and
10. Foster a general atmosphere of good neighbourliness and positive governance where all ASEAN and SAARC member states contribute to the preservation of peace and security in the entire region.

In conclusion, while we cannot claim to have a rosy picture, there is cause for optimism. The potential is huge. ASEAN is committed to the ASEAN Community where political cooperation is buttressed by a solid single market from economic integration and assisted by a salubrious socio-cultural milieu. South Asia can leverage on this to reach a new height in its own vision of peace, prosperity and people-centered future sooner than later.

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