

INDIA ASEAN RELATIONS: AN OVERVIEW OF INDIA'S LOOK EAST POLICY

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ABSTRACT

The most talked about relationship in Asia is the one between India and Southeast Asia. The cultural relations between India and Southeast Asia date back to the pre- historic period. Hinduism was brought to Southeast Asia in the first century AD across the sea route by Indian merchants. Expansion of Hinduism was followed by the spread of Buddhism. The Indian cultural evidence is visible even today in Southeast Asian religion, languages, architecture, foods etc. the space trade from West Asia and Persian Gulf to Indonesia and even beyond proved to be the significant mode of disseminating culture from India to Southeast Asia and this commercial link also facilitated the spread of Islam in the region.

The cultural and commercial links between India and Southeast Asia were disrupted during the colonial period. The British realising the strategic importance of India in Asia, to protect their colonial presence in East made India as the buttress of their power and influence in Asia giving preference to strategic and commercial interests at the cost of hereby cultural and civilisational links. But the relations began to develop after India achieved independence when India supported the Indonesian struggle for independence and signed the friendship treaties with Indonesia, Myanmar, and the Philippines and consolidated its bilateral and diplomatic relations with them and the establishment of the regional organisation ASEAN (Association of Southeast Asian Nations) in 1967 boosted the relations between the two. The relations further expanded when India launched its Look East Policy in early 1990's.

The paper discusses firstly the background of India ASEAN relations in brief, secondly the objective of launching Look East Policy, its various phases highlighting the development of

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political, cultural, economic and strategic relations between India and ASEAN in a phased manner, and finally gives a brief overview of prospects of enhanced relations between the two for evolution of a dynamic India-ASEAN Partnership for 'Asian Century', the outcome that would be beneficial not only for India and ASEAN but to the larger Asia Pacific Region as well.

Key words: Civilisational Links, Look East Policy, India-ASEAN Partnership, Asian Century, Asia Pacific Region.

"The Pacific is likely to take the place of the Atlantic in the future as the nerve centre of the world. Though not directly a Pacific state, India will inevitably exercise an important influence there. India will also develop as the centre of economic and political activity in the Indian Ocean area, in Southeast Asia, right to the Middle East. Her position gives an economic and strategic importance in a part of the world which is going to develop in the future."

(Jawahar Lal Nehru in, "The Discovery of India")

Introduction:

The Association of Southeast Asian Nations (ASEAN) was formed by the Bangkok Declaration on 8th August, 1967 by the Foreign Ministers of five founding member countries- Indonesia, Malaysia, the Philippines, Singapore, and Thailand. Later on Brunei, Burma (now Myanmar), Vietnam, Laos and Cambodia also joined the association. This expanded the membership of the association (ASEAN) to ten countries.

In the post war period when the world was divided in the two power blocks- the United States and Soviet Union, India decided to remain aloof from the power politics and did not join any of the power blocks. Thus India followed the policy of Non Alignment after getting the independence.

However, few years after the formation of ASEAN, India rediscovered and redefined her foreign policy options which changed her attitude towards ASEAN as well. The closed type of economy in India before 1990 did not provoke the interest of ASEAN member countries, which

had changed their strategies since the early 1970 towards outward looking and more open economies. India's non alignment policy was being criticised as is evident by the statement of Lee Kuan Yew, the former Prime Minister of Singapore, who advised the then Prime Minister of India, Mrs. Indira Gandhi,

*"You may be non-aligned, but align yourself with international market grid, and gate crash into the free market."*ⁱ

In order to build the bridges of friendship with ASEAN nations, Mrs. Indira Gandhi made a visit to the Philippines and Indonesia in October 1981, and in her speech in Manila, she laid emphasis on the vital need for closer ties between India and ASEAN nations to bring in world peace and stability.ⁱⁱ

With the end of the cold war and the demise of the erstwhile Soviet Union in 1991, the world underwent a metamorphic change. In the mean time China was emerging as a new global power, particularly in the Asia-Pacific region. It posed a threat to Southeast Asia as it had come out of the US security umbrella and hence it was left with no other option but to evolve a new strategic doctrine.ⁱⁱⁱ Along with it the liberalisation of economic policy in India and ASEAN's desire to find new markets and investment opportunities catapulted the relations between ASEAN and India.

In this changing backdrop, India in its quest to evolve into an emerging giant, embarked upon some concrete initiatives and the *Look East Policy* of early nineties was the outcome. In many ways, the post-cold war external environment of a globalizing world, without rival political alliances, and with a tendency towards intensified regional integration, provided India with a perfect opportunity to improve relations with all major powers. India wasted no time in seizing this opportunity and along with the New Economic Reforms Policy launched the revolutionary *Look East Policy* in the early 1990s which over last two decades strengthened India's economic, political, security and civilisation links with the rest of Asia.

Look East Policy: A Paradigm Shift in Indo-ASEAN Relations.

The Janata Government under the leadership of Prime Minister Narasimha Rao, in 1991 initiated her *Look East Policy*, which was not merely an external economic policy, but marked a

strategic shift in context of India's foreign policy and also her strong determination to play an important role befitting her image at the global level. Thus Look East Policy was an important plank of India's foreign policy since early nineties. Dr. Manmohan Singh, the then Finance Minister stated that,

"The Look East Policy is more than a Slogan, or a foreign policy orientation. It has a strong economic rationale and commercial content. We wish to look east because of the centuries of interactions between us".^{iv}

Prime Minister Narasimha Rao, admitted that during the Cold War India ignored her Southeast Asian Neighbours and felt that there was a need to re-engage them more energetically. After him the role played by the successive Prime Ministers especially by Shri Indra Kumar Gujral and Shri. Atal Bihari Vajpayee in developing durable and vibrant relations between India and ASEAN cannot be under-estimated.^v

There were various interests of paramount importance which inspired India to 'look east' and 'to act east'. At the top place it was the economic interest that forced India to exploit this region with an exclusive economic zone of two million kilometres and is currently collaborating with the Southeast Asia in trade and investment. The strategic and security interests follow the economic interests. India is the member of ASEAN Regional Forum (ARF), which is the platform where security issues are discussed. Extradition and energy security (petroleum and energy needs from other areas) are also the issues of prime importance besides mutual legal assistance on the criminal matters and take on terrorism and trafficking in human beings and arms.^{vi}

Phases of Look East Policy:

The Look East Policy of India can be more clearly studied under the following phases of development:

i) *First Phase- The Initial Journey (1992-2003):*

The first phase of Look East Policy which started from 1992 and continued till 2003, focussed on renewing contacts with a region that India had drifted away from and focussed primarily on trade and investment linkages. In this phase India did not gain much economically

from the region as the focus of Southeast Asia at that time was tilted towards United States and India's foreign policy inclination towards communist Soviet Union divided Southeast Asia and resulted in a poor reception for India's proposal for a security regime in the region.^{vii}

In 1992 India became the 'sectoral dialogue' partner of ASEAN at the 4th ASEAN summit in Singapore and thus India steadily graduated her formal access to the organisation. The sectoral dialogue partnership laid emphasis on the four areas of co-operation between India and ASEAN, viz., trade, tourism, investment and science and technology.

Soon after this, in pursuance of Look East Policy, the dialogue moved from limited sectoral partnership to a 'full dialogue' partnership. In the span of just three years time, the potential and success of the partnership was realised and recognised at the historical Bangkok Summit in 1995 when the decision to elevate India as a full dialogue partner was taken, after which India was invited to participate in ASEAN Post Ministerial Conference (PMC) in 1996 in Jakarta.^{viii}

In 1996 India became the member of ASEAN Regional Forum (ARF), which was launched in Bangkok on July 25, 1994, as a 'forum for dialogue' where the member countries could exchange ideas about the Asia Pacific region in particular and international politics and defence affairs in general.^{ix} In more appropriate terms it is a platform for regional security co-operation based on discussions and deliberations in the ASEAN Post Ministerial Conference between the Foreign Ministers of ASEAN and its full dialogue partners. India's participation in ARF demonstrated her increasing involvement in the Asia-Pacific region, in security, political as well as economic fields and underlined her commitment to the objective of sustaining regional peace and stability. For India, the membership of ARF was a major breakthrough and an invaluable opportunity and the India's role in ARF was equally appreciated by ASEAN.^x Thus with this India's Look East Policy reached an important milestone.

India also maintained the relations with some of the ASEAN countries outside the ASEAN framework. Thailand took a lead in forging links between ASEAN and South Asia by constituting the new sub-regional grouping BIST-EC (Bangladesh, India, Sri Lanka and Thailand- Economic Cooperation) in 1997 at Bangkok. Myanmar joined the grouping in December 1997 and the organisation was named as BIMSTEC, which was later joined by Bhutan and Nepal in February 2004. Thereafter the grouping was renamed as Bay of Bengal

Initiative for Multi-sectoral Technical and Economic Co-operation at the first summit meeting held at Bangkok in July 2004.^{xi} This grouping emphasised cooperation in trade, tourism, energy and counter terrorism. The Mekong-Ganga Co-operation Initiative (MGCI), launched in 2004, where India engaged with all the Mekong river basin countries (Myanmar, Thailand, Laos, Cambodia and Vietnam) has been another example of India's interaction with ASEAN countries outside the ASEAN framework. The thrust of co-operation in this grouping has been on tourism, transport and communication, Human Resource Development particularly education and culture. Both these groupings have been vital in widening India's engagements with ASEAN.^{xii}

There after the relationship moved forward, when India became ASEAN's 'Summit level' partner in 2002. Since then India is having annual summits with ASEAN along with China, Japan and Republic of Korea (ASEAN plus 3). The first such summit was held in November, 2002 at Phnom, Cambodia. At the end of the summit a statement was issued which called for co-operation and confidence building measures in combating terrorism, trafficking in drugs, smuggling, sea piracy, cyber crimes etc. This concluded the first phase of Look East Policy.

ii) Second Phase- An Acceleration of Engagement Tempo (2003-2010):

The second phase of India's Look East Policy started from 2003 to 2010. There were significant developments in the Indo-ASEAN relations during this phase. The Treaty of Amity and Co-operation (TAC) was signed by India at the Indo-ASEAN Summit at Bali in October 2003 which was seen as a major shift from politico-economic relation to a strategic partnership. India-ASEAN Partnership for Peace, Progress and Shared Prosperity was signed in 2004 during the third India-ASEAN Summit held at Vientiane, Laos, which is regarded as the corner-stone of India's Look East Policy. It was a multipronged action plan to boost trade, investment, culture, sports and people to people contacts. India became the member of East Asian Summit (EAS) in 2005. Two years later in 2007, in the fifth India-ASEAN Summit, held in Cebu, Philippines, India focussed on India-ASEAN Free Trade Agreements. The painstaking efforts of both the parties resulted in the signing of India-ASEAN Free Trade Agreements in goods in 2009 which were implemented in 2010.^{xiii} The framework agreement on Comprehensive Economic Co-operation (CECA) was also signed by India with ASEAN in 2009. This changed ASEAN's perception towards India. Several Southeast Asian countries, like Thailand, Indonesia and Singapore supported India's entry into the region as an

active member because India was viewed as the balancing power in the region to counter China.^{xiv} The second phase of Look East Policy led to the intensification of the economic linkages between India and ASEAN.

iii) Third Phase (2010 onwards):

Now after almost a decade of the second phase, a third phase of the Look East Policy seems to be unfolding under which India's economic and strategic involvement with the region will be expanding and deepening^{xv}. The third phase of India's Look East Policy, which started from 2010 largely focussed on a maritime stance. Though during the Delhi Dialogue which was conducted in March 2010, India was criticised for not coming forward in a big way and Indo-Chinese strained relations were a constraint and a detrimental factor in India's approach toward the region^{xvi}, but India has always been in the forefront to play a willing and active part in developing its relations with ASEAN. It has always believed that the destinies of India and ASEAN are intricately linked. Now the two sides are working to bolster their relationship and have recognised that the cooperation between India and ASEAN must go hand in hand with better understanding between our people and deeper integration of our societies.

- *Economic dimensions:*

Trade between India and Southeast East Asia remains the most important aspect of joint ventures in the third phase of India's Look East Policy, with ASEAN being India's fourth largest trading partner. At present, India and ASEAN are at the threshold of quantitatively substantive relationship. For setting the goals to move forward India-ASEAN Strategic Partnership and strengthening their bonds of cooperation, all the pillars of engagement, political, economic and socio-cultural are very crucial.

India's trade with ASEAN stood at over US\$ 76.58 billion in 2014-2015 and there is great potential for further expansion. India's exports to ASEAN grew from US\$ 18.11 billion in 2009 to US\$ 32.07 billion in 2014. The ASEAN imports into India also grew from US\$ 25.7 billion to US\$ 44.7 billion in the same time period. The Free Trade Agreement in Goods was signed in 2009 and it was followed by the signing of the agreement on trade in Services and Investment in November 2014 which completed India's Free Trade Agreement with ASEAN.

The India-ASEAN Free Trade Agreement is significant because it is the first multilateral agreement which India has signed till date and it is going to play an essential role in increasing the commercial engagements and providing bigger opportunities and confidence to the businessmen, investors and most importantly leading to the development of ASEAN Economic Community.^{xvii}

In the economic sphere India and ASEAN also want to develop their transport and Communications. India has been playing a significant role in developing railway lines and building railway infrastructure in Southeast Asia. Annual ASEAN Connectivity Coordinating Committee has been set up by India for improving land, sea and air connectivity. The trilateral India-Myanmar-Thailand highway is expected to be completed by 2016 which is going to boost the economic growth in India's North Eastern Region.^{xviii}

Moreover, India is also the part of ASEAN's fresh initiative for negotiation for a Pan-Indo-Pacific economic integration involving the sixteen founder members of East Asia Summit (ten ASEAN member states and six dialogue partners- Australia, China, Japan, South Korea and New Zealand), known as Regional Comprehensive Economic Partnership (RCEP). Regional Comprehensive Economic Partnership which stands in the ASEAN centrality is a softer and more reasonable scheme of liberalisation in the Asia-Pacific Region. It is going to be an appropriate framework for letting India to get engaged in regional production networks where India has had only limited space. RCEP liberalisation scheme would cover trade liberalisation in goods, services, investment, technical cooperation, dispute settlement etc. As per the analysis made by Menon (2013), if Regional Comprehensive Economic Partnership is implemented, it could create world's largest trading bloc providing sizeable economic gains to the countries which may join in future.^{xix} In a joint statement between India's External Affairs Minister, Mrs. Sushma Swaraj, and her Singaporean counterpart, K. Shanmugan, it was expressed that both the parties (India and ASEAN) have the potential to work for the advancement of Regional Comprehensive Economic Partnership and it would be a comprehensive and mutually beneficial economic agreement taking into consideration the various diverse circumstances and levels of development of different members.^{xx} Currently India is aiming to propose a system that will allow visa-free, short business trips to fifteen other countries under Regional Comprehensive Economic Partnership as part of efforts to boost regional commercial ties.^{xxi}

- *Strategic Dimensions:*

On the security and strategic front, India and ASEAN have common interests for establishment of security and peace. The common security interests include fighting terrorism, piracy, preventing smuggling of arms and drugs, maintenance of security of sea routes and climate change. These are the main areas of cooperation between India and ASEAN. The major challenge which the Southeast Asian Region is facing at present is the issue of piracy in the Malacca Strait and the Gulf of Aden. In July 2011, while addressing a co-chair at the India ASEAN Ministerial Meet in Bali, the Indian External Affairs Minister, Mr. S. M. Krishna highlighted the challenges posed by trans-national non-traditional security threats and argued that there is an immense need for India and ASEAN for upgrading and strengthening their engagement to combat common problems and ensure sustained economic growth in the region he stated that,

“Countering international terrorism, combating drug trafficking, piracy, natural disasters, pandemic, strengthening energy security and environmental protection, arresting climate change, improving infrastructure development and meeting our requirements for education, healthcare, human resource development are all the key areas for our common endeavour to ensure sustained economic growth in our region”. ^{xxii}

A close scrutiny of India's Look East Policy reveals that it is a multipronged and multi-faceted approach to establish the political, economic and strategic links with the individual members of the region. It is a step towards establishing a significant position for India in the larger Asia-Pacific. As per Frederic Grare and Amitab Mattoo, the most interesting feature of India's Look East Policy is exhibition of greater sensitivity towards a large number of smaller countries of Southeast Asia. The functional co-operation of India-ASEAN deals with the diverse range of sectors like agriculture, culture, environment, health and pharmaceuticals, human resource development, information and communication technology, space science, telecommunication, transport and infrastructure, science and technology, tourism and trade. In 2009 October, India made an announcement at the seventh India-ASEAN Summit for contributing US\$ 50 million to India-ASEAN Co-operation Fund for the implementation of the India-ASEAN Plan of Action 2010-15 for further intensifying and deepening the India-ASEAN co-operation in political, social, economic and cultural fields. The ASEAN-India Centre in New

Delhi which was set up in June, 2013 has been one of the important milestones in this direction.^{xxiii}

Thus we can say that the two and a half decades' of relationship between India and ASEAN in past and the prospects that they share today connotes that there is significant potential for the development of dynamic partnership for future. Both the parties have to take the bold steps and formulate innovative policies to wither away the obstacles which they may face in enhancing their partnership. Then and only then would evolve a dynamic India ASEAN partnership for 'Asian Century', the outcome that would be beneficial not only for India and ASEAN but to the larger Asia Pacific Region as well. Thus ASEAN and India can together create a vibrant and dynamic region that will uplift, improve and prosper the lives and livelihood of their people.

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