

30 Years of ASEAN-India Relations: Advances and Challenges

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Abstract

ASEAN marked the completion of 30 years of its diplomatic relations with India by elevating the ties to the Comprehensive Strategic Partnership level in November 2022 at the ASEAN-India Commemorative Summit at Phnom Penh. The past three decades have witnessed several advances in the India-ASEAN relations such as India's focused approach through Look East and Act East policies which in turn resulted in India rapidly occupying important positions such as sectoral dialogue partner, dialogue partner, summit level partner, strategic partner and finally a comprehensive strategic partner in quick succession. As the geopolitical construct of Indo-Pacific gained momentum, India termed its Indo-Pacific Policy as ASEAN-centric. However, the emergence of the Quad has overshadowed the ASEAN-centrism in India's policy. Also, China being the major economic partner of ASEAN and India not joining the RCEP meant that the India-ASEAN ties have not advanced as expected. India's challenges are further exacerbated with ASEAN expecting economic benefits from China and strategic balance from the United States. India could use its comprehensive strategic partner status to realign its approach to ASEAN, particularly in the maritime domain through coordination between its own Indo-Pacific Oceans Initiative (IPOI) and ASEAN's ASEAN Outlook on Indo-Pacific (AOIP). Such an initiative could lead to greater focus on the strategic domain and further strengthen India-ASEAN relations.

Keywords: India; ASEAN; Comprehensive Strategic Partnership; China

Introduction

The year 2022 marked 30 years of ASEAN-India relations. On this occasion, both the sides elevated their relations to the Comprehensive Strategic Partnership level at the ASEAN-India Commemorative Summit held at Phnom Penh, Cambodia in November 2022 (Laskar, 2022).

The Comprehensive Strategic Partnership is an important milestone in India's engagements with the ASEAN. While the past three decades have witnessed several advances in the ASEAN-India relations, the elevation of ties is an opportunity for both the sides to realign their relations which have been subject to flux in the regional and global order.

This phenomenon has been the defining factor in the ASEAN-India relations. Despite enjoying centuries' old cultural ties with the region, India's relations with Southeast Asia in general and with ASEAN (after its formation) in particular remained underdeveloped for the better part of the past more than seven decades of India's foreign policy post-independence.

The disintegration of the Soviet Union and India's own economic crisis in the early 1990s structured a reset in India's external orientations (Ranjan, 2022). The shift in foreign policy resulted in India's favourable turn towards the western countries as well as with those regions that had received minimal focus hitherto. ASEAN was one of those regions on which India approached in a focused manner.

The past three decades of ASEAN-India relations have been marked by advances and challenges. While the full potential of the ASEAN-India ties is yet to be realized, the Comprehensive Strategic Partnership status allows both sides to reset their focus and work more closely by identifying areas of convergence.

Advances

A major advance in the ASEAN-India relations in the past three decades has been deepening institutional arrangements in the ties. It implies structural additions to the respective foreign policies of both the sides.

Following the launch of the Look East Policy in 1992, India took rapid strides in becoming an important part of ASEAN's institutional mechanisms. In 1992, India became a sectoral partner of ASEAN. In 1996, India's status was elevated to that of dialogue partner, while in 2002, India became a Summit-level Partner.

During the 20th anniversary Commemorative Summit held in 2012 at New Delhi, both the sides upgraded their ties to a strategic partnership level. India is also a member of the ASEAN Regional Forum (ARF), the East Asia Summit and the ASEAN Defence Ministers Meeting Plus.

The Look East Policy emerged as an important cornerstone of India's foreign policy. The shift in global order with the disintegration of the Soviet Union played a crucial role in increasing proximity between India and ASEAN. Also, although India's focused approach towards the region began only in the 1990s, the importance of the Southeast Asian countries was not lost on Indian policymakers and strategists even before India became independent in 1947 (Haokip, 2011). While India's first Prime Minister Jawaharlal Nehru favoured close ties with Southeast Asian countries as an extension of Indian policy of supporting anti-colonialism, strategist K.M. Panikkar underscored the strategic importance of Southeast Asia for India (Raju, 2020). In a way, the thrust that India gave to its ties with ASEAN was implementation of the policy that was imagined in the 1940s and 1950s.

The economic reforms, carried out simultaneously to the launch of the Look East Policy, brought the Indian economy in line with the economies of the ASEAN countries. For ASEAN, India's size, population, industrial base, military strength, technical capabilities and ancient cultural ties were the factors that favoured its outlook towards India (Chakraborti, 2005). The Look East Policy mostly resulted in developing institutional dialogue mechanisms as well as strengthening the confidence-building measures.

India further attempted to boost its ties with ASEAN through the launch of Act East Policy in 2014. Connectivity, commerce and culture are the focus areas under the Act East Policy for greater integration between India and ASEAN (Ministry of External Affairs, 2017). Further, the Act East Policy seeks to streamline India's focus on its strategic interests in the region. Prime Minister Narendra Modi outlined India's vision for the Indian Ocean Region as SAGAR (Security and Growth for All in the Region).

Following the rapid rise of China in the region, India, along with like-minded countries, has sought to uphold a rules-based and free order in the region to counter influence from any hegemon (Kesavan, 2020). Prime Minister Modi also emphasized on these principles while delivering a key note address at the Shangri La Dialogue in Singapore in 2018. In his speech, Modi called for respecting sovereignty and territorial integrity as well as equality of all nations, irrespective of size and strength. He further stressed that the rules and norms should be based on consent of all and not the power of few (PM India, 2018).

As the geopolitical construct of the Indo-Pacific Region has gained currency, India has defined its own vision of the Indo-Pacific Region as ASEAN-centric (Luthra, 2022). The formulation of Act East Policy has been simultaneous to India's growing engagement across the Indian Ocean Region and the Indo-Pacific Region. As such, India has linked its outreach to the Indo-Pacific Region with ASEAN. It implies that India's outlook towards the Indo-Pacific Region would take into consideration its relations with the ASEAN countries. ASEAN-centrality is emphasized in order to facilitate concerted efforts in addressing the strategic challenges that are posed by China's assertive activities in South China Sea as well as by way of foraying into the Indo-Pacific Region.

On the economic front, India has trade agreements with ASEAN as well as individual members of the grouping. The India-ASEAN Trade in Goods Agreement was signed on August 13, 2009 and came into effect on January 1, 2010. This agreement is based on the India-ASEAN Comprehensive Economic Cooperation Agreement which was signed on October 8, 2003 (Ao, 2020). India also has agreements with ASEAN in the areas of trade and investments. Besides, India has bilateral agreements with some of the ASEAN member countries. The India-Singapore Comprehensive Economic Cooperation Agreement was signed in 2005. The India-Thailand Free Trade Agreement – Early Harvest Scheme was signed in 2006. The India-Malaysia Comprehensive Economic Cooperation Agreement was signed in 2011.

Overall, the advances in the ASEAN-India relations in the past three decades have focused on strengthening the institutional and dialogue mechanisms in the strategic and economic areas.

Challenges

While greater convergence between India and ASEAN on regional and global issues in strategic and economic areas is desirable, there are several challenges that both sides need to address in order to realize the full potential of their relations.

India's unequal engagements with ASEAN

Despite framing policies like Look East and Act East to strengthen outreach to ASEAN, India's engagements with the region remain lopsided (Marjani, 2020). In particular, India's strongest relations are with Indonesia, Malaysia, Singapore, Thailand and Vietnam, while it has relatively weak ties with Brunei, Cambodia, Laos, Myanmar and the Philippines. The lack of coherent policies towards ASEAN until 1992 resulted in India's relations developing only with the major economies of ASEAN (Marjani, 2020). India is taking measures to correct this imbalance by focusing on the CLMV (Cambodia, Laos, Myanmar and Vietnam) sub-region. In 2017, India created a Project Development Fund to help Indian companies set up manufacturing bases in the CLMV sub-region. It is imperative for India to not only have focused but also have an equal presence across the region.

Divisions within ASEAN

If India's unequal engagements have prevented the development of strong ties with the entire region, divisions within the grouping on certain issues are a challenge as well. The rivalry between the United States and China over the years has created fault lines within ASEAN (Scott & Lim, 2022). A general trend suggests that ASEAN countries look at China as the principal economic partner while considering the US as a security guarantor. Further, more specifically, the regime types in ASEAN member states have come to decide tilt towards the US or China, where authoritarian regimes prefer Beijing while democratic regimes generally prefer closer ties with Washington D.C. (Bonner, 2022). The divisions within ASEAN call for India to approach the region independent of China, which is certainly a delicate balancing act. The divisions are further an impediment since ASEAN countries are divided on Myanmar as well (Joshua, 2022). India, on the other hand, has continued to engage with Myanmar, although cautiously and with calls for restoring democracy.

India considers Myanmar as a gateway to Southeast Asia and is engaged in connectivity projects: the India-Myanmar-Thailand Trilateral Highway and the Kaladan Multi-Modal Transit Transport Project. The difference in approach over Myanmar is a challenge in the ASEAN-India engagements.

Economic Disparity

A principal objective of both the Look East Policy and Act East Policy has been the strengthening of economic engagements between India and ASEAN. While the ties in the areas of trade, services and investments have grown, certain impediments have prevented greater cohesion in the economic domain.

Firstly, trade agreements with ASEAN as well as with its member states have resulted in substantial increase in India's trade volume with the region. However, the asymmetry in the balance of trade for India is a cause of concern. The trade balance, which was favouring India before the signing of trade agreements, now favours ASEAN and its member states with the operationalization of the trade agreements (Ao, 2020).

Secondly, with the current trade volume, India would not be able to challenge China's hold on the economies of the ASEAN member states. China has been ASEAN's largest trading partner since 2009. India's trade with ASEAN for the financial year 2021-2022 was \$110.40 billion (Ministry of Commerce, 2022) while ASEAN's trade with China was \$544.90 billion during the first seven months of 2022.

Thirdly, in November 2019, India refused to join the Regional Comprehensive Economic Partnership (RCEP) Agreement. The RCEP, which came into force in 2020, has 15 members which include the 10 ASEAN countries as well as China, Japan, South Korea, Australia and New Zealand. India's decision to not join the RCEP was taken in part due to continuing geopolitical tensions with China and in part due to fear of Indian markets being flooded with cheap imports which would have a negative impact on local Indian businesses (Bhutani, 2021).

With India opting out of this trade agreement, it needs to follow up this decision with an option to increase economic engagements with ASEAN.

Opportunity for a Reset

The Comprehensive Strategic Partnership status has come to a stage when the regional geopolitical environment in Southeast Asia as well as the global order is in a flux. China's assertive economic diplomacy and strategic advances across various regions are a cause of concern for India and is casting an effect on India's external engagements.

Simultaneous to the formulation of the Act East Policy, India has also been proactive in reviving the Quadrilateral Security Dialogue, also referred to as the Quad. The Quad, which was proposed in 2007 by the then Prime Minister of Japan, Shinzo Abe, saw a revival in 2017 when the four countries – India, the US, Japan and Australia – began active deliberations. Since then, the Quad has come to occupy an important position in the respective foreign policies of its member countries.

However, while India's participation in the Quad has progressed, its relations with ASEAN has not advanced as expected. Preoccupation with containing China's growing influence has been the driving factor for the Quad. The rise of the Quad has had an overshadowing effect on the ASEAN-centrism in India's Indo-Pacific policy. While Southeast Asia and South China Sea are strategically and economically important for the Quad member countries, all the Quad countries are extra regional powers. For the Quad to succeed it must cooperate with the ASEAN countries. For India, the Comprehensive Strategic Partnership status is an opportunity to realign its priorities towards ASEAN.

The Comprehensive Strategic Partnership specifies five focus areas for cooperation between India and ASEAN: maritime security, joint implementation of projects in the Indo-Pacific Region, cyber security, joint operability of digital financial systems and new technologies for sustainable development.

Both sides could boost cohesiveness through greater coordination between India's Indo-Pacific Oceans Initiative (IPOI) and ASEAN's ASEAN Outlook on Indo-Pacific (AOIP). In turn, this would also strengthen India's ASEAN-centrism approach to the Indo-Pacific Region.

Despite the existing challenges in the ASEAN-India relations, the elevation of ties to the status of Comprehensive Strategic Partnership is a positive development which should further allow both the sides to work towards strengthening their relations in strategic and economic areas. Not only would this result in better implementation of India's Act East Policy, it would also provide an opportunity to ASEAN to diversify its ties.

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