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ASEAN ANALYSIS: ASEAN-India relations a “linchpin” in rebalancing Asia

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Can India Transition from Looking East to Acting East with ASEAN's Help? Commemorating Two Decades of ASEAN-India Relations

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This week the United States and India held several rounds of talks on various topics culminating in the third round of the annual U.S.-India Strategic Dialogue on June 13. One of the most important questions on the table is whether and when India will transition from its form over substance engagement in fast developing Asia-Pacific security and trade architecture to substantive and consistent participation. The United States, the Association of Southeast Asian Nations (ASEAN), and other regional powers have a direct interest in India upping the ante. The flurry of diplomacy around India provides a good opportunity to evaluate the often overlooked ASEAN-India relationship whose 20th anniversary is being grandly commemorated throughout this year, including an

ASEAN-India Summit to be held in Phnom Penh in November, followed by one in New Delhi in December.

India launched its "Look East Policy" aimed at engaging its East Asian neighbors in 1991 under Prime Minister Narasimha Rao. The commitment was built on a massive historical and cultural foundation. India's interactions with Southeast Asia go back millennia and continue to be visible in the region's food, language, religion, and architecture. Since Rao's articulation of interest in East Asia, India's relations with ASEAN have grown, including the establishment of the dialogue partnership in 1992. Yet the full potential of the relationship remains untapped.

Opportunities for cooperation are significant since ASEAN and India share many common interests in regional security, trade and investment, counterterrorism, climate change, infrastructure development, and acculturating a rising China to regional and global norms.

The United States and other members of the East Asia Summit (EAS) would also benefit from a closer ASEAN-India partnership because it can create a more peaceful, prosperous, open, and stable region. This partly explains why several U.S. officials, including Secretary of State Hillary Clinton, have urged India to not only look East, but engage East and act East as well.

Realizing this, both sides are using the anniversary this year not only as an opportunity to celebrate how far they have come, but also as a chance to assess where they are and chart a clear path for how to take the relationship to the next level.



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ASEAN-India Relations Today

ASEAN-India relations have improved in recent years, but much more remains to be done. On the one hand, there has been a deliberate effort by New Delhi to strengthen ties with Southeast Asia through a string of high-profile visits and a raft of agreements. In the last two years alone, India has signed an agreement on trade in goods with ASEAN, boosted naval cooperation with Vietnam, inked a Comprehensive Economic Cooperation Agreement with Malaysia, and sought to intensify its commercial relationship with Myanmar in the fields of energy and infrastructure. President Pratibha Patil of India made high-profile visits to Laos and Cambodia—the first by an Indian president to the two countries since the 1950s—while Prime Minister Manmohan Singh has hosted the leaders of Thailand and Indonesia as back-to-back guests for the country's independence day celebrations (a gesture reserved only for those with whom India seeks to elevate its relationship to the level of a strategic partnership).

But this still leaves much to be desired. Even if ASEAN-India trade grows to \$70 billion by the end of 2012, it will still be only a quarter the level of ASEAN-China trade, which stood at \$300 billion in 2011. Prospects of boosting commercial ties have dimmed over the stalling of the much-awaited ASEAN-India agreement in services, which is well past its March 2012 deadline.

Physical connectivity suffers similar delays, with ambitious transportation schemes like the Trans-Asia Railway plagued by interruptions and soaring costs in the insurgency-ridden Myanmar-India border area. Some ASEAN leaders are also worried about the sustainability of India's engagement with Southeast Asia given New Delhi's own mounting economic problems and fractious politics.

ASEAN-India Relations in U.S. Strategy in the Asia-Pacific Region

The Obama administration considers ASEAN-India relations a “linchpin” in its rebalancing toward Asia. The United States hopes India will seize on its historical and cultural ties, commercial interests, and strategic mandate to engage more substantively with Southeast Asia. Secretary Clinton has called India's Look East policy “essential for the integration of the Asia-Pacific region” and expressed faith that Indian leadership, democratic values, and economic prosperity will produce positive spillover effects that extend into Southeast Asia.

In addition, U.S. officials have repeatedly encouraged New Delhi in recent years “not just to look East, but to engage East and act East” amid the uncertainty surrounding China's rise. Southeast Asia has also figured prominently in discussions between the United States and India in the annual regional dialogue on the Asia Pacific set up in 2008. In the fifth dialogue held this April, U.S. assistant secretary of state for Asia and the Pacific Kurt Campbell and Ministry of External Affairs joint secretary Gautam Bambawale had detailed discussions on the South China Sea, Myanmar, and ASEAN-led institutions like the ASEAN Regional Forum and the East Asia Summit.

Though India wants to engage the Asia-Pacific region and does share some interests with the United States and ASEAN countries—such as preserving freedom of navigation in the South China Sea,



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constructing a norms-based framework of regional cooperation in Asia, and ensuring a more connected and capable ASEAN—it has at times proved unwilling or unable to serve as the credible regional balancer the United States and ASEAN expect.

India's history of nonalignment and its growing economic dependence on China means it is wary of being dragged into any sort of Sino-American rivalry. Events such as India's sudden withdrawal from joint oil exploration with Vietnam in the South China Sea last month, after previously boldly asserting its legal claims there, raise further questions about the credibility and sustainability of India's role as a major balancing power in the Asia Pacific.

ASEAN-India Relations Going Forward

ASEAN and India have resolved to broaden and deepen their engagement in a wide variety of areas, all of which are enshrined in the ASEAN-India Vision 2020 document drafted by the ASEAN-India Eminent Persons Group. Four priority areas have been highlighted in meetings so far this year: infrastructure, people-to-people relations, addressing transnational and nontraditional security challenges, and private-sector cooperation.

For India, Thailand, and Myanmar, the emphasis is on enhancing physical connectivity. During Prime Minister Singh's recent visit to Myanmar, Indian foreign secretary Ranjan Manthai announced that India was striving for "seamless trilateral connectivity" by 2016. Deputy Commerce Minister Poom Sarapol of Thailand said earlier this week that, if this ambitious goal is realized, India will finally have a clear bridge into Southeast Asia and have the opportunity to play a larger role in the region. Joint infrastructure extensions into Laos and Cambodia are also being contemplated. If ASEAN and India emerge as combined markets, they will account for 1.8 billion people with a GDP of \$3 trillion.

India and ASEAN have also both expressed a desire to increase exchanges and promote tourism and investments as a way of not only fostering economic growth but promoting greater awareness about their shared historical links. One measure proposed at the Fourth Delhi Dialogue held in February was the establishment of an ASEAN-India Center dedicated to this goal, along the lines of what China, South Korea, and Japan all already have. Others include scholarships for ASEAN residents wanting to study at Indian universities and continued joint cooperation on the revival of Nalanda University, one of the world's oldest centers of learning.

Both sides are also seeking to boost cooperation in countering transnational and nontraditional security threats. In his speech at the Fourth Delhi Dialogue, Indian external affairs minister S.M. Krishna emphasized the need to coordinate and innovate approaches to cross-border terrorism, money laundering, drug trafficking, energy security, food security, climate change, disaster response, protecting sea-lanes of communication, and piracy. Proposals have ranged from joint workshops for climate change-induced natural disasters to forestry cooperation.



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ASEAN and India are also considering various ways to strengthen private-sector collaboration. Business-to-business cooperation between India and Southeast Asia was reactivated in 2011 with the second meeting of the ASEAN-India Business Council (AIBC), which decided that joint priority areas would include pharmaceuticals, information and communication technology, collaboration in the development small and medium-size industries, and innovation and training.

As Indian and U.S. leaders meet this week in Washington, a substantive discussion of real strategic shared interests should include a serious exploration of how both countries could strengthen their ties with ASEAN and how they can work together on key areas of mutual interest in Southeast Asia.

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