

AN EMPIRICAL STUDY OF SOUTH ASIAN POLICY AND IT'S IMPACT ON INDIA

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Abstract: India's policy with Southeast Asia, which took a distinctive shape in the early 1990s in the form of the East policy, has been a multipronged approach encompassing political, strategic and economic aspects. Apart from establishing institutional linkages with ASEAN and strengthening bilateral relations with its member states, especially in the field of defence. India has been an enthusiastic participant and has always shown its support to multilateralism in Asia-Pacific. While these policies have been so far successful, and there is a beginning of a new phase with the ASEAN Plus One Summit meetings understanding the growing importance of India to Southeast Asia and vice versa. The other major aspects is that India has become a vital part of the larger Asia-Pacific strategic landscape which can't be separated. In the Cold War days most of the then ASEAN countries perceived India to be in the camp of the former Soviet Union. Apart from Vietnam to an extent, there was very little political interaction of consequence except normal and 'correct' relations. Strategic links were virtually non-existent and economic bonds were of low importance. Against this background, the progress that India has made in cultivating multifaceted relationships with ASEAN and its member states is remarkable. In any case, it can be said that the Look East policy has played a vital role in enabling India to become one of the major powers of the Asia Pacific. Today no discussion on political or strategic or economic aspect is complete without mentioning India.

Keywords: ASEAN; India cold war; Look East policy; South Asian countries, China.

I. INTRODUCTION

India has geographical proximity to Southeast Asia, sharing its maritime boundary with at least three countries — India's second longest border (land and maritime together) is with Myanmar — the closeness of Andaman and Nicobar Islands in the Bay of Bengal to Southeast Asia than to mainland India and the fact that southern Indian tip is astride some of the most important sea lanes of communication in the Indian Ocean, connecting Southeast Asia (and East Asia) with West Asia and Europe through which nearly 40 per cent of the world's trade passes through. However, Southeast Asia was hardly a high foreign policy priority to India till recently. India's association with Southeast Asia can be traced back to ancient times. No other country has influenced the region as much as India by way of religion, language, culture and civilisation. There is also enormous historical evidence to suggest that there were flourishing economic and cultural relations between India and the countries of Southeast Asia in the pre-colonial era. While these links were disrupted during the colonial interlude, the freedom struggles in India and many countries of Southeast Asia have led to the rediscovery of each other. Much before India attained independence in August 1947, the leadership envisioned the future importance of Southeast Asia and India's involvement. Even the strategic significance of Southeast Asia caught the attention of a leading Indian strategic thinker who argued that the "Gulf of Malacca is like the mouth of a crocodile, the Peninsula of Malaya being the upper and the jutting end of Sumatra the lower jaw. Initiated in the early 1990s against the backdrop of a struggling economy and the sudden disappearance of the Cold War framework, it is a diplomatic success story by any yardstick. A clutch of new agreements to counter terrorism and to create a Free Trade region between India and ASEAN and accession to the Treaty of Amity and Cooperation (TAC) has occurred during the ASEAN Bali Summit Meeting in October 2003. Defence cooperation agreements with a number of countries and regular joint military exercises have taken place. Further, bilateral free trade agreements are to be finalised soon with Singapore and Thailand. India appears to be well poised to acquire a key place in Asia Pacific affairs.

The evolution and initiation of the Look East Policy was to be done with a lot of fanfare, although it was not to be smooth sailing all the way. The relations with ASEAN were pursued with a lot of vigour and glare which saw India become sectoral dialogue partner with ASEAN in 1992 and full dialogue partner in 1995. In July 1996, I.K. Gujral, the then Minister of External Affairs attended an ASEAN conference in Indonesia for the first time. Expressing the Indian government's approval of this new relationship, he said, "we see the full dialogue partnership with ASEAN as manifestation of our Look East destiny.....India would work with ASEAN as a full dialogue partner to give real meaning and content to the prophecy and promise of the 'Asian century' that is about to draw upon us"¹. According to C. Raja Mohan, is the movement away from exclusive focus on economic issues in phase one to a broader agenda in phase two that involves security cooperation, including joint operations to protect sea lanes and pooling resources in the war against terrorism. The military contacts and joint exercises that India launched with ASEAN states on a low key basis in the early 1990s are now expanding into full-fledged defence cooperation. India has quietly begun to put in place arrangements for regular access to parts in Southeast Asia – India's defence contacts have widened to include, Japan, South Korea and China. Never before has India engaged in such multi-directional defence diplomacy in Asia.². A close scrutiny of India's Look East Policy reveals that it was not simply meant to improve relations with Southeast Asia but there were a number of dimensions too. The Look East Policy also means to work as a showcase for India's economic potential for investment and trade. According to Grare and Mattoo, another interesting dimension of India's Look East Policy is exhibition of greater sensitivity towards a large number of smaller countries of Southeast Asia.³ The various multi-dimensional approach and the progress that India's Look East Policy has been achieving are discussed below.

II. OBJECTIVE

1. To analyse the various Indian East Asia policy.
2. To analyse the effect of policy's on Indian trade.

III. ECONOMIC DIMENSION OF INDIAN WITH OTHER SOUTH ASIAN COUNTRIES

Since from implementation of Look East Policy, India has been making significant progress in cultivating a multifaceted relationship with ASEAN and its member states. In the economic domain, the Look East Policy provided a great encouragement for economic ties up between India and the ASEAN member states which results in the constitution of a number of institutional mechanisms to promote economic exchanges. The progress between India and the ASEAN with regard to bilateral trade is equally impressive. Indonesia and Singapore are important trading partners of India. Both countries account for more than half of India's export to ASEAN during the current fiscal year of 2010-11. In recent times, India's export to Malaysia and Thailand have improved significantly from US\$ 773.69 million in 2001-02 to US\$ 3956.98 million in 2010-11 and US\$ 633.13 million in 2001-02 to US\$ 2792.80 million in 2010-11 respectively.⁴ India has also received increasing investments from its East Asian neighbour's with Australia, the growth of India trade has been even faster, increasing from US\$ 10 billion in 2005-06 to almost US\$ 15 billion in 2011-02. Trade with China has expanded from US\$ 3 billion in 2001-02 and US\$ 73.9 billion in 2011-12. Simultaneously, trade with Japan has almost tripled over the same period from 2005-06 to 2011-12.⁵ India's economic integration with the East Asian region is growing gradually. While for projecting a comprehensive economic partnership framework at the regional level, India is moving for partnerships at bilateral level. The comprehensive Economic cooperation Agreement (CECA) with Singapore was signed in 2005, and now a similar agreement with Malaysia has been signed in October 2010 and with Indonesia in 2011. This type of partnerships will go beyond trade in goods and investments. It will cover the service sector which is strength of India, and will also include areas like science and technology, tourism etc. to consolidate and expand economic

¹Gujral, I. K., 25 July, 1996, cited in The Times of India

²Mohan, C. Raja, Oct. 9, 2003, "Look East Policy: Phase Two", The Hindu.

³Grare, Frederic & Mattoo, Amitabh, 2001, India and ASEAN: The Politics of India's Look East Policy, New Delhi, and ISEAS.

⁴"ASEAN's India target expensive economic link with FTA", However Euro zone & China still dominate", [atascaneconomist. Wordpress.com/2012/12/24](http://atascaneconomist.Wordpress.com/2012/12/24).

⁵Special Address by Pushpanathan, H.E. Sundran, 2 March 2011, Deputy Secretary – General of ASEAN for ASEAN Economic Community, at the inaugural session of ASEAN – India Business Fair, , at www.asean.org/resources/2012/02/10

cooperation. The pace of economic reforms in India will also give a further boost to not only India's economic growth but also to its relations with the East Asian neighbour's.⁶

IV. POLITICAL DIMENSION OF INDIA WITH OTHER SOUTH ASIAN COUNTRIES

For better relations India tried to reach out to its Southeast and East Asia neighbours in many ways. There were various exchanges of official's visits. India tried to explain to its eastern neighbours that India was a modern, peace loving, practical and cooperative country. In bilateral discussions, India's attempt was to enhance political understanding, identify areas of mutual interests and initiate moves to harness these interests.⁷ After many years of its 'Look East Policy', India has been making a considerable political progress in engaging with ASEAN and its member's countries. India always had a close relationship with Vietnam since the late 1970s, it always treated Myanmar as a part of its immediate neighbourhood. Naidu says that India's Myanmar policy saw a volt face driven by concern about growing China's influence and menaces of up unabated insurgency in the northeast, which could not be controlled without Yangon's active cooperation.⁸ The relations development between India and the ASEAN countries namely Malaysia and Thailand saw very less momentum as compared to other East Asian countries. But their relations start gathering momentum in the second phase of the Look East Policy. Also, signing a strategic partnership agreement with both, India also signed a comprehensive Economic Partnership Agreement with Malaysia during Prime Minister's Manmohan Singh's visit to Malaysia in October 2010 and with Indonesia in January 2011. Bilateral relations between India and South Korea has been usually characterized by friendship, cooperation and understanding. As they are members of Non- Aligned Movement, there is commonality of views between the two nations on many international issues, for instance, disarmament, South- South cooperation. Today, both nations are key members of Asian economy. India has some strategic partnership agreements, economic interaction, defence policy dialogue and have been conducting joint naval exercise. India and Japan established a strategic and global partnership in Dec 2006 during Prime Minister Manmohan Singh's official visit to Japan and after that the bilateral relations are moving fast on various areas of cooperation including in the defence sectors. The first ever two plus two Dialogue at the senior defence and foreign affairs official level was held between the two countries on 6 July 2010.

V. STRATEGIC DIMENSION OF INDIAN WITH OTHER SOUTH ASIAN COUNTRIES

India started embarking a closer defence relations and ties with the countries of Southeast Asian and also India's strategic engagement with Southeast Asia in both multilateral and bilateral. India has always been an active participant in the regional security mechanism, since 1995 the ASEAN Regional Forum and the Indian navy has been hosting a biennial naval gathering called MILAN at Port Blair. According to Shukla, besides, intended to balance China's influence, it was obviously underscoring India's emergence as a major player in the Asia – Pacific region. It was also likely to stem the flow of arms across the Bay of Bengal insurgents in the Northeast and it also demonstrated the Navy's ability to operate far from home.⁹ Apart from ASEAN, India is also developing close strategic understanding and cooperation with China, Japan and Korea. India and China also signed a "strategic and cooperation Partnership for Peace and Prosperity in April, 2005". They started conducting Joint Naval exercises between them. Last joint naval exercise that took place between the two nations was at Kunming in the year 2007 and at Belgaum in 2008. An agreement was made on 4 September 2012 between India and China to boost defence ties during the visit of Chinese Defence Minister Gen. LianGuangle to India and his meeting with his Indian counterpart A.K. Antony.¹⁰ The result of this meeting happened to that both sides agreed to strengthen border security cooperation between the troops in order to maintain peace in the border area. The convergence of interest started after signing a MoU between India and South Korea on Defence Logistics and Supplies in the year 2005. In May 2007, India and South Korean Defence Minister also held their first ever consultations on 'matters of mutual interests' and agreed to strengthen their cooperation on training of armed focus personal exchange of visits and

⁶Muni,S.D., Feb.2011,"India's Look east Policy: The Strategic Dimension",ISEAS Working Paper No.121..

⁷Ibid journal

⁸Naidu,G. V. C., 2010, "India and Southeast Asia", International Studies, vol. 47, No. 2-4, pp. 285-304.

⁹Shukla,Subhash, , 2012, "The Evolution of India's Look East Policy", Dynamics of Public Administration, vol. 29, No. 1pp. 1-20.

¹⁰Decade of Redefining Bilateral Ties", Paper No. 10, Observer Research Foundation, New Delhi, pp. 14-15.

www.ibiaembassy.org.cn/dyamicscontent.aspx?menuld=5%submenuld=0

strengthening the mutual cooperation between the Coast Guard of two countries. This partnership has become appreciably more intense and diversified in the recent years, and has been elevated to the level of 'strategic Partnership' during the visit of RoK President Lee Myung-bak to India in January 2010. Former President PratibhaPatil's visit in March 2012 would help further strengthen the strategic partnership between the two countries.¹¹ Aside from military cooperation, there has been strong case for both countries to cooperate in defence trade since South Korea possesses sophisticated military technology.

VI. INDIA, CHINA AND EAST ASIA

The report on India and East Asia is incomplete without a reference to China, the most important power, with which India share different kind of relationship as compared to other countries in the region. Almost as large, and big target to emerge as strong as China, India has approximately same military strength as china but lags behind in economic strength. The 1962 war, nearly 95,000 km² of the discourse on India and East Asia is incomplete without a reference to China, the most important power, with which India has a different kind of relationship than with the other countries in the region. Almost as large, and aspiring to emerge as strong as China, India has nearly matching military strength but lags behind in economic strength.¹² The 1962 war, nearly 95,000 km² of disputed border, and a strong conviction that China's unstinting support has emboldened Pakistan to wage wars on India (not to mention the generous support to Pakistan's nuclear weapons program) and has supported terrorist activities, are serious issues that have affected bilateral relations. For China, India has been working hard with the U.S., Japan and a few other countries bent on containing China and undermining its interests. Yet, there has been no question that bilateral relations are witnessing an unprecedented transformation, they are becoming more and more complex and multifaceted. Even economic links are booming and there have been number of issues that have emerged as an important areas of common interest. Both share and cooperate are evolving common positions in talks over climate change and WTO, an emerging economies both seek to promote cooperation as members of the BRICS (Brazil, Russia, India, China and South Africa), and has been strongly supporting regional multilateral institutions, from the Shanghai Cooperation Organisation to the East Asia Summit. Their competition is also soaring- day by day for commodities, for energy sources, and for political influence across Asia. As a result, India-China relations are widening, from the earlier limited border problem and Pakistan to a vast array of issues, especially those spanning the vast Indian Ocean and East Asian regions. It is fact that on the face of it their rivalry is likely to justify, but also, strongly underpinned by common interests, both will ensure that competition/rivalry will not degenerate into an open showdown. Never then less India-China relations will be a major defining feature of the future of the East Asian security, in the same way as India-U.S., India-Japan and India-ASEAN are. Thailand too has recently expressed interest in holding joint naval exercises with the Indian Navy. After acquiring the aircraft carrier, Thailand has turned to India to train its naval personnel, as the Indian Navy is the only Asian navy that has 340 Strategic Analysis/Apr-Jun 2004 long experience of operating carriers. Thai pilots have been trained to operate Sea Harriers in India Though strictly not in the realm of defence, Thailand has been keen on developing nuclear energy and has, in fact, broached the idea during the Indian Prime Minister's visit in April 1993 for the supply of a nuclear research reactor. India had signed a defence cooperation agreement with Vietnam in 1994 in an attempt to upgrade the strategic dialogue between the two countries. Although Vietnam has been downsizing its military quantitatively, its equipment was almost entirely supplied by the former Soviet Union, which urgently needs up gradation or replacement. Recently, Vietnam has contracted to acquire a squadron of SU27.

VII. INDIA AND EMERGING EAST ASIAN SECURITY ARCHITECTURE

The changes occurring in East Asia, in particular that its security is now in the midst of a fundamental shift. Instead of growing economic interdependence, security challenges are also mounting, as recent events suggest. China's attitude and growing assertive actions with respect to those of its territorial claims which are disputed by others, predominantly in the East and South China Seas, seem to have triggered newer attempts to find ways to deal with China. The various dangers posed by innumerable threats in the non-traditional security domain in East Asia are clear and present. Southeast Asia is seen as the second in the fight against terrorism. East Asia is most prone to natural disasters- the 2004 tsunami and the

¹¹<http://timesofindia.indiatimes.com/india/india-to-buy-8-warship-from-southkorea-for-Rs-6000crores/articleshow/15981299.com/> Also see; Rajaram Panda, "India and South Korea Relations: Past and Future Trends Analysis", www.eurasiareview.com/ Oct. 7, 2012.

¹² G.V.C. Naidu, *Indian Navy and Southeast Asia*, New Delhi, IDSA and Knowledge World, 2000.

2011 Fukushima earthquake, followed by a tsunami and a nuclear accident, are well known- and therefore, disaster management has become a major task, especially for those large countries which require close cooperation. Also at the same time, much of current tension is been taken about regional security is born and this fact has been known that there is no classic balance of power. China continues to be harbour ambitions to emerge as a predominant power in East Asia, whereas others want to be a regional multipolarity. That is what India wants so that they can remain as one of the major players in the region in shaping its future economic and security order, where its stakes will continue to grow enormously. After Washington announced its 'return to Asia' policy and a military 'rebalancing' strategy, one can expect a realignment of forces. In any case, the security related multilateral frameworks, such as the ARF and Six- Party Talks, have failed to make much headway so far, as they are beset with many problems. Hence, whether there is a need for creating a more credible security framework is still another issue to be debated. As a result, India's role as the emerging balance of power in East Asia has become very significant and important.

VIII. CONCLUSION

ASEAN-India relations have come a long way since the turbulent Cold War phase. From 1990s it has been watched that there is distinct rise in their interaction along with firm measures to integrate and cooperate in the economic as well as to the political spheres of country. Their partnership has been progressing from a sectoral dialogue partnership to a summit level interaction within a subsequent decade i.e. 1992-2002. With this ASEAN-India FTA in the subsequent year this partnership will strengthened with time. There is a clear sense that ASEAN intends to integrate the East Asian region into one consolidated regional block and India is important part of it.

India understands that the ASEAN grouping consists of countries which have achieved significant development in the past 20 years. It is in its interest to establish beneficial linkages with the countries to benefit from their past experience and current standing. There is large potential in the synergies between its economy and that of the ASEAN countries and is keen to strengthen its economic ties with them.¹³ ASEAN's strategic location makes its stability crucial for India's energy and economic security, and it looks to develop its influence in the region by forging vital ties with ASEAN. Definitely, the Look East policy has once again emerged as a major thrust area of India's foreign policy after some up and downs in the mid-1990s. Although it was claimed that these policy encompasses the whole Asia-Pacific region, it is apparent that much of the emphasis was given to Southeast Asia. Despite huge progress there was enunciation of the policy in the early 1990s, India lags behind in other great powers in terms of geopolitical or economic importance. The Look East policy is responsible for making India an important part of the Asia-Pacific's strategic discourse.

The current phase marks the beginning of a vibrant relationship on the economic, political and strategic fronts with southeast countries. Thus, India has achieved a notable success in securing institutional integration with the region of Look East Policy. With these regional initiatives India is trying to penetrate in the ASEAN markets by enhancing the mutual economic benefits, transportation and infrastructural development space science, agriculture, information and communication technology, telecommunication, transport, tourism and culture. A number of institutional mechanisms have been put in place so that there is a regular interaction at all levels and simultaneously bilateral linkages with individual member-states have also been strengthened. Now that India has become a Summit Partner of ASEAN, it provides an opportunity for the top leadership to visit Southeast Asia every year for political interaction. Unlike in the past, it appears that the current phase of the Look East policy is much more substantial. While developing links with ASEAN and other ASEAN led to multilateral institutions, India is also pursuing to qualitatively improve bilateral links with member-states. Three distinct features of the Look East policy emerge. These are: one, India has managed to develop a multi-faceted relationship; two, a successful defence diplomacy has been put in place; and three, unlike in the past, India is not averse to participate in regional multilateralism security or economic.

India has emerged as a significant and powerful player in the Asia Pacific Strategic calculus and power play and that by itself would ensure an enduring commitment to its 'Look East Policy'.

¹³ *ibid*

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