

INDIA-ASEAN RELATIONS

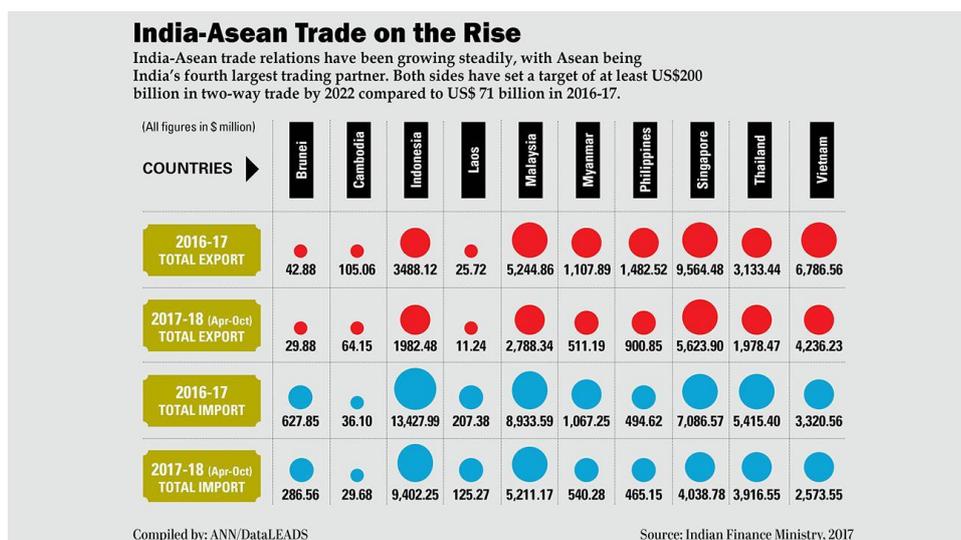
IN NEWS: PM Narendra Modi on Thursday took an interest in the ASEAN-India Breakfast Summit in Singapore and underlined the requirement for maritime cooperation and centrality of exchange for the flourishing of the vital Indo-Pacific region.

GS 2, MAINS: India and its neighbourhood- relations, Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests, Effect of policies and politics of developed and developing countries on India's interests, Indian diaspora, Important International institutions, agencies and fora, their structure, mandate.

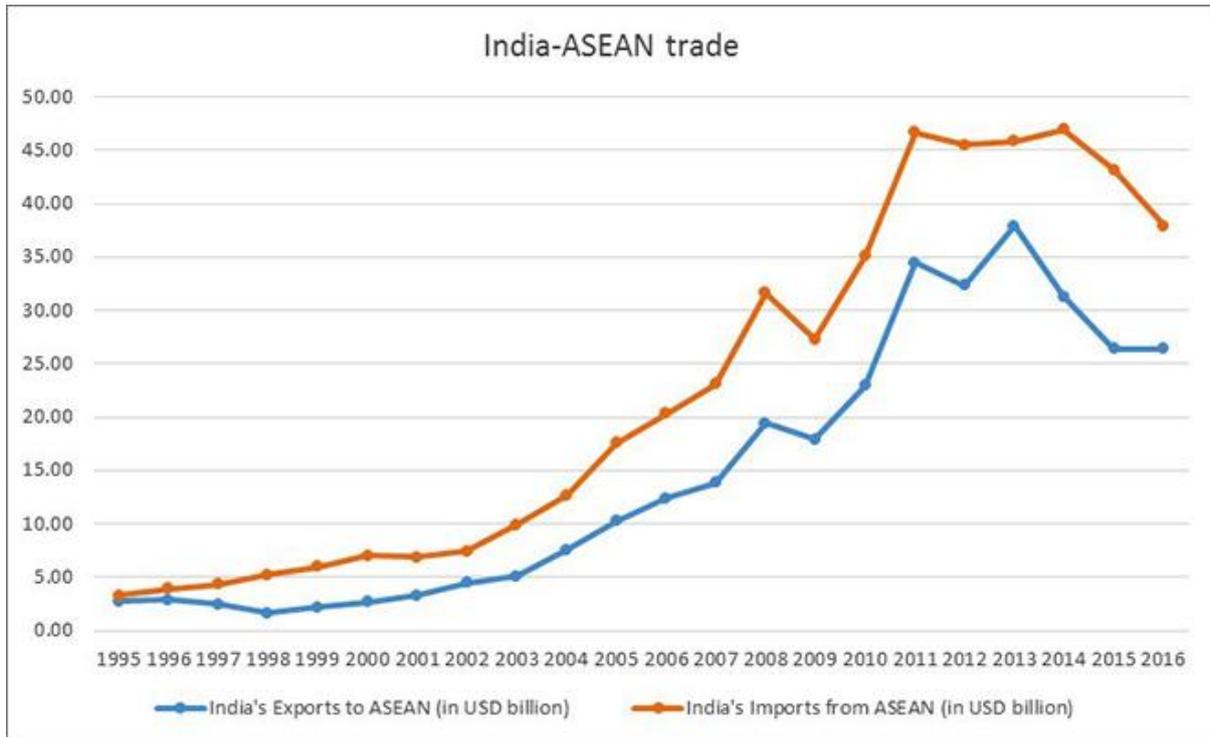
- India and Southeast Asia share a long cultural history, which over the years has helped shape economic and commercial relations between them.
- As India progressed towards a more open and liberal trade-investment regime in the early 1990s, its interest in collaborating with its Eastern and South-Eastern neighbours deepened.
- The launch of India's 'Look East Policy' in 1992, which was later rechristened the 'Act East Policy', was a watershed event; it ushered in an era of reinvigorated partnership between India and Southeast Asia. Indian policymakers had long ago realised the strategic importance of the ASEAN region. The Act East Policy was a push in the right direction, focused on strengthening relations through greater economic and cultural exchanges.

INDIA'S ENGAGEMENT WITH ASEAN:

- India-ASEAN relations have evolved over time, with India graduating from the Southeast Asian grouping's Sectoral Dialogue Partner in 1992 to a Summit-level Partner in 2002. Since then, both sides have been actively engaged in fostering economic, security, political, and cultural cooperation.



- In 2012, during the first ever Commemorative Summit of India and ASEAN, the leaders of all the countries involved decided to elevate their engagement to one of a strategic partnership.



- India has engaged with ASEAN at both regional and sub-regional levels by signing economic cooperation agreements with its different members.
- A framework agreement on comprehensive economic cooperation was signed in Bali in October 2003 between India and ASEAN, which was expected to eliminate tariff barriers among all the members and eventually establish a free trade area in goods, services and investment.
- This was followed by a final agreement on trade in goods signed in Bangkok in 2009 and another on services and investments in New Delhi in 2015.
- The year 2017 marked 25 years of dialogue partnership between India and ASEAN, and five years of the strategic partnership.
- There are a few Southeast Asian countries such as Singapore, Malaysia and Thailand that have emerged as major export destinations for India. Since there are trade complementarities between India and Southeast Asian countries in areas such as agriculture, machinery and minerals, among others, trade relations have continued to expand.

IMPORTANCE OF ASEAN:

- The Look East Policy concerns the entire eastern world, starting from India's eastern borders. It is a very comprehensive foreign policy outlook on part of the Indian leadership.

ASEAN is central to India's Look East policy, both in terms of economic relations and it constituting a security architecture for the region.

- The bilateral relationship between India and ASEAN is not purely economic, though it may have started out being driven by economic interests. But even the decision to establish close economic ties was motivated by geopolitical considerations. When India was at the brink of bankruptcy in 1991 after the Soviet Union collapsed, the Indian leadership wasn't sure about the kind of relationship it would be having with the US. At that crucial juncture, India started building its relationship with many countries, with ASEAN being the first bloc among them.
- A number of ASEAN countries such as Vietnam, the Philippines, Malaysia and Brunei have territorial disputes with China over South China Sea. This presents a unique opportunity for India to pitch itself as a balancing force to China over the issue.
- ASEAN has strong trade relations with China, much bigger than they have with Japan, South Korea or India. But no country wants to be overly dependent on one a single power. So, we have seen that trade between India and ASEAN have more doubled since the start of the Look East Policy. India also offers a big market for ASEAN goods. Then there is also an increasing cultural interaction and people-to-people contacts.

WAY FORWARD:

- Although India and ASEAN share a dynamic relationship that goes well beyond economics, the easy movement of goods, services, and capital across borders remains the foremost concern for both. It is thus necessary to review the value-chain integration between them, which enables greater economic cooperation given adequate connectivity links.
- It is important for India and ASEAN to chart out a more operational, though modest, agenda for future cooperation. The three Cs of commerce, connectivity, and culture have been highlighted but a more granular perspective is needed in terms of a forging a forward-looking approach.
- The areas where the two need to focus should be new ones like digital technologies, where physical connectivity doesn't really become prohibitive. India is fast emerging as a major player with significant comparative advantages in this realm. As Chinese digital giants begin to dominate the digital space in Southeast Asia and concerns rise about their ability to own data, Indian IT sector may take some advantage of a seeming reluctance of ASEAN states to put all their eggs in the Chinese basket. India as a facilitator of the ASEAN-wide digital economy will not only challenge China on its own turf but will also emerge as an economic guarantor of its own.
- Economic engagement will require better connectivity between India and ASEAN than what exists today. Instead of talking about ASEAN-wide connectivity projects, New Delhi now needs to focus on more effective delivery of projects it is already committed to. In this context, prompt completion of the India-Myanmar-Thailand Trilateral Highway, which will run from Moreh in Manipur to Mae Sot in Thailand via Myanmar, is key. The plan is to extend this highway to Cambodia, Laos, and Vietnam in an attempt to project India's role in the emerging transportation architecture in the region.
- With China having three times as many commercial flights to Southeast Asia as India does, improving air connectivity between India and ASEAN should also be high on the agenda.

- In the maritime domain, the Bay of Bengal can be used as an exploratory ground for the development of an India-ASEAN maritime framework.
- The cultural connect between India and ASEAN needs strengthening if more stakeholders are to be brought in. While India is offering scholarships to students from ASEAN states to study at the Nalanda University, this initiative should be broadened to include our front ranking institutions such as the IITs and the IIMs.
- India needs to engage with the best and the brightest of ASEAN, who will drive the regional policy in the coming years. New Delhi is giving more attention to cultural diplomacy in ASEAN but still only three countries in the region – Indonesia, Malaysia, and Myanmar – have Indian cultural centres.
- Tourism can be further encouraged between India and ASEAN with some creative branding by the two sides.

(Q) Examine the economic, geo-strategic and security significance of ASEAN for India.

PREVIOUS YEARS UPSC MAINS QUESTIONS:

- Indian Diaspora has an important role to play in south-East Asian countries' economy and society. Appraise the role of Indian Diaspora in South-East Asia in this context. (2017)
- Evaluate the economic and strategic dimensions of India's Look East Policy in the context of the post Cold War international scenario. (2016)
- With respect to the South China sea, maritime territorial disputes and rising tension affirm the need for safeguarding maritime security to ensure freedom of navigation and over flight throughout the region. In this context, discuss the bilateral issues between India and China. (2014)