

Looking East: India and Southeast Asia*

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The signing of the agreement on ASEAN-India Partnership for Peace, Progress and Shared Prosperity on November 11, 2004, at the ASEAN-India Summit Meeting in Vientiane, Laos, is a major milestone in the evolving relationship between India and Southeast Asia. This, along with a clutch of other agreements that have been entered into in the last few years on to combat terrorism, on accession to the Treaty of Amity and Cooperation (TAC), on a variety of other activities has resulted in further consolidation of what is known as India's Look East policy that was initiated in the early 1990s. It has since remained a major priority of India's foreign policy. On the defence and strategic front too the progress has been impressive through a number of agreements and embarking on a variety of other activities with member-states of ASEAN. While continuing the emphasis on Southeast Asia, the Look East policy is poised to enlarge the scope to encompass the rest of the Asia Pacific region.

India has indeed come a long way since the Cold War days when most of the then ASEAN countries perceived India to be in the camp of the former Soviet Union. Aside from Vietnam to an extent, there was very little political interaction of consequence except normal relations, defence links were virtually non-existent, and economic bonds were of little consequence. When seen against this background, the progress that India has made in cultivating multi-faceted relationships with ASEAN and its members is remarkable. If visits by the top political leadership are any indication, Southeast Asia saw

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the largest number of visits by the Indian prime ministers in recent times. The current P.M. has been to Southeast Asia twice already in less than six months since he took office: to attend the newly created Bay of Bengal Initiative for Multisectoral, Technical and Economic Cooperation (BBIMTEC) in July 2004 and to the annual summit meeting with ASEAN in Laos in November 2004.

In order to underscore the economic aspects, India has signed a framework agreement during the Bali summit in 2003 to create a Free Trade and Investments Area with ASEAN by 2016, and the apex body of private sector, the Federation of Indian Chamber of Commerce and Industry, has begun to hold annual India-ASEAN Business Summit meetings since 2002 to encourage greater private sector participation. An ASEAN-India Partnership for Peace, Progress and Shared Prosperity was signed during the 2004 Vientiane meeting to enlarge the scope of interaction across various sectors.¹

Relations with Myanmar too have taken off in a big way overcoming the earlier problems. There is a broad consensus within the ASEAN leadership that India as an economic and strategic partner would contribute to regional peace, stability and prosperity. Apart from a mutually beneficial economic relationship, a number other developments in the region are contributing to greater India-Southeast Asia cooperation.

As far as India's relations with Southeast Asia are concerned, the objectives appear to be three-fold: One, to institutionalize linkages with ASEAN and its affiliates (Dialogue Partnership, ASEAN Plus One Summit Meetings, and membership on the ARF); two, to strengthen bilateral relationships with member-states of ASEAN; and three, to carve a niche for itself in Southeast Asia both politically and economically.

Backdrop

Despite geographical proximity to Southeast Asia, sharing its maritime

¹ For full text of the agreement, see <http://meaindia.nic.in/treatiesagreements/2004/30ta3011200401.htm>

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 critical sea lanes of communication in the Indian Ocean connecting Southeast Asia (and East Asia) with West Asia and Europe through which nearly 40 percent of the world's trade passes through, Southeast Asia was hardly a foreign policy priority to New Delhi till recently.

Connected as such with one of the oldest and most prominent trade routes, India's association with Southeast Asia can be traced back to ancient times. Probably no other country has influenced the region as much as India by way of religion, language, and culture and civilization. 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, it was during the freedom struggles in India and many countries of Southeast Asia that led to the rediscovery of each other. Much before India attained independence in August 1947, Indian leadership envisioned the future importance of Southeast Asia and India's involvement. India convened the Asian Relations Conference in New Delhi in March 1947 primarily to express solidarity with the freedom struggles all across Southeast Asia. Equally important was the Special Conference on Indonesia that was held in January 1949, which was attended by 15 nations, to express support to the Sukarno-led armed struggle against the Dutch colonial rule. In fact it has been argued that freedom struggles especially in Indonesia and Vietnam provided major inputs in shaping the nascent Indian foreign policy in the late 1940s (Ayoob 1990: 7-8). Interestingly, the Indian military trained the armed forces of Indonesia after it became independent, and Indonesia was the only country outside the Commonwealth with which the Indian Navy held joint exercises.

India's neutralist/non-aligned policy had considerable appeal in Southeast Asia even as the Cold War rivalry started showing its impact on the region. Due recognition was accorded to India's stature as a regional power when it was made the Chairman of International Control Commission that was set up under the 1954 Geneva Accord on Vietnam. The Afro-Asian Conference (also called the Bandung Conference) in April 1955, which India had co-sponsored and actively participated, is a major turning point, for one could clearly see a dramatic decline in Indian interest in the Southeast Asian affairs thereafter for a variety of reasons.

Whatever the interest that was left in Southeast Asia was further dwindled with the wars that India had to fight with China in 1962 and with Pakistan in 1965 and 1971.² The war with China especially forced Nehru to give up his grandiose plans to build an alternative framework of reference in the world politics- the non-aligned movement- and instead concentrate on beefing up the defenses of the country. That policy, with minor changes now and then, would continue virtually for the next two decades till the end of the Cold War. Security concerns were so overwhelming that it appeared as though foreign policy was subordinated to security interests.

The distinct prospect of facing the twin threats from Pakistan and China simultaneously compelled India to move closer to the former Soviet Union. While India was trying to come to terms with changing geopolitical reality in South Asia and elsewhere, Southeast Asia was witnessing radical changes. The founding of ASEAN consisting of anti-communist regimes and the intensification of the American involvement in Indochina had led to polarization within Southeast Asia and by then India's role and involvement in the developments there had come down drastically. In the aftermath of oil shocks in the early 1970s, India's main concern was to secure uninterrupted

² India was sorely disappointed when North Vietnam came out in support of China during the 1962 war, and more so when Sukarno offered to open another front and take over the Andaman and Nicobar Islands located close to Indonesia in the Bay of Bengal during the 1965 war with Pakistan. Malaysia was one of the very countries that not only condemned the Chinese attack but also offered its help to India.

oil supplies.

It was only toward the late 1970s and the early 1980s that New Delhi's attention was drawn toward Southeast Asia because of certain developments, especially after the end of the U.S.-led war in Indochina and more importantly after the rift between China and Vietnam. The February 1979 Chinese attack on Vietnam, ostensibly to "teach a lesson" for the latter's military intervention in Cambodia and overthrowing the pro-Beijing Pol Pot regime, brought India and Vietnam closer. India was the only non-communist country that recognised the Hanoi-installed Heng Samrin government resulting in the establishment of close security understanding with Vietnam. ASEAN offer of a "dialogue partnership" in mid-1980s to dissuade New Delhi from extending diplomatic recognition to Cambodia was seen to be strategically less advantageous and hence it was not accepted. Thus, much of India's policy toward Southeast Asia in the eighties appears to be China-centric.

Despite its best efforts and some half-hearted attempts to find a solution to the Cambodian impasse, India could not shed its image as pro-Soviet. There was little that India could do to allay the fears of the non-communist ASEAN nations about Indian intentions in Southeast Asia. Amidst these developments, the expansion of the India Navy came under considerable focus. Some analysts felt that India along with the former Soviet Union and Vietnam might make concerted moves to check growing Chinese influence in Southeast Asia, particularly after the Soviets gained a foothold at Cam Ranh Bay naval base in Vietnam.³ The specter of another Cold War-motivated conflict arising in Southeast Asia was looming large in the minds of the ASEAN leaders.

Coinciding with this was the so-called Indian military buildup, especially its acquisition of certain high-profile naval ships and systems.

³ The expansion of the Indian Navy in the 1980s with the Soviet help and the reactions that it elicited especially from Southeast Asia have been dealt with in detail in *Indian Navy and Southeast Asia* (Naidu 2000).

Although the first reaction came as far back as mid-1986 when Indonesia protested against reported Indian moves to a new naval base in the Andaman and Great Nicobar Islands (Far Eastern Economic Review 1996.05.16), criticism of the Indian Navy reached its peak in the late 1980s and early 1990s. From an ASEAN point of view, a possible Indian naval role in the waterways that pass through Southeast Asia connecting Bay of Bengal with East Asia was of major concern, particularly given the close proximity of India's newly expanded and upgraded base on the Andaman island, called Fortress Andaman (FORTAN).

India's image as a fast growing military power trying to extend its influence beyond South Asia remained even after drastic changes at the global level. Even while the Cold War had decisively wound up by the early 1990s, India was looked upon by the ASEAN states as one of the competitors to fill the perceived power vacuum after the superpower withdrawal. Acquisition of certain equipment, such as the second aircraft carrier from the UK, a nuclear-powered submarine on lease, TU-142 MR long-range maritime reconnaissance aircraft, modern Kilo-class conventional submarines from the former Soviet Union, and the expansion of naval facilities at the Andamans in Bay of Bengal, was seen to be an attempt to acquire power projection capabilities and an ability to control crucial Malacca and other straits in the region.

Prompted by these reactions, policymakers in New Delhi were compelled to undertake measures firstly to dispel misperceptions in Southeast Asia and secondly to wriggle out of the negative image that got built up. The economic reform programme of the early 1990s enabled India to put in place a new policy framework. It must be mentioned, however, that the Indian Navy took the lead in cultivating Southeast Asia by undertaking a variety of confidence building measures such bilateral and multilateral naval exercises, invitation to senior naval officers to visit the Andaman base facilities and regular port visits.

Post-Cold War

Refurbishing of India's image as a responsible major power and convincing ASEAN that it had greater stakes in peace and stability rather than extending its influence into Southeast Asia became an utmost priority. The emergence of ASEAN as an autonomous regional influential and the phenomenal economic success the member states achieved further added to the urgency. By then, ASEAN too was responsive to the Indian initiatives as the regional organization itself faced the trauma of an uncertain future in the midst of an unprecedented post-Cold War atmosphere of political flux.

The earlier Cold War image of ASEAN and India belonging to different political camps in the superpower-dominated global bipolar system dissipated removing major obstacles. And with that the strategic divide that segregated India from the ASEAN bloc of nations also disappeared so that ASEAN could appreciate, understand and positively respond to Indian overtures. Many ASEAN countries were also attracted by the economic opportunities that a huge market like India offered after its opening. Equally significantly, the China factor too started weighing heavily in several ASEAN quarters particularly after the closure of the U.S. bases in the Philippines in 1992 and the emergence of South China Sea dispute as a major security concern even as Beijing started ascertaining its claims more vociferously. Although New Delhi was overtly loathed the idea of becoming a counterbalancing power vis-à-vis China, it did not seem to be averse to the idea of using Southeast Asian worries to advance its political and strategic interests. India was particularly worried about growing nexus between China and strategically located Myanmar.

The Look East Policy

Though the Look East policy was started as an attempt to assuage negative reaction to the navy, the post-Cold War political atmosphere offered an opportunity to convert that into a policy initiative by expanding the scope considerably to include aspects political as well as economic. It

soon became a multi-faceted and multi-pronged approach to establish strategic links with as many individual countries as possible, evolve closer political links with ASEAN, and develop strong economic bonds with the region. Second, it was an attempt to carve a place for India in the larger Asia Pacific. Third, the Look East policy was also meant to showcase India's economic potential for investments and trade. Fourth, this policy also resulted in a total *volte-face* with regard to its attitude toward Myanmar. Last but not least, the feeling of getting left out of the action in the Asia Pacific, whether it was the Asia Pacific Economic Cooperation (APEC) or the ASEAN Post-Ministerial Conferences (ASEAN-PMC) with the Dialogue Partners of ASEAN, which had emerged as the only forum to discuss regional issues, also weighed heavily in New Delhi's thinking.

One can discern three distinct phases of this policy so far. The first phase marked enormous enthusiasm and a flurry of activity and exchanges.⁴ By mid-1990s, there was considerable cooling down of earlier zeal by both sides, which got further dampened by the 1997-78 financial crisis. The third and a more recent phase is the revival of interest once again. The multi-dimensional approach and the progress that India's Look East policy achieved are briefly explained below.

Political

As far as political engagement is concerned, it is two-dimensional: to establish institutional links and to target certain countries to elevate bilateral ties to a higher plane. After the initial Sectoral Dialogue Partnership with ASEAN in 1992, India became a full Dialogue Partner in 1995. Realising its potential to contribute to regional security and economic development, India was made a member of the ARF in 1996, and a summit partner of ASEAN called ASEAN Plus One since 2002. India has also acceded to ASEAN's Treaty of Amity and Cooperation (TAC) to underscore its commitment to

⁴ For instance, Prime Minister Goh Chok Tong of Singapore in his national address in August 1993 made a special mention about creating a "mild India fever" in Singapore.

ASEAN's principles for inter-state relations. The linkages with ASEAN have been further buttressed by the recent ASEAN-India partnership agreement. Simultaneously, one can see a remarkable turn around in India's bilateral relations in particular with Singapore, the Indochina countries, Thailand, Myanmar and Indonesia.

Defence / Strategic

It is however on the defence and strategic front that India has made impressive progress. A sea change in the political atmosphere that Southeast Asia witnessed in the aftermath of the cold war, especially after the Cambodian issue was settled and looking at Vietnam as a potential ally of ASEAN, contributed to this in a big way. Moreover, India's military might in the emergent Asian balance of power could not be ignored any longer. The Southeast Asian nations began to look upon India as a power that could play a kind of 'balancing role' vis-à-vis China in particular. On the other hand, it was in India's interest to ensure that Southeast Asia would not be dominated by a regional great power once it became obvious that the superpowers were going to build-down their presence, which coincided with a similar thinking within Southeast Asia. The upshot of convergence of interests was the genesis of a new strategic interaction with several of the ASEAN nations. A unique advantage India enjoyed was that its military, despite being dominated by the Moscow supplied equipment, had continued to maintain links with West Europe.

Critical remarks with regard to the ambitions of the Indian Navy were replaced by many instances of greater defence cooperation. A number of confidence building measures (CBMs) that India undertook and greater appreciation by the Southeast Asian countries of Indian maritime concerns ushered in a new era of cooperation which began to transcend beyond the naval contours. Aside from periodic naval exercises and the biannual get-together of regional navies, called the *Milan*, India has entered into bilateral defence cooperation agreements with Malaysia, Vietnam, Singapore,

Laos, and Indonesia. India has also been actively involved in assisting the armed forces of Myanmar and Thailand. For instance, Singapore has not only made use of India's missile testing range to test its own guns and missiles, but also uses Indian facilities to train its naval personnel- the first time ever that India has done for a foreign country. Similarly, the Thai pilots are being trained in India to gain experience to operate their aircraft carrier, and the Myanmar get anti-insurgency training. India and Indonesia have also frequently conduct joint patrolling in the critical straits of Southeast Asia ensuring security of sealanes of communication. It is notable that India's strategic engagement with Southeast Asia is the strongest compared to any other Asian power. One reason why India has been relatively more successful is that, apart from the absence of any border/territorial disputes and any historical baggage, India is seen to be not having any 'ambitions' in and posing no security threat to the region.

Economic

The Look East policy also gave a tremendous boost to economic ties between India and Southeast Asia. A number of institutional mechanisms have been put in place to promote economic exchanges both at the governmental as well as private sector level. The ASEAN-India Joint Cooperation Committee and an ASEAN-India Working Group on Trade and Investment were set up along with the creation of an ASEAN-India Fund to promote trade, tourism, science and technology, and other economic activity. From virtually little or no investment from Southeast Asia in the early 1990s, Malaysia and Singapore have emerged as the tenth and eleventh largest in terms of approved investments respectively by 2002. Thailand is in the 18th and Indonesia and the Philippines are in 33rd and 35th position respectively. Cumulatively these five countries constitute nearly 5 percent of the total approved investments in India. In the last few there has a spurt in Singaporean and Malaysian investments in India's large investments projects. The progress with regard to bilateral trade is also equally

impressive. The growth in India's trade was the fastest with Southeast Asia compared to any other region between 1991 and 1997. While ASEAN exports kept the momentum, there was considerable slow down in imports as a result of the financial crisis in 1997-98. The exports grew from about US \$1.4 billion in 1993 to over 6.2 billion in 2000. Imports by ASEAN on the other hand increased from 1.4 bn to 4.4 bn. in 1997 but nosedived to 1.71 bn in 1998 but have since picked up to reach about 3 bn in 2000. The US \$ 13 billion bilateral trade between India and Southeast Asia is expected to reach 30 billion in the next few years.

Despite repeated assertions of emphasis on economic aspects, India lags far behind other powers, for its share in trade and investments in Southeast Asia is relatively less significant. Hence, India has put across concrete plans to increase the economic interaction and integration through a number of new initiatives. Apart from creating an ASEAN-India Business Council (AIBC), in the first-ever meeting of India and ASEAN economic ministers in Brunei in September 2002, the Indian trade and industry minister offered to enter into a formal agreement with ASEAN on the Regional Trade and Investment Agreement (RTIA) or a free trade area (FTA), which has since been agreed upon to be realised by 2016. New Delhi is also in an advanced stage of finalising agreements with Singapore and Thailand to create bilateral FTAs. As the Indian economy expands, it is also providing enormous investment and trade opportunities, which countries like Singapore, Malaysia and Thailand are quickly grabbing. Both the premiers of Singapore and Thailand have often expressed concern over excessive dependence on the Chinese market and the need to look at another big country like India more closely. This is the thinking that is getting reflected in the rest of Southeast Asia.

The China Factor

Insofar as the China factor is concerned, questions have often been raised as to what extent India's policy toward Southeast Asia is influenced

by this. It is rather difficult to give a definite answer. China certainly was high on New Delhi's strategic calculations when it attacked Vietnam in 1979, which led India to openly empathize with Hanoi (the only non-communist country to recognise the Vietnam-installed Cambodian regime). There is no evidence to suggest that the Look East policy itself was aimed at China. The about-turn in policy toward Myanmar since 1992, however, is to an extent because of the close nexus between China and Myanmar. If China is strong in terms of economic interaction with Southeast Asia, India has a clear edge in the defence/strategic arena. It is obvious that one of the reasons why ASEAN was keen to bring India into the regional affairs was the concern with China. It nevertheless needs to be underscored that there are at present no signs of rivalry or competition for influence between India and China in Southeast Asia. It is hoped that Southeast Asia is a large enough region and the multilateral institutions are strong enough to accommodate the interests of great powers so that the region will not become a battleground for influence. Neither India nor ASEAN wants to create the impression that India's involvement in Southeast Asia is because of China.

Look East Policy and Support to Multilateralism

An interesting facet of India's Look East policy is the newfound interest in regional multilateralism. Although India has been a member of the Commonwealth and more recently the South Asian Association for Regional Cooperation (SAARC) and the Indian Ocean Region Association for Regional Cooperation (IOCARC), New Delhi had always been wary of political/security issues becoming part of the agenda of these fora. Quite often it appeared as though New Delhi did not have much faith in the role and significance of regional multilateralism other than global mechanisms. India not only has moved away from that position to actively supporting them but has become instrumental in creating several new ones. Surely, it was not a founding member, but India lobbied hard to get into the ARF and became its member in 1996. As part of the ARF's CBM agenda, India has for

the first time presented a fairly detailed Security Outlook paper to the Forum in 2001. The earlier reticence has given way to active participation in a variety of ARF's activities both at the official as well as unofficial CSCAP levels.

Second, India also has come up with a number of new multilateral initiatives involving Southeast Asian countries. Prominent among these are the Bay of Bengal Initiative for Multisectoral, Technical and Economic Cooperation (BBIMTEC) with India, Nepal, Bhutan, Bangladesh, Sri Lanka, Myanmar, and Thailand as members in 1997, and the Ganga-Mekong Swarnabhumi (India, Myanmar, Thailand, Laos, Cambodia and Vietnam) in 2000.⁵ Among these, the BBMTEC, involving five South and two Southeast Asian countries, appears to be the most promising for a variety of reasons. Aside from underscoring its eastward thrust, India appears to look at BBIMTEC as an alternative to SAARC to kick start sagging South Asian economic cooperation efforts, to build yet another bridge between South and Southeast Asian regions, to address economic development issues of the volatile Northeastern region, to create a sub sub-regional energy grid, and to tackle other security issues of region, especially smuggling in light weapons, narcotics, and terrorism. Thus, one can once again notice a multi-dimensional approach in India's strategy. India has also entered into bilateral agreements with Myanmar and collective with BBIMTEC to improve the road and rail links. A road has already been made operational connecting India's northeast with Myanmar, which will be further extended all the way up to Singapore. Similarly, a rail link will also be established along those lines.

Non-Traditional Security Threats

In the last few years, a number of non-traditional threats have become so grave that conventional aspects like power balance and jostle for

⁵ India is also a member of the Kunming Initiative, which has since been renamed as BCIM Forum comprising Bangladesh, China, India, and Myanmar in 1999.

politico-economic influence have become secondary. Terrorism, a range of maritime-related security issues, gun running, drug pedaling, illegal migration of people, etc., have acquired such a serious dimension that they can only be tackled collectively. Southeast Asia is touted as the second front of terrorism and this region is susceptible to a variety of above threats, and given its close proximity sharing land and maritime borders with several countries, India would be all the more concerned. India has been trying to work closely with the countries of Southeast Asia to address these problems.

Conclusion

Undoubtedly, the Look East policy has once again emerged as a major thrust area of India's foreign policy after some hiccups in the mid-1990s. It is one of the most comprehensive and successful policies that India has formulated in the recent past. India has indeed come a long way since the Cold War days when most of the then ASEAN countries perceived India to be in the camp of the former Soviet Union. Against this background, the progress that India has made in cultivating multi-faceted relationships with ASEAN and its member-states is remarkable.

While the emphasis so far has been on Southeast Asia, this policy is being extended to the rest of the Asia Pacific region, which means a greater Indian involvement in the region. While developing links with ASEAN and other ASEAN-led multilateral institutions, India is also pursuing to qualitatively improve bilateral links with member states. Despite enormous progress made since its enunciation in the early 1990s, economic dimension remains the weakest leg. Nonetheless, undoubtedly New Delhi has carved an important niche for itself. And the Look East policy is responsible in making India an inalienable part of Asia Pacific's strategic discourse. Just a decade back most discussions on the Asia Pacific would be conspicuous by the absence of any reference to India. The important thing is that a number of institutional mechanisms have been put in place so that India's relationship does not suffer the fate as in the past.

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 exchange of views with counterparts. The three distinct features of the Look East policy are: one, India has managed to develop a multi-faceted relationship; two, successful defence diplomacy has been put in place; and three India is not averse to participate in regional multilateralism, security or economic. It is expected that India's involvement in and interaction with Southeast Asia will increase further in the coming years, which will result in an enhanced Indian involvement in the Asia Pacific.

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