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**India
Foundation
Journal**

Vol. VI
Issue No.1

January-February
2018

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India Foundation
New Delhi

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Website
www.indiafoundation.in

for private circulation only

Editor's Note

Dear Readers,

India's 'Look East Policy,' an initiative of the Narasimha Rao government, was aimed at cultivating economic and strategic relations with the South East Asian nations in order to secure India's position as a regional power as also be a counterweight to the strategic influence of the People's Republic of China. Initiated in 1991, it marked a strategic shift in India's perspective of the world. However, while the policy was high on rhetoric, it fell far short in actualising the three key issues to be addressed: forging close economic and commercial ties, increasing strategic and security cooperation and laying emphasis on historic, cultural and ideological links between India and the ASEAN countries.

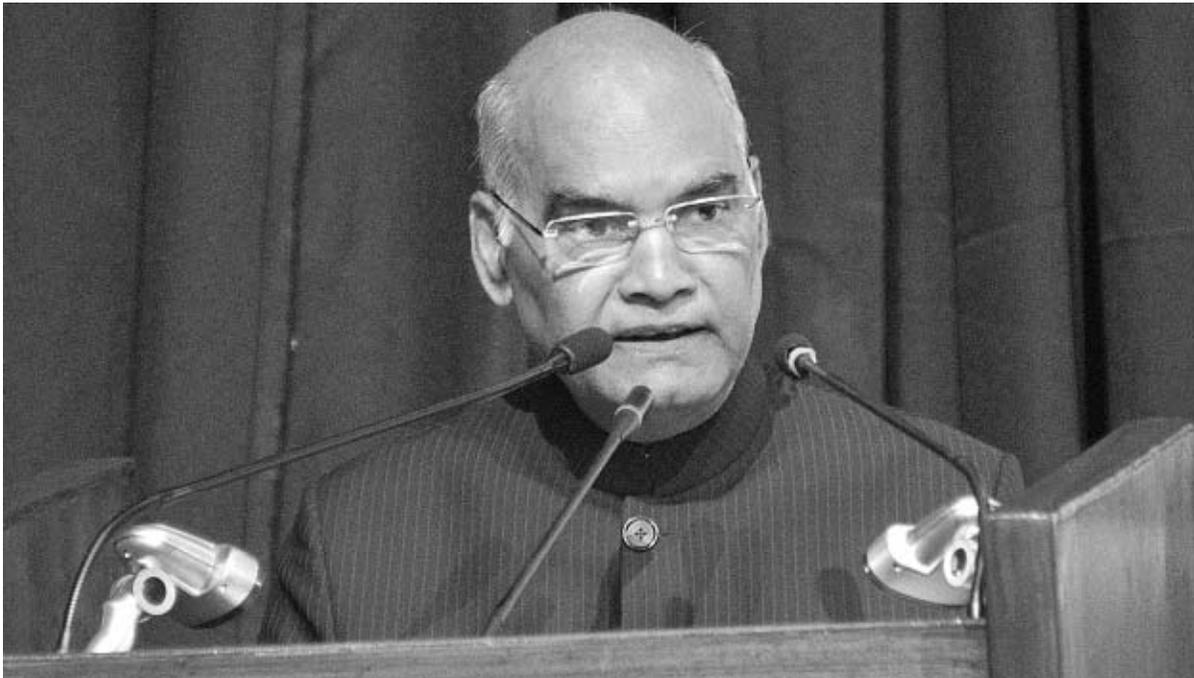
The 'Act East Policy' was consequently adopted under the aegis of the Narendra Modi government to effectively implement the 'Look East Policy'. While some progress is visible, there still remains scepticism about New Delhi's ability to convert words into deeds and in making the conception and delivery of aid more effective. This remains a weakness of India's administrative infrastructure, and unless the bureaucracy is reformed, progress on this count will be unable to match the vision of the Prime Minister.

A lot of emphasis is also required on revitalising the entire Northeast region of India, to truly make it the heart of India. The focus must remain on generating employment opportunities within the region and on improved infrastructure in terms of road, rail, air and electronic connectivity. The great potential of this region has been allowed to lie dormant for too long. With new governments in Assam, Manipur and Arunachal Pradesh and with three more states going for elections in 2018, change is in the offing. It is for India to seize the moment, but India's bureaucracy would really have to gear up to implement the vision of the Prime Minister.



India's North-East: Gateway to ASEAN

Ram Nath Kovind*



The development of the Northeast is tied with the development of India's neighbours and the countries of ASEAN. Friendly partner countries from other regions too are integral to the vision for the Northeast and can contribute substantially. For a short period in the Indian history, there has been a misconception about the eight states of the Northeast being a "frontier" of India. The use of "short period of history" is deliberate here. If the hundreds and thousands of years of civilisation is considered, far from being a frontier, the Northeast has been at the heart of Indian imagination. If South Asia and Southeast Asia is taken as a continuum – as it

has been perceived for most of history – then the Northeast is right in the middle of it.

The Northeast is an amazing social and cultural ecosystem. Few regions of the world have such a wealth of cultural, ethnic and religious diversity packed into such a small area. This variety is an inspiration for the mankind. The Northeast is home to some of the oldest indigenous communities in the world. It is one of the Indian spiritual homelands. Whether it is the traditions of the Devi in Kamakhya or of Buddhism in Tawang and elsewhere, they make for a sacred bond that unites India with Southeast Asia. Christian missionaries have contributed to

**This article is a summary of the inaugural address delivered by the President of India Shri Ram Nath Kovind at the North-East Development Summit organized by India Foundation in collaboration with Government of Manipur and Ministry of Commerce and Industry, Government of India at Imphal on 21st November, 2017.*

education here and there is even a small but thriving Jewish community in Manipur and Mizoram.

Prosperity is the Northeast's natural destiny, its default position if it maybe said. The geographical location makes it the obvious gateway to India, linking the vast economies of the Indian subcontinent and of the ASEAN countries. This is the potential that needs to be tapped and this is the idea that must inspire the Summit. Central to the Government of India's approach to the development of the Northeast is an urgent and speedy enhancement of connectivity. This is a multi-modal programme, across land, water and air. It refers both to connectivity within India as well as to connectivity between India and its eastern and Southeast Asian neighbours.

In the past three years, railway lines have finally come up in Arunachal Pradesh, fulfilling an old demand. An extensive development of railway links in the Northeast is under way, with investments totalling to Rs.90,000 crore. Road building in the region is busier than it has ever been. Border roads, national highways and state roads are all being built or improved. Incorporated in July 2014, the National Highways and Infrastructure Development Corporation is working with a special focus on the Northeast. It is engaged in about 100 road projects in the region. Inland waterways, especially along the majestic Brahmaputra and Barak rivers, can both save transport costs as well as facilitate connectivity. There is also a push for air connectivity. The creation of infrastructure in smaller cities and airports, along with more and more flights, is

making the skies of the Northeast buzz with traffic.

In the broader neighbourhood, initiatives such as the India-Myanmar-Thailand trilateral highway and the Kaladan Multimodal Transit Transport Project are critical for many of the countries and especially for the Northeast. The Northeast is also the corridor for many trade and connectivity projects on the Bangladesh Bhutan India Nepal [BBIN] and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation [BIMSTEC] platforms. It is rightful to say that the states of the Northeast region of India are the true drivers of India's Act East policy. The Northeast Tourism Development Council, incorporated in March 2017 is creating partnerships between government and private sector players, which will make the Northeast one of the leading tourism destinations of not just India, but also of Asia, where it deserves to be.

The sense of connect with the Northeast gives everyone a stake in the region. It doesn't matter whether one is from the Northeast, from other parts of India or indeed from other countries connected by culture and geography, history and trade with the Northeast. The development of the North-East is a shared enterprise. The impressive degree of participation in the Northeast Development Summit, not only from Manipur and states of the Northeast, but from the rest of India and key partner countries is extremely optimistic.

In conclusion, the development of the Northeast is both the development of India, as well as the true measure of the India-ASEAN partnership. The opportunity is here to grab.



Celebrating 25 Years of ASEAN-India Partnership: What Makes It So Unique?

Prabir De*

1. Introduction

ASEAN and India have a rich history of maritime trade and ancient cultural linkages. Maritime relations between India and Southeast Asia date back to ancient times. India's trade from ports such as Lothal, its coastal temples at Mahabalipuram and ancient links with My Son in Vietnam show the strength of its ties with ASEAN¹. The process of acculturation of India and Southeast Asia began in ancient times from the 3rd century onwards. The exchanges via trade, the influence of Sanskrit and Indian epics in Southeast Asia are well documented². Indian culture is an inseparable part of Southeast Asia's customs.

In early 1990s, if one were looking around the world to find the most promising region for international cooperation, ASEAN certainly appeared at the top of the list. In 1992, India joined ASEAN as a sectoral partner, at a time when India was relatively an inward-looking economy. India started its journey to prosperity through Look East Policy (LEP). This journey has been quite well-thought since ASEAN-India relations are firmly embedded in economic, culture and strategic areas. Today's LEP, which was in force for more than two decades, has been transformed into the Act East Policy (AEP) with ASEAN at its core. Starting as a sectoral partner of ASEAN in 1992, India became a dialogue partner of ASEAN in

1996, a summit-level partner in 2002 and a strategic partner in 2012. The ASEAN-India relations have gained constant momentum throughout this period. Undoubtedly, ASEAN and India have made impressive progress in the last 25 years to deepen their relations³.

ASEAN is more important than ever and so also India to ASEAN⁴. Both share land and maritime boundaries with each other. As India gained momentum, India and ASEAN became more closely interconnected. At present, India and ASEAN are home to 1.8 billion people and have an economic size of US\$ 3.8 trillion and a substantial share of world resources. In three decades, webs of networks developed in different areas of cooperation, from commerce to culture to connectivity, between ASEAN and India. India is strategic partner of ASEAN. Both have strong strategic vision and complement each other regionally and globally. India's accession to the Treaty of Amity and Cooperation in Southeast Asia (TAC) in October 2003 reflects the recognition of India by ASEAN as a major player in the region and the strong commitment and valuable contribution India is making to regional peace and stability.

This paper briefly presents major developments occurred in last 25 years of ASEAN-India partnership and a list of recommendations as way forward.

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2. Current Engagements

Overtime, the landscape of ASEAN-India relations has widened. Economic, strategic and cultural relations between ASEAN and India are deep rooted. India's participation in ADMM+, EAS, ARF, MGC, ACD and RCEP are part of this process. Today, there are 30 dialogue mechanisms between India and ASEAN, including a Summit

and seven Ministerial meetings in a wide range of sectors such as Foreign Affairs, Commerce, Tourism, Agriculture, Environment, Renewable Energy and Telecommunications. In the last two years, President, Vice President and the Prime Minister of India visited all the ASEAN countries which indicate the importance India attaches to ASEAN.

Table 1: Present Scenario of ASEAN-India Engagements

ASEAN-India FTA	<ul style="list-style-type: none"> • Completed with the Services and Investment agreement in 2015 	<ul style="list-style-type: none"> • Bilateral trade: US\$ 71 billion in 2016-17 (India's export to ASEAN US\$ 30 billion, India's import from ASEAN US\$ 41 billion) • Growing value chains, but slowly • Rising trade deficit is a matter of concern • Low utilization of FTA
RCEP	<ul style="list-style-type: none"> • Being negotiated 	<ul style="list-style-type: none"> • Till November 2017, total 20 rounds of RCEP negotiation were held.
Trade facilitation	<ul style="list-style-type: none"> • Unilateral initiatives • WTO TFA 	<ul style="list-style-type: none"> • ASEAN single window under implementation and India's SWIFT working already
ASEAN-India maritime transport agreement	<ul style="list-style-type: none"> • Being negotiated 	<ul style="list-style-type: none"> • Target date of signing of agreement - 2018
ASEAN-India air transport agreement	<ul style="list-style-type: none"> • Proposed 	<ul style="list-style-type: none"> • High imbalance between carriers; major ASEAN airlines (e.g. SQ or TG) utilise 100% slots • Ministry of Civil Aviation is planning to host the 1st meeting of the JWG in early 2018
Land transport	<ul style="list-style-type: none"> • Trilateral Highway & extension to CLV • Kaladan MMTTP 	<ul style="list-style-type: none"> • Ongoing
Digital network	<ul style="list-style-type: none"> • Optical fibre network between India and ASEAN 	<ul style="list-style-type: none"> • Being negotiated

Source: Author's own

Table 1 presents the current scenario of engagement of ASEAN-India relations. Economic ties between India and ASEAN are deepening day by day. In 2016, ASEAN was India's 4th largest trading partner, accounting for 10 percent of India's total trade. In the same year, India was ASEAN's 7th largest trading partner. When India undertook LEP in 1992, India's total trade with ASEAN was less than US\$ 5 billion. Today, total trade between them has exceeded US\$ 70 billion.

Barring the Philippines, India has completed the task of tariff liberalisation under this Agreement in December 2016. Investment flows between them have been growing constantly with more inward FDI coming for 'Make-in-India'. The Free Trade Agreement (FTA) in goods, implemented in 2010, and the services trade and investment agreement in 2015 between ASEAN and India represent an important effort to enhance ASEAN-India integration. India has also signed bilateral CEPAs/CECAs with Japan, Korea,

Singapore, Malaysia, along with a regional FTA with ASEAN. India is a partner of the Regional Comprehensive Economic Partnership (RCEP), which is a comprehensive free trade agreement being negotiated between the 10 ASEAN members and ASEAN's FTA partners, i.e., Australia, China, India, Japan, Korea and New Zealand. ASEAN India-Business Council (AIBC), set up in March 2003, has been entrusted to bring key private sector players from India and the ASEAN countries on a single platform for business networking and sharing of ideas.

2.1 Trade relations

India's export to ASEAN has increased to US\$ 30 billion in 2016-17 from US\$ 25 billion in 2015-16 (Table 2). India's import from ASEAN is very important elements to growing value chains. Driven by rising and favourable commodity prices, India's trade with ASEAN has increased to US\$ 70 billion in 2016-17 from US\$ 65 in 2015-16.

Table 2: Trends in India-ASEAN Trade in Goods

Year	Indian Export to ASEAN	Indian Import from ASEAN	Total Trade
	(US\$ billion)		
2009-10	18.11	25.80	43.91
2010-11	25.63	30.61	56.24
2011-12	36.74	42.16	78.90
2012-13	33.01	42.87	75.87
2013-14	33.13	41.28	74.41
2014-15	31.81	44.71	76.53
2015-16	25.15	39.91	65.06
2016-17(P)	30.12	40.69	70.81

Note: P: Data for March 2017 is provisional

Sources: Authors own based on Export-Import Databank, Department of Commerce, Government of India and DGCIS, Kolkata

Table 3: India's Trade with ASEAN in 2016-17*

S. No.	Country	Export	Import	Total
		(US\$ billion)		
1	Brunei	0.04	0.57	00.61
2	Cambodia	0.11	0.04	00.15
3	Indonesia	3.31	13.87	17.18
4	Lao PDR	0.03	0.17	00.20
5	Malaysia	5.22	8.72	13.94
6	Myanmar	1.10	1.00	02.10
7	Philippines	1.52	0.57	02.10
8	Singapore	9.11	7.44	16.55
9	Thailand	3.17	5.61	08.79
10	Vietnam	6.51	2.69	09.20
	ASEAN Total	30.12	40.69	70.81

*Note: *Data for March 2017 is provisional*

Sources: Authors own based on Export-Import Databank, Department of Commerce, Government of India and DGCIS, Kolkata

Indonesia, Malaysia and Singapore are India's top three trade partners in ASEAN (Table 3). India's exports to Malaysia, Indonesia, Singapore, Brunei and Vietnam witnessed higher than average growth. However, traditional import sources are yet to stabilize. India is gaining production linkages with Malaysia (e.g. electronics), Thailand (e.g. automobiles), Singapore (e.g. digital networks), etc. in ASEAN.

3. Regional Value Chains

Illustrated in Table 4, parts and components have contributed almost 25 per cent (US\$ 6.27 billion) of India's export to ASEAN in 2014, followed by 18 per cent (US\$ 4.60 billion) to EU, 14 per cent (US\$ 3.49 billion) to USA and 7.7 per

cent (US\$ 1.95 billion) to China. In terms of import of parts and components, India has imported 15 per cent (US\$ 5.48 billion) from ASEAN, 25 per cent (US\$ 9.39 billion) from China and 18 per cent (US\$ 6.81 billion) from Japan in 2014 (Table 5). Overall, India's export of final, parts and components, and processed goods to ASEAN was about 20 to 30 per cent of India's total export to world, whereas, India's import from ASEAN was roughly about 15 per cent in 2014. This shows that India is getting more engaged in production networks with ASEAN countries in both export and import of parts and components and processed goods⁵. Among ASEAN countries, Thailand, Singapore, Malaysia and Vietnam are India's major import sources of parts and components.

Table 4: India's Export to Major Countries and Country Groups

	Export Value (US\$ Billion)						Export Share in World (%)					
	Final Goods		Parts and Components		Processed Goods		Final		Parts and Components		Processed Goods	
	2006	2014	2006	2014	2006	2014	2006	2014	2006	2014	2006	2014
USA	4.03	6.51	1.80	3.49	4.27	9.17	25.50	15.39	15.56	13.76	15.44	13.37
EU	3.34	6.67	2.05	4.60	5.98	11.87	7.78	4.26	7.12	7.70	9.23	12.40
Japan	1.99	2.67	1.78	2.13	2.04	3.88	21.11	15.77	17.75	18.15	21.61	17.30
South Asia	0.44	1.52	0.38	1.10	1.88	5.57	12.59	6.31	15.45	8.42	7.38	5.66
China	1.23	1.80	0.82	1.95	2.55	8.51	2.78	3.58	3.25	4.35	6.79	8.11
ASEAN	2.75	6.80	3.64	6.27	5.23	11.76	17.42	16.07	31.49	24.75	18.91	17.15
World	15.80	42.31	11.55	25.33	27.67	68.61	100.00	100.00	100.00	100.00	100.00	100.00

Source: AIC's calculations based on WITS Database, the World Bank.

Table 5: India's Import from Major Countries and Country Groups

	Import Value (US\$ Billion)						Import Share in World (%)					
	Final Goods		Parts & Components		Processed Goods		Final Goods		Parts & Components		Processed Goods	
	2006	2014	2006	2014	2006	2014	2006	2014	2006	2014	2006	2014
USA	1.39	2.20	1.70	2.82	2.25	5.39	9.27	6.31	11.62	7.73	6.37	6.02
EU	3.52	5.98	2.79	5.35	4.70	9.43	23.39	17.12	19.08	14.66	13.31	10.52
Japan	2.78	4.49	3.79	6.81	4.75	8.51	18.52	12.87	25.90	18.65	13.46	9.49
South Asia	0.10	0.33	0.05	0.25	0.83	1.60	0.64	0.95	0.35	0.67	2.37	1.78
China	2.98	12.92	1.71	9.39	4.60	17.16	19.82	37.00	11.72	25.72	13.03	19.15
ASEAN	2.05	5.61	2.92	5.48	4.67	10.83	13.62	16.05	19.96	15.01	13.22	12.09
World	15.04	34.93	14.63	36.51	35.29	89.63	100.00	100.00	100.00	100.00	100.00	100.00

Source: AIC's calculations based on WITS Database, the World Bank.

Automobile industry is an emerging sector where ASEAN and India are building regional as well as global value chains. Among ASEAN countries, India's export of automobile parts and components to Thailand was almost 41 per cent (US\$ 282.10 million) in 2014. In case of import of parts and components of automobile products,

India's import was almost 71 per cent (US\$ 720.49 million) from Thailand. In terms of value chain of automobile products, India has been maintaining closer ties with Thailand, Indonesia, and Vietnam among the ASEAN countries. Indian cars manufactured by Suzuki, Toyota, Honda, TATA, etc. are getting higher market access in

Southeast and East Asia. Further negotiations in ASEAN-India FTA for the automobile products having high trade potential that fall under sensitive and exclusion lists would possibly strengthen the production networks between the ASEAN and India.

Indian textile and apparels have demand in both domestic and export markets. India's trade relation in textiles industry among ASEAN countries like Vietnam, Malaysia, Indonesia, Singapore and Thailand have been growing, among which India's trade with Vietnam in textiles has been rapid. There are huge opportunities in textiles and apparel industry in Vietnam. Textiles and apparel industry in both India and Vietnam are more complementary than competing in nature. Both India and Vietnam have strong export market for textiles and garments, mostly to USA and EU. Both the countries have huge trade potential in textile industry to supplement and to grow in textiles value chains. Textile industry in India has specialized in complete value chain process of textile productions and also in value chain segments. Compared to Vietnam, India is raw material-sufficient, whereas Vietnam is dependent on import of raw materials from other countries, mostly China, for its textile inputs. India can be raw material supplier for manufacturing textiles products for Vietnam exports and also gain huge market in Vietnam garment business. Having huge trade potential for textile products, both ASEAN and India have to cooperate with each other for strengthening the trade and resolve the trade barriers such as Non-Tariff Measures (NTMs).

Better connectivity is the core factor for strengthening the production networks as several forward and backward linkages within and across the region have been taking place to supply intermediate parts to manufacturing units to produce finished goods. Both efficient time

management (i.e., just in time) and low transportation cost would bring potential link for the value chains between India and Thailand. With the introduction of GST in India, Regional Value Chain (RVC) sectors are likely to grow as the market becomes more efficient.

4. Physical and Digital Connectivity

Aiming to boost connectivity between ASEAN and India, connectivity projects such as the India-Myanmar-Thailand Trilateral Highway (TH), extension of TH to Cambodia, Lao PDR and Vietnam, and the Kaladan Multimodal Transit Transport Project (KMTTP) are at different stages of implementation. India is already working with Myanmar in the areas of border area development, capacity building, infrastructure development, connectivity projects, and institutional development. India, Myanmar and Thailand are already negotiating the Trilateral Motor Vehicles Agreement (MVA). The ASEAN-India Maritime Transport Cooperation Agreement is being negotiated. An ASEAN-India Civil Aviation Task Force has been established to oversee optimization of air connectivity. India has called the first meeting of the ASEAN-India Working Group on Regional Air Services Arrangement in January 2018⁶. In addition, ASEAN and India have agreed to establish a Maritime Transport Working Group between India, Myanmar, Thailand, Cambodia and Vietnam to examine the feasibility of shipping networks⁷. India is also working together for an early conclusion of the Agreement on Maritime Transport between ASEAN and India.

Digital connectivity is the high-speed catalyst to ASEAN and India partnership. In digital connectivity, ASEAN needs a comprehensive overhaul of both in-country and cross-border (regional) regulations, addressing both supply-side

and demand-side objectives. On the supply side, countries within ASEAN should strive to strengthen the business case for investment in digital infrastructure, revisit regulations for key sectors (such as financial services), and boost the local digital ecosystem. On the demand side, ASEAN countries aim to create a Single Digital Market and take steps to aggressively expand access to broadband. Radical steps could open avenues toward boosting the ASEAN Digital economy with a clear focus on developing the ICT infrastructure. India has been setting up optical fibre network from India to Cambodia, Laos, Myanmar, Vietnam (CLMV) countries, Thailand, Malaysia and Indonesia. India's offer of Gigabit-capable Passive Optical Network (GPON) technology has been welcomed by ASEAN. Telecom Export Promotion Council (TEPC) has been entrusted to implement the project. Nevertheless, the potential energy security remains to be explored.

To further encourage cooperation in connectivity, India has set-up Special Facility of US\$ 1 billion to facilitate projects that support physical and digital connectivity between India and ASEAN. In addition, India has set-up a Project Development Fund of US\$ 77 million to develop manufacturing hubs in CLMV countries. India has three major ASEAN-India Cooperation Funds, namely, ASEAN-India Fund, ASEAN-India S&T Development Fund, and ASEAN-India Green Fund.

Plan of Action (POA) for the period 2004-2010 was developed to implement the ASEAN-India Partnership. Most of the obligations of the 2nd POA (2010-15) have been implemented. The 3rd POA (2016-20) was adopted by the ASEAN-India Foreign Ministers Meeting held in August 2015. ASEAN and India have finalised a list of priority areas for the period of 2016-2018, which

would contribute towards successful implementation of the 2016-2020 Plan of Action. Out of 130 activities identified in the 3rd Plan of Action, a set of 54 activities have been already implemented.

5. People to People Contacts

To boost people-to-people contacts with ASEAN, India has been organising various programme including training programme for ASEAN diplomats, exchange of parliamentarians, participation of ASEAN students in the National Children's Science Congress, ASEAN-India Network of Think Tanks, ASEAN-India Eminent Persons Lecture Series, etc. India is establishing four Centres of Excellence in Software Development & Training (CESDT) in CLMV countries, including the setting up of an IT Resource cum Study Centre at CDAC, Noida consisting of one existing Lab and one new Lab as well as the development of 12 e-learning courses in six identified areas. India has facilitated visit of ASEAN Musical Bands, ASEAN Youths, ASEAN Artists as part of 25 years of celebration.

To deal with such wide ranging activities, dedicated institutions are essentials. India has set-up a separate Mission to ASEAN in Jakarta in April 2015 and ASEAN-India Centre (AIC) in New Delhi in 2013 to help facilitate India's engagements with ASEAN. To facilitate Track II dialogue, India has set-up the ASEAN Studies Centre (ASC) in Shillong in 2016, and conducted series of dialogues, seminars and conferences across the country. Delhi Dialogue (DD) is one of the flagship projects, which has gained popularity in both ASEAN and India. Besides, India has extended the e-visa facility to all ASEAN countries.

6. Other Areas of Cooperation

India has been cooperating with ASEAN by

way of implementation of various projects in the fields of Agriculture, Science & Technology, Space, Environment & Climate Change, Human Resource Development, Capacity Building, New and Renewable Energy, Tourism, People-to-People contacts and Connectivity etc. For example, Space Project envisaging establishment of a Tracking, Data Reception/Data Processing Station in Ho Chi Minh City, Vietnam and upgradation of Telemetry Tracking and Command Station in Biak, Indonesia; Setting up of Centres of Excellence in Software Development & Training in CLMV countries are some of the major projects under implementation.

In the field of agriculture, India and ASEAN have projects such as Exchange of Farmers, ASEAN-India Fellowships for Higher Agricultural Education in India and ASEAN, Exchange of Agriculture Scientists, Empowerment of ASEAN-Indian Women through Cooperatives etc. In the S&T field, there are projects such as ASEAN-India Collaborative Project on S&T for Combating Malaria, ASEAN-India Programme on Quality Systems in Manufacturing, ASEAN-India Collaborative R&D Project on Mariculture, Bio-mining and Bioremediation Technologies, etc.

India has been supporting ASEAN specially CLMV countries under the Initiatives for ASEAN Integration, which include projects on Training of English Language for Law Enforcement Officers in CLMV countries and Training of professionals dealing with capital markets in CLMV by National Institute of Securities Management Mumbai.

In case of security, ASEAN countries also look to working closely with India in securing the trade routes, freedom of navigation in international waters, over flights, threat or use of force to intimidate, reducing piracy along the Malacca

Straits, cooperating in addressing traditional and non-traditional security challenges, including in areas of de-radicalization, prevention of violent extremism and cyber crime. They also look to India's support in dealing with natural disaster management. The Tsunami of 2005 made us all aware, how important and essential it was to work together when faced with natural disasters. India supports ASEAN's efforts in handling disasters and risk reduction as envisioned in ASEAN Community Vision 2025 on Disaster Management and also support ASEAN in the realization of ASEAN Declaration on One ASEAN, One Response.

7. Way Forward

There is immense importance of the human factor and cultural links in today's contemporary discourse, where strategic ties and infrastructure and geopolitical formations have taken centre stage. Youth is needed to be engaged in this process of interaction between India and ASEAN countries in a more systematic way.

Safety of cultural heritage is related to national security and requires greater coordination and cooperation to end such transnational crimes between ASEAN and India.

ASEAN has redesigned the Master Plan on Connectivity (MPAC) 2025, which ASEAN leaders have adopted at the ASEAN Summit in Vientiane, Lao PDR in 2016. This master plan has updated design and strategy for connectivity improvement in ASEAN as well as Dialogue Partners such as India. The MPAC 2025, which succeeds the Master Plan on ASEAN Connectivity 2010, focuses on five strategic areas: sustainable infrastructure, digital innovation, seamless logistics, regulatory excellence and people mobility. We have to make a synergy with MPAC

and design strong implementation mechanisms to ensure that effective coordination takes place among various agencies as well as with dialogue partners such as India. Such cooperation has the potential to absorb large investments in infrastructure and industry. India and ASEAN should improve physical and digital connectivity; develop industrial or special economic zones, logistics and customs systems, etc.

ASEAN and India shall aim for harmonisation of standards and mutual recognition, which would lead to encourage more trade and investment between the two partners. Harmonisation of standards will not only boost export competitiveness but will also improve the ease of doing business. ASEAN and India may consider setting up a mechanism for greater cooperation between the standards setting bodies of the two partners.

India may set up separate project monitoring cell of 3-4 members with necessary expertise and experience to follow on these projects with a clear mandate to ensure quality and timely execution.

ASEAN and India shall fast-track the digital connectivity projects. Connectivity with islands of the Philippines and Indonesia shall be considered in the ASEAN-India Connectivity Master Plan.

Thailand has also prepared Master Plan for CLMV countries. India can utilise the opportunity to be a part of Master Plan for CLMV countries. On the other, ASEAN shall also invest in connectivity projects being implemented in India at present. To guide designing of the ASEAN-India Connectivity Master Plan, ASEAN-India Connectivity Task Force may be constituted with participation of ASEAN HoMs.

Greater involvement of Northeast in India's Act East Policy (AEP) is essential. Northeast India has the potential to build two gateways: one at

Guwahati and another at Shillong. Infrastructure development in India's Northeast should be our utmost priority. There is a great need to factor Northeast in ASEAN by making borders of the region vibrant, particularly in Manipur, Mizoram, Tripura, Meghalaya and Assam, in terms of connectivity, infrastructure, investment, which in turn will make the region a hub for health, education and tourism.

8. Concluding Remarks

India and ASEAN are becoming more economically integrated and there is ample scope for deepening this integration process. ASEAN and India shall continue to work closely to build or maintain strong working relations, converge towards connectivity development issues and to protect the global trading system on which both ASEAN and India so heavily depend. Time is ripe for India to continue strengthening economic partnership with ASEAN.

Given India's diversity and geographical contrasts, an integrated transport network with Southeast Asia in particular is required to support the integration process. Stronger connectivity across India's Northeastern Region will build a stronger network of cross-border production chains, particularly with Southeast Asia. To facilitate the production networks, free flow of investment and movement of skilled labourers across the region are must. Indian government under the leadership of Prime Minister Narendra Modi has taken up huge infrastructure development projects in Northeast India. India has remained committed to working closely with ASEAN with a view to bringing the ASEAN-India Strategic Partnership to new heights. A series of events have been organised throughout 2017-18 on the theme "Shared Values, Common Destiny",

and there will be many more in coming months.

Finally, ASEAN-India 25th year celebration will reach its culmination on the Republic Day of 26th January 2018, when all ASEAN Heads of the States will be the guests at the Republic Day 2018 and a special Commemorative Summit will be held

at Delhi. The ASEAN-India relations have achieved much over the last 25 years. But its success has given rise to new challenges. It will continue to play a central role in promoting economic integration in Asia and the Pacific and inclusive development over the next 25 years.

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India-ASEAN @ 25 and the India-Japan Partnership

Gautam Mukhopadhaya*

The end of the Cold War, a complicated security environment to India's north-west that inhibited the development of India's historic relations with Central Asia and beyond, and a domestic balance of payments crisis provided the context and opportunity for Prime Minister Narasimha Rao to overcome Cold War differences with the ASEAN and effect a strategic and economic turn in India's external relations towards an economically rising South East Asia with the announcement of India's 'Look East' policy in 1991. In the 25 years since India became a Sectoral Dialogue Partner in 1992, India's relationship with ASEAN and South East Asia, has become one of its most defining external relationships marked not only by the steady elevation of its formal status to Full Dialogue Partnership in 1996, Summit level partner in 2002 and Strategic Partnership in 2012; Free Trade Agreements in 2003, 2009 (in goods) & 2014 (in services and investments); and participation in 30 dialogue mechanisms including the ASEAN Regional Forum (ARF) and other security related fora, but also a robust people to people relationship grounded in history, culture, trade, investments, the Indian diaspora, travel, tourism, entertainment, and growing economic integration. For the ASEAN too, a rising India is seen as a stabilizing factor in the emerging Indo-Pacific region

challenged by a powerful and assertive China and doubts about US leadership in the 21st century.

Prime Minister Modi's initiative to invite all ASEAN Heads of State to the upcoming Republic Day for a Commemorative Summit marking the 50th Anniversary of ASEAN and 25th anniversary of our formal relationship could therefore have not taken place at a more propitious time when the world is in flux, the strategic underpinnings of ASEAN are being called into question, and new alignments are developing in the Indo-Pacific in response to the rise of China. It could mark a watershed in our relationship with a political, economic and cultural grouping that grew around a post World War II economic and political order in Asia anchored by the US, but as the Cold War came to a close and China emerged as an economic powerhouse, drew in its communist and military-led neighbours into its fold to create a very heterogeneous grouping molded by a culture of consultation and consensus, and established progressively stronger economic ties with China. In the absence of an obvious strategic adversary after the Cold War, it did not feel the need to, nor perhaps would it have had the capacity to, provide for its own collective security. Its strategic underpinning was implicitly provided by the US.

Today, that situation has changed. The remarkable rise of China over the last 30 years

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and more led by the Communist party of China, accompanied by its growing political, strategic and economic self confidence manifested in major diplomatic and charm offensives world wide; its shedding of inhibitions to project its political and economic models as examples for others to follow or benefit from; its calibrated military assertiveness and rapid and ambitious modernization; its strategic economic projection through the Belt and Road Initiative, the Asian Infrastructure and Investment Bank (AIIB) and other initiatives; and the unrivalled position of President Xi Jing Ping and his policies enshrined at the 19th Communist Party Congress recently, have changed the equilibrium, and equations, in the region that countries are still trying to grapple with. Just when there is a need for a steady and firm US hand in Asia, questions about its current leadership and decision-making have left a region a little nervous and looking for stabilizers.

Little wonder then that new alignments and hedging strategies are shaping up as countries from Japan to India try to safeguard their own security and strategic interests. It has catalyzed voices in Japan to review its defence and nuclear postures (possibly causing some nervousness in some quarters on account of their World War II experiences, though the context today is very different and such a scenario unlikely). Australia, Japan, the US and India have come together, albeit still tentatively, in a democratic 'Quadrilateral' unwelcome to China. Regional powers have accelerated naval and military exercises to deal with imaginable challenges and threats.

ASEAN itself is in a bit of a disarray on how to deal with China, the US, and contested claims

in the South China Sea testing its unity and the limits of diplomacy in dealing with unilateralism and force in the matter of territorial claims and freedom of navigation as enshrined in the UN Convention on the Law of the Sea. The Indo-Pacific has emerged as a new theatre of maritime competition.

Faced with concerns about China's intentions and possible future trajectory and US unpredictability and inconsistency, the Special Japan-India Strategic and Global Partnership for peace and prosperity in the Indo-Pacific and the world forged by Prime Ministers Narendra Modi and Shinzo Abe through their annual summits, most lately in September 2017, provides an opportunity for an alternative strategy to deal with the destabilizing aspects of China's rise through an enhanced economic partnership with ASEAN countries that relies on competition rather than confrontation and could form a part of the 25th anniversary of India-ASEAN relations and the 5th anniversary of their Strategic Partnership. Its key elements follow.

First, most current approaches to dealing with the hard aspects of China's rise are primarily security-driven and geo-political in nature. However, a purely military-political strategy without economic content would be brittle and tend towards confrontation.

The rise of China and its global projection (through the BRI, AIIB, BRICS etc.) has been built on its economic rise, and on huge infrastructure and connectivity projects intended to power its economy and project its strategic influence worldwide. The India-ASEAN response too should be economic, but not imitative, and

capitalize on their strengths. It should focus on manufacturing and services, value adding, employment generation, developing value chains, and people-centered development utilizing existing and planned infrastructure, ASEAN, Chinese, Indian and others. It should also always keep environmental protection, sustainability and impact on climate change at the forefront.

Second, such a response should address the diversity of South East Asia by crafting separate but complimentary strategies for continental or terrestrial, and maritime, peninsular or littoral South East Asia. Its littoral dimension would be suitable for large corporate-driven investment in manufacturing, services, infrastructure and the blue economy in maritime South East Asia from Philippines to Malaysia, as part of the regional and global value chains stretching from East to India, Africa, Europe and the Atlantic.

Its terrestrial and continental dimension would however require a priority towards much more bottom-up approaches building on local resources and products. The two approaches are of course not mutually exclusive. They could compliment each other and integrate as the latter grows.

Third, while acknowledging that connectivity is an imperative for economic growth, it should, particularly in its terrestrial dimension, rebalance the current mantra of connectivity with a better balance between connectivity and productivity, and between large, medium and small investments, including through cooperatives (modeled on the highly successful dairy cooperative movement of India), micro-credit and self help strategies.

It should accord priority to building on the existing rural economy of those who live off the

land, water and forests (who still constitute the majority of people in the region) through environmentally sustainable development of agriculture, livestock, fisheries, forests, education, health, physical and digital connectivity and a multitude of other small projects on a large scale over large, top-down, corporate or state driven projects prioritizing large power and transport infrastructure projects that are usually environmentally and socially disruptive.

Such an approach would develop a much broader ownership and employment base benefiting a much wider cross-section of people at the base of the economy, and bring political dividends for host countries and partners. It would slightly alter the relationship between connectivity and productivity. It would use existing transport infrastructure to start with the 'first mile', improving and getting the local product to wider markets, with infrastructure growing organically with markets rather than starting big and worrying about the 'last mile' later.

Fourth, Japan could be a key partner with the Special Japan-India Strategic and Global Partnership and the proposed Africa-Asia Growth Partnership linked through ASEAN and India as its pillars. This does not mean others are excluded but that the Japanese partnership could provide the spine for the strategy, and enlarge choices for ASEAN and other countries.

Fifth, US political, diplomatic and economic support for Japan and ASEAN would remain critical, but the strategy would not be US-centric or US driven; it would be regionally driven.

Sixth, such an economic strategy should not be seen as anti-China; rather it should be seen as

an alternative to China. It would be competitive, not confrontational.

As we know, competing on its own, Japan has been losing ground to China economically, globally and in Asia. India too cannot yet compete strongly with China in South East Asia and elsewhere in infrastructure building or manufacturing and exporting goods out of India taking into account cost of production, tariffs and transaction costs. But India can compete with China on the combination of cost, quality, technology, reliability and service with a suitable branding, if it invests in ASEAN, taking advantage of the ASEAN Economic Community (AEC) and local factors of production in the Cambodia, Laos, Myanmar, Vietnam (CLMV) in particular.

A well-crafted India-Japanese economic partnership can complement each other capitalizing on their respective strengths, and revitalize and enhance Indian and Japanese competitiveness across a range of industries from small to big, agro-based and light industries, machine tools and infrastructure, generating local employment, adding value of natural resources and primary products, raising economic productivity and lifting up the industrial and technological base of the economy in general. With its diverse economic base, ASEAN could be an integral partner.

Seventh, such a strategy will require some revamping of our investment and official development partnership policies. So far, the primary instruments of our external economic policies have been on trade and more recently, development partnership including Government-to-Government Lines of Credit. The focus of our

investment policy has been almost entirely on attracting inward investment. There is not much policy support for outward investment.

Perhaps this is because we tend to think of outward Indian investment as a net outflow of capital. This is an outdated view. In a globalized economy, capital flows are circular and can be ploughed back one way or another. Virtually every other major country in the world, be it Japan or China, or the US, or Germany, looks at foreign investment in terms of global economies of scale, comparative advantages, and value chains, and in strategic terms. Unlike trade which is almost by definition transactional, foreign investment conveys a long-term stake in the country and creates an economic interdependence from which both investing and host nation benefit. We need to adopt foreign investment in our extended neighborhood including ASEAN as an arm of our foreign policy.

This also means that we need to compliment the concept of Make in India with the idea of 'Make in Partnership with India' in our near abroad wherever possible through joint ventures with host country partners taking advantage of tariff advantages offered by the ASEAN Economic Community and local factors of production to invest in South East Asia, especially in the least developed economies of the CLMV.

Likewise, in our development partnership, virtually all our investments have been government investments in development projects and Government-to-Government Lines of Credit. This is true for our various funds to the ASEAN as well. While this is important from the point of building bilateral relations in general, we need to

facilitate cheaper, commercial, buyers and sellers Lines of Credit to stimulate private sector trade and investment between India and Southeast Asia, and direct at least some of our Lines of Credit away from large, long gestation G2G credit lines to more innovative projects with more direct social impacts on the grassroots. While this may involve greater outlays on cheaper credits and risk insurance, the overall burden on the government budget should be much less.

Eighth, we need to give a special place in our investment and development policy to small and medium enterprises especially in employment intensive and livelihood based sectors like agriculture and agro-industries, but also light industries like textiles, consumer goods, pharmaceuticals, electronics and machinery; social development sectors education, health, IT, skills development etc.; and environment friendly techniques, industries and technologies.

A suitable financing facility for SMEs is of particular importance. Typically, it is much easier to find financing for large companies investing in big projects that are frequently socially and environmentally disruptive even as the dominant development narrative marketed by international and bilateral financial and development institutions is high on the jargon of 'inclusive, equitable and sustainable' growth. In reality, it is quite the opposite. Some handholding would also be required in the form of consultancies, entrepreneurship development, management training, and skills development. The Government of India has made a welcome beginning in this direction with a Special Purpose Vehicle of the Eximbank of India for such investments in the

CLMV countries. This can be expanded much further.

Ninth, no doubt the India-Japan economic partnership has a strategic dimension, but participating in it is not an either-or choice. Rather, it will enhance ASEAN's and member countries' choices.

Lastly, this economic and strategic partnership does not preclude a security or political dimension or other partnerships. Ideally, this should take place through existing ASEAN fora such as the ARF, ADMM+ and EAMF, but diplomacy may have its limits against brute power and alternatives such as bilateral cooperation and collective security strategies may also need to be explored. The recent meeting of the 'Quad' could be a message in this direction or a hedging strategy. The 'Quad' also needs to find a way to include ASEAN in its dialogue on freedom of navigation and security in the Indo-Pacific which it straddles, affects it closely, and upholds.

These principles could be translated or implemented in many ways. One way, proposed here could be through the development of economic corridors for continental and maritime South East Asia.

In continental South East Asia or the GMS, we can build upon PM Modi's idea of a North East India-Myanmar Industrial Corridor, the Trilateral Highway, and the East West Corridors of the Master Plan for ASEAN Connectivity (MPAC) to build upon a number of terrestrial economic and investment corridors from the North East of India through the Greater Mekong Sub-region up to Vietnam. These could be called the India-Greater Mekong Sub-region land corridors.

Such corridors should integrate as a priority the North East of India and the CLMV countries that suffer a development deficit. The latter also enjoy some measure of protection and a grace period to harmonize their tariffs and fully integrate into the ASEAN Economic Community.

These corridors would consist of a series of agro-processing, light industrial, and services hubs based on local resources, produce and human resources utilizing existing connectivity infrastructure and building upwards and outwards to newer and bigger markets, somewhat inverting the current emphasis on connectivity first and the rest later.

To start with, it would survey the productive potential of the regions that could be serviced along these routes based on natural resources, primary produce and availability of labour; identify possible industrial hubs and zones; fill in missing links in connectivity; find energy (preferably renewable), funding and capacity-building solutions; and summon the political will to develop these east-west corridors. These corridors should be based on the development of local agriculture (rice, beans and pulses, oilseeds, horticulture, vegetables, plantation crops like rubber, cashew, tea, coffee etc.) and agri-based and traditional industries such as bamboo, cane and other local sustainable forest based products, light industries, value-adding to some extractive industries mindful of environmental and climate change impacts and implications, and the required social infrastructure. Joint ventures, consortia and other partnerships involving Indian, ASEAN, Japanese and other East Asian or Australasian companies could enable comprehensive solutions

for energy, training, financing and logistics, enhance scale, and cushion risk.

Such a processing and manufacturing based strategy should avoid the Chinese model of investment in extractive industries and development of arteries of import of raw material and export of manufactured goods. If anything, it should add value to natural resources and primary produce. Indeed, competition from cheap manufactured goods from China has arguably had the effect of throttling the development of manufacturing industries in the CLMV.

Leaving aside possible rail networks for the moment and concentrating on the highways in the GMS that are part of the ASEAN Highway Network, the first of these corridors would be the Trilateral Highway connecting the North East of India at Moreh-Tamu on the India-Myanmar border southeast-ward up via several cities and crossroads to Myawaddy-Mae Sot on the Myanmar-Thailand border described as the Western Corridor in the MPAC.

The second is the East-West Economic Corridor from Mawlamyine through Thailand and Laos to Da Nang, Vietnam¹. India has offered extensions of this highway northeastwards through Laos and eastwards through Cambodia which can be developed.

The third is the Southern Corridor from Dawei (Myanmar) via two routes: Bangkok–Phnom Penh–Bavet (Cambodia)–Ho Chi Minh City–Vung Tau (Viet Nam), or Bangkok–Siem Reap–Sung Treng (Cambodia)–Quy Nhon (Viet Nam).

While the first two corridors would be connected through the Asian Highway 1 from points in Northeastern India via Mandalay, the

third would connect from the eastern seaboard of India by sea to Dawei on the Andamans sea coast of Myanmar, and then follow a new road to the Thai border land and routes through Thailand thereafter.

There is also a relatively neglected northern corridor starting from the AH1 at Meiktila via via Taunggyi on the Shan plateau across the Salween (Thanlyn in Myanmar) to Kyaingtong on the eastern Shan, and south to Tachilek on the Thai-Laos border to Laos and Vietnam.

A new variation to this corridor can also be developed from Kyaingtong via the newly opened Laos-Myanmar Friendship bridge over the Mekong at Xien Kok through Laos via Luang Namtha, to northern Vietnam at Pang Hoc near Dien Bien Phu and on to Hanoi and Haiphong. Apart from some stretches in NE India and Myanmar which are in the process being upgraded by 2020 and are common to all east-west routes touching India, and a short stretch from Tale to Xien Kok on the Laos border that needs up-gradation, the rest of the route is already motorable, though there are also insurgency affected areas on the India-Myanmar border and Shan plateau that will need to be addressed.

This will be the shortest and most direct route between India and Vietnam. If this cannot be incorporated into the MAPC, it could be taken up as an India-Myanmar-Laos-Vietnam corridor with Myanmar and Vietnam as investment partners.

Each of these planned and possible corridors would ultimately connect India to the Vietnamese cities and ports of Hanoi, Haiphong, Da Nang, Ho Chi Minh City, Nam Cam, Vung Tau and Quy Nhon through Myanmar, Laos, Cambodia and/or

Thailand linking the fertile Brahmaputra, Chindwin, Ayeyawady, Mekong and Da and Red river valleys and the Shan plateau and unlocking the untapped agricultural, natural, industrial, tourism and other productive potential from the Northeast of India through Shan state and the Mekong up to Vietnam.

The second arm of this strategy would be the maritime-littoral corridor. This would link the eastern seaboard of India, the Bay of Bengal and the Andaman Sea, through Malaysia, Singapore and Indonesia, Brunei, Thailand Vietnam and the Philippines to the East Asian economies. This would in some ways retrace ancient trade routes linking the Kalingas, Pallavas and Cholas to Southeast Asia, but link them with special, industrial and trade zones in the region to form part of a regional and global value chain linking Japan, Korea, China, Taiwan, Vietnam, Brunei, the Philippines, Thailand, Indonesia and Malaysia to India and eventually as part of the Asia-Africa Growth Corridor, to Africa, the Gulf and Europe. This artery is already receiving the attention of think tanks, industry bodies and policy makers across the region. Indo-Japanese partnership along this corridor could add synergy to it. This could be called the Asia-Africa Maritime Route. One link that could be explored on this route for industries and shipping is a Chennai-Medan corridor touching also the Andaman and Nicobar islands of India.

The third arm would use Myanmar as a springboard for a mixed corridor starting with the Kaladan Multimodal Transit Transport Project, but also the Bay of Bengal, the eastern seaboard of India and the Special Economic Zones of

Kyaukphyu, Tillawa and Dawei through the East West Corridors of the Master Plan for ASEAN Connectivity to ports of Vietnam and beyond. These would involve transshipments at some points, of which Dawei could be the shortest and most important. The potential of this has hardly been explored, and should be examined urgently. This could be called the BIMSTEC-GMS corridor. Both this and the maritime corridor would be suitable for the sustainable development of the Blue Economy.

These corridors may also necessitate a revision of the regional and sub-regional cooperation architecture involving India and the Greater Mekong Sub-region like the BIMSTEC, MGC and CLMV countries. It may well be desirable to enlarge BIMSTEC to include the CLMV countries as observers and/or members in the greater BIMSTEC-GMS cooperation forum within the ASEAN.

Some of these corridors and ideas may at first sight appear unorthodox, unrealistic and contrary to current economic thinking from both a conceptual and funding point of view. In fact, funding requirements for manufacturing industries as this strategy emphasizes, are much less than for mega connectivity and infrastructure projects and can be addressed through existing initiatives with only a little additionality focusing mainly on

commercial credit lines, risk coverage and technical assistance for the private sector in general and SME sector in particular.

A number of Indian initiatives like the Trilateral Highway and its proposed extensions, the Kaladan project, the US\$ 1 bn Line of Credit for physical and digital connectivity in the ASEAN, the Duty Free Trade Preference (DFTP) Scheme of the Ministry of Commerce of India, ongoing bilateral Indian Lines of Credit to the CLMV countries, and the Eximbank fund for SMEs in the CLMV could be leveraged to advance the process. Initiatives under the BIMSTEC, MGC, and those oriented towards the CLMV could also be subsumed under it. Regional and international development banks like the ADB, New Development Bank (NDB), World Bank and IFC, Asian and international investors, and the international community at large too could be attracted to the idea. Indeed many of them are already advocating and working in this direction. The India-Japan strategic and economic partnership and incipient Asia Africa Growth Corridor too could be leveraged.

In the final analysis, whether or not such a strategy could work is more a question of political and economic philosophy, persuasion, strategic vision, political will and husbanding resources than funding per se.

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Balance-sheet of India-ASEAN Partnership @ 25

Sonu Trivedi*

On the occasion of 50th anniversary of ASEAN while creating a balance sheet of India-ASEAN partnership we look at the 25 years of missed opportunities for India - from the period 1967- 1992 and thereafter at 25 years of engagement - from 1993-2017, in an attempt to understand India and ASEAN engagement over the years, particularly in the context of the changing geo-politics of the Indo-Pacific region. The Paper begins with a brief snapshot of ASEAN and its partnership with India. In this Golden Jubilee year of the establishment of ASEAN and Silver Jubilee year of its dialogue partnership with India, this Paper endeavours to venture into the multi-dimensional nature of ASEAN and its multi-faceted relationship with India at large.

ASEAN: A Snapshot

Fifty years is usually not a long time in the lifetime of a nation-state. But for ASEAN, a regional conglomeration of ten separate nation-states in Southeast Asia, fifty years has spelled a transformational experience for the region as indeed also the world. Ever since its founding, the regional grouping apart from driving the regional conversations forward around multiple regional and global subjects in a more orderly and well-defined fashion, has injected a sense of predictability and pattern to the way regional multilateralism is conducted in this part of the world. In fact in time, it has evolved as the most institutionalised regional association in Asia. As a collective identity, the ASEAN has not only

addressed a welter of issues within the grouping but projected a more potent force for action and bargaining when dealing with players and institutions exogenous to the region. In some ways, it may well be argued that the enduring and lasting success of ASEAN as a regional institution has been the primary reason why other regional entities have not quite proved to be as promising and as fulfilling as the Southeast Asian grouping, notwithstanding the different contexts and purposes for which they were founded in the first place. Perhaps it has something to do with the characteristic resilience of ASEAN as an organisation. When it started out, the Bangkok Declaration of 1967 chiefly had 'economic, social, cultural, technical, scientific and administrative fields' in mind apparently even as the underlying motive and the context may have been altogether different. Then the Zone of Peace, Freedom and Neutrality (ZOPFAN) in 1971 had reflected the shifting great power balance in wider Asia. Hallmark of a cautious and thinking institution, it had taken no less than almost a decade for ASEAN to meet at a summit level in 1976 when it accomplished the Declaration of ASEAN Concord and the Treaty of Amity and Cooperation (TAC) with the latter formalising the core principle of non-interference as underpinning the terms of engagement among member states. Buoyed by their individual economic successes in the 1970s and 1980s, the ASEAN 6 had taken their economic agenda to a new level when they decided to establish ASEAN Free Trade Area (AFTA) in 1992.

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As Cold War eventually wound up, the ASEAN's more formal initiative on regional security fructifying in the ASEAN Regional Forum (ARF) had once more been clearly demonstrative of the organisation's innate ability to reinvent itself and retain its leadership role as the foremost ideologue of regional multilateralism. When the 1997 Asian financial crisis had scarred virtually all of ASEAN economies, the overtures to the three East Asian nations and shaping up of ASEAN Plus Three (APT) was an exercise emblematic of making virtue out of adversity. From shaping the contours of ASEAN Plus 3 to being at the core of the East Asian Summit, ASEAN has not only retained the reins of regionalism in its own hands, it has expanded its diplomatic weight and footprints from Southeast Asia to the broader East Asia and Asia Pacific. The 2007 Charter besides bestowing on the institution a legal personality, also sets it well on course to truly become an Economic (AEC), Political-Security (APSC) and Socio-cultural (ASCC) community.

Without doubt, ASEAN's normative benchmarks as constituting renunciation of use of force, non-interference and peaceful settlement of disputes have served the region well for nearly five decades now. Southeast Asia once speculated as the 'Balkans of the Orient' has refused to fall apart simply not living up to its borrowed name, and thankfully so – unlike what befell the original Balkans in Europe unfortunately. Boasting of the world's third largest market on the back of a population of 625 million people and with a combined GDP of US\$ 2.6 trillion, ASEAN is already the 7th largest economy in the world projected to be the fourth largest by 2050. No wonder, in a glorious run over fifty years since

1967, the iconic grouping has transformed the region from one of battlefields to marketplaces! As EU increasingly gets weighed down by the post-BREXIT tremors and globalisation pushes back in the reverse, what better time than now to re-examine ASEAN and how it could perhaps carry the flag of regional multilateralism.

Balance-Sheet of India-ASEAN Partnership

Transformation of India's foreign policy from the rhetoric of 'Look East' to the action oriented 'Act East' has reiterated its focus on the extended neighbourhood in the Asia-Pacific. The 'Act East' policy was crystallised to underline the importance of East Asian neighbours of India and make them a priority in our foreign policy. It promises to inject new energy into India's engagement with Asia in the economic, political and security domains. "It has widened the canvass by drawing Australia into India's Eastern Strategy and the South Pacific back on Delhi's political radar"¹. In this most recent proposition to woo the Southeast Asian neighbours by reviving historical and civilisational ties and engaging in defence and security cooperation, India has raised alarms for the rival powers in the neighbourhood. Given the history of United States *realpolitik* of shifting alliances, priorities and commitments and its recent rebalancing strategy in the Asia-Pacific and the China's rising influence in the region, the Southeast Asian countries are welcoming greater Indian involvement in the regional architecture of Asia. In the context of such a geo-strategic mix, they have been following interactions between China and the United States and thereby trying to maximize their strategic independence. In the shifting balance of power in the world politics,

India's Act-East policy emerges as a noteworthy characteristic determining the 'Great Game' politics in the Indo-Pacific.

India as a close friend and partner of ASEAN is equally affected by the developments in its extended neighbourhood. Rooted in deeper historical and civilisational ties, augmenting India-ASEAN relations have been the primary focus of our 'Act East Policy'. In fact, India places ASEAN at the heart of its 'Act East Policy' and centre of its dream of an 'Asian Century'. As ASEAN celebrates fifty years of its existence, India also celebrates 25 years of India-ASEAN Dialogue Partnership. In this relationship, we have graduated from a Dialogue Partner to Summit level interactions and finally to Strategic Partnership in recent times thereby learning lessons of deeper economic integration and comprehensive engagement with Southeast Asian neighbours. Given this background, the next section seeks to make an assessment of the Balance sheet of India-ASEAN partnership by dwelling upon the first 25 years of missed opportunities and the later 25 years of engagement and honeymoon period of India and ASEAN.

25 Years of Missed Opportunities

According to Prime Minister Narendra Modi, "ASEAN began in times of a great global divide, but today as it celebrated its Golden Jubilee, it shone as a beacon of hope; a symbol of peace and prosperity"². "In 1967, when the whole region was seething with buzz of uncertainties, establishment of ASEAN prevented the 'Balkanisation of Southeast Asia', and established the thrust on search for common values, replacing conflict with economic, political, cultural and strategic cooperation"³.

Nevertheless, establishment of ASEAN was viewed with doubts in an ideologically polarised Southeast Asia where "intra-regional ideological polarisation and intervention by the external powers were marked features of geo-political landscape of Southeast Asia"⁴. This prevented the newly established regional community in Southeast Asia - ASEAN, to embrace India openly in spite of the cultural, religious and civilisational linkages between the two regions. During the politics of Cold War, India-ASEAN relations were subjected to distrust and doubts about each other's intentions and ideologies. "The narrative of India-ASEAN relations during the Cold War could be summarized as missed opportunities due to political mistrust, economic uncertainties and occasional military threats"⁵.

India's opposition to the United States during its intervention in Vietnam also created suspicion in its expected role in ASEAN⁶. During the Cold War politics, India and ASEAN were in ideologically opposed camps. This was seen by India as a means to contain communism, which was on the rise due to the spill over from the Vietnam War. "While South East Asian nations had approached India as early as 1967 to join the ASEAN, India remained lukewarm to their overtures because of overall geopolitical situation in the region and the ongoing Cold War redux in Indo-China at that time"⁷. India's support to Vietnam as opposed to the 'hegemonic' desires in Indo-China during 1960s resulted in the reciprocal loss of support from the United States. Opportunity cost was in the form of the United States President Johnson postponing the planned visit by Indian Prime Minister Lal Bahadur Shastri to the United States. It further resulted in the cancellation of a planned visit by the United States

President Ford to India a decade later, thereby widening the gap between India and ASEAN member countries irrespective of the geographical proximity and historical and cultural ties between the people of the two regions⁸.

Another case of lost opportunity during the first 25 years of the establishment of ASEAN was visible in the India's support to the Vietnam's backed Heng Samarin regime in Cambodia and its strategic ambitions in rest of Indo-China. This further alienated India's place in the United States policy prescriptions and its approach towards ASEAN member states⁹. "After the collapse of the Khmer Rouge regime, India recognized the new government and re-opened its Embassy in Phnom Penh in 1981 when much of the world shunned Cambodia"¹⁰. This turned out to be a major diplomatic miscalculation. The resultant strategy of Prime Minister Indira Gandhi's cancellation of the scheduled discussions with ASEAN and internationally embracing the communist regime signified growing bitterness in India's approach towards existing ASEAN members¹¹. The stalemate continued until the collapse of Soviet Union, when India became a Sectoral Dialogue with ASEAN in 1992 and established full Dialogue partnership in 1995.

Southeast Asia witnessed a major change in its political atmosphere in the aftermath of the Cold War - especially after the settlement of the Cambodian crisis and change in the ASEAN's perception towards Vietnam as a potential ally. This contributed in a big way to the emergence of a strong strategic and defence ties between India and ASEAN member countries. This period also saw "the beginning of India's Look-East Policy which was intended to reach out to the countries of East and Southeast Asia which had been

neglected by India in spite of cultural, religious, geographical proximity and historical links"¹². With the launching of India's economic liberalisation programme in 1991, ASEAN came to be identified as being 'pivotal' to India's policy in the Indo-Pacific region.

25 Years of Engagement

Post Cold War era witnessed a significant increase in the engagements between India and ASEAN member countries. They have leveraged from the large potential in synergies between their economies¹³. "The resolution of the Cambodian conflict brought about a fundamental change in Indo-ASEAN relations"¹⁴. There was an expansion in the membership of ASEAN to include all countries which are physically part of Southeast Asian region - irrespective of their ideological orientations and regime types. Furthermore, "the emergence of China as an 'economic dynamo' and its increasing trade and commercial interests and cooperation with ASEAN countries has been another motivating factor for India to enhance its own linkages with the ASEAN"¹⁵.

India-ASEAN partnership has been a noteworthy feature and provides significant underpinning to the 'Act East Policy' today. Though, actually envisaged at "bolstering strategic and economic ties" with Southeast Asian countries, it aims at tapping the region for greater investment and connectivity¹⁶. According to Prime Minister Narendra Modi, "our ties with South East Asia are deep rooted. Strengthening relations with ASEAN nations is an important part of our 'Act East' policy. It is central to our dream of an Asian century, where India will play a crucial role". With this background, the following section looks at the political and security engagements;

economic cooperation; physical connectivity; people to people relations and development partnership between India and the countries of the Southeast Asian region.

- Political and Security Engagements

The up-gradation of the relationship into a Strategic Partnership in 2012 was a natural progression to the ground covered since India became a Sectoral Partner of the ASEAN in 1992, Dialogue Partner in 1996 and Summit Level Partner in 2002¹⁷. India is also an active participant in several security based ASEAN forums like the ASEAN Regional Forum (ARF), ASEAN Defence Ministers' Meeting + (ADMM+) and Expanded ASEAN Maritime Forum (EAMF). India has set up a separate Mission to ASEAN in Jakarta in April 2015 with a dedicated Ambassador to strengthen engagement with ASEAN and ASEAN-centric processes.¹⁸ The ASEAN Post Ministerial Conference (PMC) 10+1 Sessions with The Dialogue Partners also provides opportunity for ASEAN and the Dialogue Partners to review their cooperation over the past year and further deepen their cooperation, strengthen their engagement, as well as to ensure the effective implementation of the respective Plans of Action to elevate cooperation in all areas. These meetings also served as avenues for the Ministers to exchange views on regional and international issues of mutual interest and concern, collectively and constructively address global developments and existing, emerging and trans-boundary challenges and strengthen development cooperation with ASEAN¹⁹. Measures like the signing of a "Joint Declaration for Cooperation to Combat International Terrorism," maritime exercises with the navies of ASEAN countries, information-sharing initiatives, and defense agreements with

individual ASEAN countries have added a new dimension to ASEAN-India relations.²⁰

- Economic Engagements

For enhancing economic ties with ASEAN member countries, India signed a Free Trade Agreement (FTA) in goods in 2009 and an FTA in services and investments in 2014 with ASEAN. The ASEAN-India Free Trade Area has been completed with the entering into force of the ASEAN-India Agreements on Trade in Service and Investments on 1 July 2015²¹. Apart from this, India has a Comprehensive Economic Cooperation Agreement with various countries of the ASEAN region. This has resulted in concessional trade and a rise in investments²².

The ASEAN members and India together consist one of the largest economic regions "with a total population of about 1.8 billion and a combined GDP of \$3.8 trillion. ASEAN and India together form an important economic space in the world"²³. It is currently India's fourth largest trading partner, accounting for 10.2 per cent of India's total trade. India is ASEAN's seventh largest trading partner. "India's service-oriented economy perfectly complements the manufacturing-based economies of ASEAN countries. There is, however, considerable scope for further growth"²⁴. As per the Ministry of External Affairs report, "India's trade with ASEAN has increased to US\$ 70 billion in 2016-17 from US\$ 65 billion in 2015-16. India's export to ASEAN has increased to US\$ 31.07 billion in 2016-17 from US\$ 25 billion in 2015-16. India's import to ASEAN increased by 1.8% in 2016-17 vis-à-vis 2015-16 and stood at US\$ 40.63 billion. Investment flows are also substantial both ways, with ASEAN accounting for approximately 12.5% of investment flows into India since 2000".²⁵

ASEAN and India have been also working on enhancing private sector engagement. ASEAN India-Business Council (AIBC) was set up in March 2003 in Kuala Lumpur as a forum to bring key private sector players from India and the ASEAN countries on a single platform for business networking and sharing of ideas. AIBC is an organization that builds relationship between India and ASEAN countries to foster stronger ties in trade and economy. It was conceptualized to provide an industry perspective to the broadening and deepening of economic linkages between ASEAN and India²⁶. The AIBC consists of eminent Leaders of Business in ASEAN Member States and India. They meet on the sidelines of ASEAN-India Economic Ministers' Meeting²⁷.

- *People to People Relations*

People-to-people exchanges continue to remain an important pillar of India-ASEAN relations today, and “we aim to expand them through various initiatives, such as through the exchange of artists, students, journalists, farmers and parliamentarians, as well as a multiplicity of think-tank initiatives”²⁸. People of the two regions connect not only through political and diplomatic means, but there are historical and civilisational linkages. Ramayana and Mahabharata - two great Indian mythologies find a meeting ground in ASEAN region. Similarly, Buddhism and Bollywood are two great popular cultures capturing the imagination of the people of the region. Besides, a large number of Indian Diaspora in Southeast Asia, provide a fertile ground for linking of people and culture since long. The cultural and intellectual exchanges between the people of two region has enabled us a better understanding of the relations between India and ASEAN. At the level of the Government, several

activities leveraging people-to-people connectivity are held annually to increase interaction between India and ASEAN Community. These include, ASEAN-India Network of Think Tanks, Exchange of Parliamentarians, ASEAN-India Media Exchange Programme, Students Exchange Programme, ASEAN-India Eminent Persons Lecture Series, Special Course for ASEAN Diplomats and their training at the Foreign Service Institute (FSI) in New Delhi²⁹. Recently held India-ASEAN Youth festival in August 2017 is an example of identifying Youth as cultural ambassadors for a deeper understanding of socio-cultural linkages between the two regions.

- *Physical Connectivity*

ASEAN-India connectivity has been a priority for India and central to its ties with ASEAN. In 2013, India became the third dialogue partner of ASEAN to initiate an ASEAN Connectivity Coordinating Committee-India Meeting. While India has made considerable progress in implementing the India-Myanmar-Thailand Trilateral Highway and the Kaladan Multimodal Project, issues related to increasing the maritime and air connectivity between ASEAN and India and transforming the corridors of connectivity into economic corridors are under discussion. A possible extension to India-Myanmar-Thailand Trilateral Highway to Cambodia, Laos and Vietnam is also under consideration. A consensus on finalising the proposed protocol of the India-Myanmar-Thailand Motor Vehicle Agreement has been reached. This agreement will have a critical role in realizing seamless movement of passenger, personal and cargo vehicles along roads linking India, Myanmar and Thailand. PM announced a Line of Credit of US\$ 1 billion to promote projects that support physical and digital connectivity

between India and ASEAN and a Project Development Fund with a corpus of US \$ 50 million to develop manufacturing hubs in CLMV countries at the 13th ASEAN India Summit held in Malaysia in November 2015³⁰. India-ASEAN Connectivity Summit was also organised in December 2017 in New Delhi. According to M. J. Akbar, “While the road component is progressing apace, maritime connectivity - the mainstay of our historical trade relations, requires urgent modernisation in the context of current geopolitical realities”. According to him, “connectivity will address investment opportunities in ASEAN-India Islands Connectivity and discuss the challenges that need to be addressed in order to sustain the progress”³¹. To add further, the need for not only physical connectivity but digital connectivity has also been emphasised.³²

- Act East and North-Eastern Region of India

The North-eastern India as a region is landlocked, sharing most of its boundary with neighbouring countries of South and South East Asia. It is supposed to be an essential factor in extending linkages with the Southeast Asian countries and critical for India’s ambitious Act East policy to succeed. Given its strategic location, bordering on Bangladesh, Bhutan, Nepal, Myanmar and China, the region could be developed as a base for India’s growing economic links. “Though considered as the country’s most economically laggard regions, no other region in India can rival it in terms of the availability of natural resources and its potential for international connectivity”³³. Over the years, “geo-political distancing of the region from its main port of Kolkata, combined with economic insulation, has weighed down the Northeast’s economy”³⁴.

Nevertheless, India has been trying to bridge this isolation through the ‘Act East’ policy by promoting trade and physical connectivity through its north-eastern borders with Southeast Asian region.

-Development Partnership with CLMV Countries

Serving as a platform for deepening and strengthening its relationship with ASEAN, the CLMV countries (Cambodia, Lao PDR, Myanmar and Vietnam) have also been a special focus area for India. “At a time when manufacturing facilities are shifting to lower-cost economies, both India and the CLMV countries enjoy an advantage. With ‘Make in India’ emerging as a key campaign for manufacturing, developing new global value chains in partnership with the four least-developed economies of ASEAN would bring benefits to both sides”³⁵. Over the years, special focus has also been on building up of the road, rail and waterways network for developing the infrastructural links between the North-east India and its engagement with the Southeast Asian countries. India has set up a Project Development Fund for CLMV countries and EXIM Bank also provides lines of credit for projects in power, irrigation and railways. Besides, facilities for English language training, entrepreneurship development, and IT skills have also been set-up by India for capacity building in these countries.

Conclusion

India-ASEAN relations are a critical component of India’s overall external engagement with the Indo-Pacific and beyond. A balance-sheet of India-ASEAN relations over the years reveal two and a half decades of missed opportunities resulting from the ideological misgivings and conflicts in the internal politics of the countries

of the region. However, the end of Cold War and collapse of Soviet Union was a critical juncture in the world politics. It brought about a major shift in the balance of power in Southeast Asia also bringing about transformation in the internal political dynamics of the countries of the region. The end of Cold War also marked a turning point in India-ASEAN Relations in the wake of liberalisation and market oriented reforms. In the changing architecture of global politics, India adopted itself to the emerging world order, thereby beginning a new chapter as the 'Look East Policy' now being transformed as 'Act East Policy' in its foreign policy paradigm. For the last 25 years - driven by geo-strategic and economic realities,

India and ASEAN moved on the path of strong political and diplomatic engagements followed by economic and strategic partnership between countries of the region.

Encompassing shared heritage of centuries old civilisational ties - India and ASEAN have provided foundation to the close cultural and historical bonds, upon which lays the edifice of deeper economic and strategic partnership between the countries of the region. To conclude, in the words of Prime Minister Narendra Modi, "for the near future, South and South East Asia will be the growth engine of the world. Hence, building connectivity with ASEAN is a key objective for India".

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The Upward Trajectory in India-ASEAN Relations

Shristi Pukhrem*

The Association of South East Asian Nations (ASEAN) celebrates 50 years of its existence this year. At the same time, India and ASEAN are commemorating the 25th Anniversary of their Dialogue Relations by organising a wide range of international events - conferences, business conclaves, youth and cultural festivals, such as the India-ASEAN Connectivity Summit, India-ASEAN Youth Summit 2017 held in Bhopal, car rallies, etc. The year 2017 also marks 15 years of summit level relation and five years of strategic partnership between India and ASEAN. Since 2002, the India-ASEAN Summit has become an annual affair. In the 13th summit held in Kuala Lumpur on 21 November 2015, the ASEAN leaders acknowledged that India's "Make in India" and "Act East Policy" initiatives could reinforce ASEAN's community building efforts. The grouping's leaders also expect India to work with ASEAN to achieve the goals reflected in the ASEAN 2025: "*Forging Ahead Together*". In the Post Ministerial Conference (PMC) Plus One Session with India, held on 5 August 2015 in Kuala Lumpur, the ASEAN and Indian leaders adopted the Plan of Action (POA) to implement the ASEAN-India Partnership for Peace, Progress and Shared Prosperity (2016-2020) comprising three broad areas of cooperation: "political and security cooperation; economic cooperation; and socio-cultural cooperation".

At a time when global economic growth has been sluggish and there are growing uncertainties due to conflicts in other parts of the world, ASEAN has consolidated itself into a common economic community and become the most dynamic region in the world. The ASEAN way of decision making by consensus has enhanced its unity as well as centrality in the Asia-Pacific region. India can learn immensely from the ASEAN experience, its economic integration in particular. The Indian Prime Minister has rightly placed South East Asia at the core of India's Act East Policy – a significant foreign policy initiative to deepen India's comprehensive engagement and strategic partnership with ASEAN. Both India and ASEAN could enjoy mutual benefits out of such partnerships, and together, they can contribute to regional growth and stability. In the last two years, Indian President, Vice President and Prime Minister had visited nine out of 10 ASEAN countries. The Prime Minister was present at three ASEAN-India and East Asia Summits held in 2014, 2015 and 2016, and he had visited five ASEAN countries, viz., Myanmar, Singapore, Malaysia, Laos and Vietnam, and also 11 East Asia Summit associated countries, including the United States (US), Russia, Australia, China, Japan, Vietnam and Laos. India has set up a mission to ASEAN and the East Asia Summit (EAS) in Jakarta with a dedicated ambassador to ensure a smooth functioning. All this bears testimony to

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the importance India attaches to its relationship with ASEAN.

India's endeavour to strengthen its relations with ASEAN comes at this crucial juncture when China becomes more assertive in the region. Beijing's territorial claims in the oil and gas-rich South-China Sea, which is also a vital international maritime trade route, have caused serious regional security concern. Both India and ASEAN, indeed, keep the China factor in mind and act accordingly in order to sustain a stable balance of power in South East Asia. As natural allies, they participate in the EAS, ASEAN Regional Forum (ARF), ASEAN Defence Ministers Meeting Plus (ADMM+), and the Expanded ASEAN Maritime Forum (EAMF).¹ The ADMM+ provides a forum for defence ministers from the 10 nations of ASEAN plus India, China, Japan, Republic of Korea, Russia, Australia, New Zealand, and the US on a biannual basis. The EAMF creates avenue for diplomacy focussing on maritime issues of common concern.² The ASEAN is keen to work together with India in securing trade routes and freedom of navigation in international waters and over flights, reducing piracy along the Malacca Straits, addressing traditional and non-traditional security challenges, including 'de-radicalisation, prevention of violent extremism and cyber crime'. In the new regional security configuration, ASEAN and India also need to focus on the prospects of tackling threats like poverty, transnational health threats, environmental degradation, natural disasters and transnational crimes.³ Most states in the region expect India to be a serious player in the Indo-Pacific. For that,

India needs to give the signal that it is committed to a long-term strategic presence in the region.⁴ For both India and ASEAN, connectivity is a matter of strategic priority. At the 13th ASEAN-India Summit held in Malaysia in November 2015, Prime Minister Modi announced a Line of Credit of USD 1 billion for projects that support physical and digital connectivity between India and ASEAN and a Project Development Fund with a corpus of INR 500 crore to develop manufacturing hubs in Cambodia, Laos, Myanmar, Vietnam (CLMV) countries. India supports the Master Plan on ASEAN Plus Connectivity (MPAC) and backs the extension of India-Myanmar-Thailand Trilateral Highway to Laos, Cambodia and Vietnam, and its further linkage with ports in ASEAN countries and integration with Special Economic Zones. Enhanced connectivity to ASEAN region can significantly factor in unlocking the economic energies and enterprise of India's Northeast, which borders the region. In short, "Connectivity is the reigning mantra as India deepens its diplomatic, economic and cultural ties with its extended neighbourhood".⁵

As India and ASEAN share deep economic ties, their trade and investment relations have grown over time. Their annual trade stood at USD 76.63 billion in 2015, although it declined to USD 65.04 billion in 2015-16 due to the slowing down of the global economy. India is ASEAN's 7th largest trade partner, and ASEAN is India's 4th largest trading partner which accounts for 10.02 per cent of India's total trade. Investment flows have also increased. "FDI flows into India from ASEAN between April 2000 to May 2016 was

about USD 49.40 billion, while FDI outflows from India to ASEAN countries, from April 2007 to March 2015, as per data maintained by DEA, was about USD 38.672 billion”.⁶ The ASEAN-India Free Trade Area has been completed with the enforcement of the ASEAN-India Agreements on Trade in Service and Investments on 1st July 2015. The agreement affirms India’s adherence to the vision of having greater economic engagement with ASEAN. India’s service-oriented economy should also complement the manufacturing-based economies of ASEAN. India is also engaged in the Regional Comprehensive Economic Partnership (RCEP) negotiations with ASEAN and its 6 FTA partners. India and ASEAN have also been working on enhancing engagement in private sector, particularly with an objective to bring key private players on a single platform such as ASEAN-India Business Council.

India offers project-based assistance to ASEAN countries from various Funds created under ASEAN Multilateral Division. At the ASEAN-India Summit (2009), India announced USD 50 million contribution to the ASEAN-India Fund for implementation of the ASEAN-India Plan of Action. At the 6th ASEAN-India Summit held in Singapore (2007), India announced the setting up of an ASEAN-India Science & Technology Development Fund (AISTDF) with a contribution of USD 1 million and ASEAN-India Green Fund with a contribution of USD 5 million for collaboration activities relating to environment and climate change. Besides, India has been associating with ASEAN in the implementation of projects in the fields of Agriculture, Science

and Technology, Peace, Human Resource Development, Capacity Building, New and Renewable Energy, Tourism, People-to-People contacts, etc.⁷

Tolerance, pluralism and diversity preserved, maintained and practiced by India and the ASEAN countries can be a unique example for the rest of the world. These salient characteristic can further strengthen the ties between the two.⁸ India has accorded priority to promoting its soft power in Southeast Asia “through a vigorous engagement with the diaspora and a strong commitment to build a shared civilisational bonds” – renewing spiritual connectivity with Asia which is as important as physical connectivity.⁹ Indeed, the large Indian diaspora in the Southeast Asian countries helps strengthen diplomatic, economic and security relations between India and ASEAN. In the presence of such driving forces, it is imperative for both to put in extra efforts to materialise the vision of an ‘Asian century’ that is becoming real with the increasing “shift of economic gravity from the north to the south and the west to the east”.

The Asian dream, therefore, is about surging hopes and aspirations of 1.8 billion people of India and Southeast Asia, who are inching towards carving their place in the changing world. India should seize the moment to chart the course of its strategic partnership with the ASEAN countries and convince them that “India is both a factor for peace and stability in Asia as well as a partner in progress”.¹⁰ India and ASEAN stands as natural partners further contributing in the progress of the wider Indo-Pacific region.

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Look East Policy: A Post-Independence Construct

Subhadeep Bhattacharya*

India-ASEAN relations today are more strategic than economic in character. India today eyes ASEAN as a major East Asian entity vital to promote Indian geopolitical interests in the region. The twenty-five years of India's engagement with ASEAN via thirty dialogue mechanisms has undoubtedly strengthened the mutual attachment. The strategic aspect of India's ASEAN policy became vivid further under the Act East Policy of the Narendra Modi government which intended to accelerate 'across-the-board engagement between the two growth poles of Asia'.¹ Year 2017 marks the 25th anniversary of India-ASEAN Dialogue Partnership which was initiated in 1992 when the decision was taken to set up a Sectoral Dialogue Partnership between ASEAN and India at the 4th ASEAN Summit in Singapore. In his congratulatory message to the ASEAN Chair Rodrigo Duterte, the Philippine President, Prime Minister Narendra Modi termed Act East Policy as the 'reflection of the importance we attach to our strategic partnership with ASEAN'.² Responding to Prime Minister Modi's message President Duterte noted that ASEAN-India relations have contributed to the maintenance of peace, stability and prosperity in the region.³ Tranquil Southeast Asia is beneficial for India whose trade with ASEAN was \$71 billion in the 2016-17 financial year, which accounts for 10.85% of India's global trade.⁴ Therefore, security of land and sea route is vital for India for which

collaboration with the ASEAN countries is necessary. Today, ASEAN is an important strategic ally of India in East Asia where India wants to expand her footprint as was evident from the statement of former Indian Prime Minister Dr. Manmohan Singh: "*Our strategic footprint covers the region bounded by Horn of Africa, West Asia, Central Asia, South-East Asia and beyond.*"⁵

In the context of today's India-ASEAN strategic relations, it will be interesting to introspect whether the strategic aspect of India's Act East Policy is a later phenomenon or it has its roots in the past. When did independent India look east? How old is India's strategic considerations vis-à-vis Southeast Asia? In this case it is pertinent to analyse Jawaharlal Nehru's Southeast Asia policy.

Nehru Looking East

Contrary to the general perception, India looked (and acted) east immediately after independence. The centrality of India in the Southeast Asian affairs in the eyes of Nehru is best reflected in his speech at the Constituent Assembly on 8th March, 1949 where he said, "*If you have to consider any question concerning South-East Asia, you cannot do so without India.*"⁶

The prime concern of Nehru in Southeast Asia was the communist militancy which was the most common problem in all the decolonized states of Asia during that time, including India. The post-

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war Southeast Asia was experiencing strong anti-imperialist liberation struggle which got intertwined with the communist revolutionary fervor targeting the nationalist factions within the countries. Nehru disapproved this militancy both in India and Southeast Asia saying, “There are communists, who quite apart from their communism, are at present engaged in creating as much trouble as possible not only in India but much more so in Burma, Malaya etc...”⁷ Not only Nehru, even his deputy and Home Minister Sardar Vallabhbhai Patel expressed concern with the communist extremist militancy in post war Southeast Asia. In his address to the nation on 15th August 1947, Sardar Patel said, “The condition in Malaya, Indo-China and Burma was disappointing...If the undesirable elements in the country were not put down with a firm hand immediately, they were sure to create the same problem as they found existing in some other Asiatic countries.”⁸

The two prime objectives of India’s Southeast Asia policy post 1947 have been: first, to liquidate colonialism and second, to thwart any major or medium power domination of the region in the name of filling the vacuum which Nehru termed as cloak for imperialism.⁹ Nehru believed that the continuation of the colonial rule in Southeast Asia would only promote communist rebellion: “*If colonialism continues anywhere in South-East Asia, the natural result will be a growth of communism.*”¹⁰ In an interview with Earnest K. Lindley, when the interviewer asked Nehru whether the communists’ gains in ‘Burma, Malaya and other areas close to India’ would be a concern for Nehru, the Indian Prime Minister answered in

affirmative.¹¹ Both Nehru and Patel, during their visits to Southeast Asia, had condemned communists for their ‘extra territorial character’ and confirmed that the victory of communists in Burma and Malaya would be a matter of concern for Indian government. Nehru even deplored the communists for turning Southeast Asia into ‘one of the great danger spots of the world’ and termed their expansionist and interference policy as ‘danger to peace and freedom’.¹²

Nehru saw instability arising from the communist rebellion in the non-communist Southeast Asian states as a threat, and so was active in thwarting the scenario from worsening further. In a way Nehru saved entire Southeast Asia from turning communist. This was best witnessed in Nehru’s activeness in liberating Indonesia from Dutch rule for which he even convened a conference in New Delhi in 1949 whose resolution was instrumental in the liberation process. Besides, Indonesia was also a major rice supplier to India coping with severe food crisis in the post war years and thus stable non-communist regime in Indonesia was helpful for Nehru’s India. His Malaya policy was apparently contradictory to his anti-imperialist stance since Nehru preferred the British rule there to continue for longer period in order to suppress communist rebellion and help to handle the Indian migrant affairs in Malaya. Besides, he disapproved of the guerrilla tactic of the Malayan communists as ‘terrorist acts’.¹³

Burma had occupied a very important part of Prime Minister Jawaharlal Nehru’s neighbourhood policy, especially in the context of the Indian migrants there who were soon to become the victims of ultra-nationalist policy of the

government there as also because of its strategic importance. He was aware of the importance to have a friendly government in Burma, and thus chose to keep a low profile over the anti-Indian policies of the government there. Although expressing displeasure with the Land Acquisition Act 1948 saying that it hits 'Indian interests in land hard'¹⁴, he opined, "Although the attitude of the Burmese Government has been unyielding thus far, we must recognise that they are facing a most difficult situation in their own country. There is rebellion and disorder and they cannot easily take any step which may weaken their position with the general public."¹⁵ Clearly he was not inclined to put the Burmese government in any difficulty internally. Do we find any similarity between this policy with the ongoing Rohingya crisis vis-à-vis Indian policy towards today's Myanmar?

Traditional China factor

The Statesman (Kolkata edition) published a report on 14th December 2017 with the headline 'With China on mind, India woos ASEAN nations'. Referring to an invitation extended to the ten ASEAN leaders as chief guests to the Republic Day parade on 26th January 2018 the report read, "Amid growing challenge from China on regional issues, India is pulling out all the stops to accord an unprecedented welcome to leaders of ten ASEAN nations who will be chief guests at the Republic Day parade on 26th January."¹⁶ There is almost unanimous conclusion among the scholars that China is a major factor in India's current Southeast Asia policy. Eminent scholar S.D. Muni opined that in many subtle and explicit ways *India's Look East Policy has been driven by*

China's rise.¹⁷ It is opined that China factor played a role behind the India-Southeast Asia collaboration in the security arena in the post Cold War years.¹⁸ But is this China factor a post Cold War phenomenon?

Jawaharlal Nehru said in 1952, "Never forget that the basic challenge in Southeast Asia is between India and China. That challenge runs along the spine of Asia."¹⁹ Michael Brecher wrote about Indian and Chinese role in Southeast Asia, "*As the two most populous and potentially most powerful states in Asia, they are inevitable rivals for influence in the vast belt of 'uncommitted' countries of South-east Asia.*"²⁰ Nehru was aware of the challenge emanating from the newly founded People's Republic of China (PRC). The new Chinese leadership in Beijing had articulated their intention to promote communist movement in Southeast as well as South Asia. Chinese communist leader Liu Shao Chi identified non-communist countries of South and Southeast Asia, India, Burma, the Philippines and Indonesia as 'semi-colonies' which were to be 'freed from the stranglehold of western imperialism'.²¹ When asked whether post revolution China would turn eyes to Southeast Asia, Nehru evaded direct answer saying that the Chinese were busy with their own problems now and therefore would not do it but he did refer to long perspective of history saying, "it is difficult to say what might happen in future - what a powerful nation may do to develop expansionist tendencies." New China was certainly a challenge to India's, or more precisely, Nehru's leadership aspiration in Southeast Asia. Nehru considered India as the 'natural leader of Southeast Asia,'²² and was apprehensive regarding

the impact of communist triumph in China. He wrote on 6th December 1948, “The victory and consolidation of Chinese Communists is going to have a far reaching results all over South East Asia and ultimately in the world.”²³

Since the foundation of Communist China in 1949, India’s external policy has been China oriented, especially in respect of spread of communism in Southeast Asia.²⁴ However, Nehru never wanted any direct confrontation with the giant Asian neighbour until the 1962 tragedy occurred. Nehru’s prime objective in Southeast Asia vis-à-vis China was to minimise the impact of the Asian giant especially in the context of communist influence in the region. Nehru’s strategy in Southeast Asia was to enthrone non-communist regimes wherever feasible like Indonesia, Malaya and Burma. Like today’s India, Nehru’s India was also cautious not to push the then Burma to the lap of China given her strategic location bordering China and hostile East Pakistan (today’s Bangladesh), contiguous to insurgency-hit northeast. Thus Nehru wanted an India-friendly regime in Burma which he found in U Nu. Nehru expressed his suspicion about China to Burmese premier U Nu in the following words, “*Obviously we cannot be dead sure what China may do in the future.*”²⁵

Nehru’s main challenge was in Indochina, the only crisis in Southeast Asia that Jawaharlal Nehru did not see being resolved during his lifetime. The Indochina affair put his policy towards communist growth in Southeast Asia and communist China to a litmus test. With camp politics casting shadow over Indochina, Nehru exercised his *Panchsheel* policy. Nehru extracted Chinese assurance of

peaceful co-existence in the joint communiqué during the visit of Chinese premier Chou En-lai to India in 1954 to be applied in resolution of Indochina conflict. This was to commit China to non-interference in Southeast Asia while China found it helpful firstly to resist American presence in her southern borders while resisting India from joining any future regional defence organization.²⁶ This strategy was also to assure kingdoms like Cambodia and Laos planning to opt for either camp amidst Vietnam War. Nehru wanted Indochina to stay away from Cold War politics which might increase American presence activating the Chinese. However, Nehru’s *Panchsheel* strategy failed eventually while the growing rapport between North Vietnam and China forced India to veer away from neutrality and incline towards pro-US South Vietnam in the International Control Commission founded to resolve the crisis. This was the result of the growing deterioration of the India-China relations since 1959 over border issue. While between 1954 and 1959 India voted for Hanoi in 72 per cent of her decisions, since 1959 India ruled against North Vietnam.²⁷

The war of 1962 had a deep and permanent impact on India’s Southeast Asia policy. Post 1962 Southeast Asia policy under Nehru was overtly anti-China in character with Nehru declaring, “*There is no non-alignment vis-à-vis China. There is no Panchsheel vis-à-vis China.*”²⁸ India now attempted to dissuade Southeast Asia against China. While visiting Thailand in March 1963, Indian Minister of State for External Affairs, Mrs. Lakshmi Menon, said, “The Chinese problem is a common problem. One day it may be your problem

in Southeast Asia...”²⁹ This is interesting since prior to the war, India cautiously avoided Thailand (and the Philippines) as pro-US countries of Southeast Asia contradicting Nehru’s non-alignment policy. After the war, Nehru ‘discovered’ Thailand in his fresh Southeast Asia policy. Nehru by then realized the futility of his Panchsheel strategy. Not only this, the war itself was an eye-opener for Nehru to see countries like Thailand and Philippines, along with Malaya, siding with India against Chinese aggression while Burma and Indonesia, the countries he invested the most in, opting for neutral policy.

Conclusion

Southeast Asia has traditionally held strategic importance for India. Commenting on strategic importance of Southeast Asia to India, Major Anthony Strachey of the Indian Army compared the region with Nepal and Tibet in 1947 saying like in case of the Himalayan buffers to India, adverse powers in charge of Burma, French Indochina, Siam or East Indies would be detrimental to India.³⁰ The last world war proved this when Japan marched at the gate of British India in the northeast while it occupied Andaman & Nicobar Islands after seizing Southeast Asia. Today’s India is similarly concerned about the growing might of China whose only maritime link to India is via South China Sea. Tranquil Southeast Asia was always beneficial for India both economically as well as strategically. The rice supply from Burma and Indonesia was a big help to India’s food crisis in the early years of independence. For that, stable and friendly regimes were required there for which Nehru

worked hard. This was also needed to handle the Indian migrants there. In a way Nehru was in a nation-building mission in Southeast Asia. And there was a latent desire of Nehru to gain India (or him?) the world-wide prestige as he himself admitted in January 1949 in the context of conference on Indonesian independence, “We had recently the conference on Indonesia which has been a great success and *which has enhanced the prestige of India all over the world.*”³¹ Southeast Asian leaders, fighting against communism, also acknowledged Nehru as their guide as was evident from the visit of Burmese and Indonesian leaders to India. Even the outside world acknowledged Nehru as the ‘influential non-communist voice of Asia’.³² Nehru was the bridge between the contending powers interested in post-war Southeast Asia. He never wanted any single power domination in the region and advocated for its tranquility which he found was threatened by South East Asia Treaty Organisation (SEATO) and Indochina crisis. His strategy in Southeast Asia, was to resist communist victory while engaging China in local affairs. The Bandung Conference of 1955 served the purpose well but initiated the downgrading of Nehru’s influence in Southeast Asia as well.

India had a strategy vis-à-vis Southeast Asia under Prime Minister Nehru which continued even after that. Nehru’s India tried to resist Southeast Asia from pursuing camp politics and follow a non-aligned policy based on Panchsheel strategy which was close to the later ASEAN Treaty of Amity and Cooperation or the Zone of Peace Freedom and Neutrality (ZOPFAN), 1971 which expressed ASEAN’s desire to keep power tussle

outside the region. Presumably, Nehru wanted Southeast Asia to balance between contending powers like China and USA. Today, India acknowledges the centrality of ASEAN in the Asia-Pacific security architecture harmonizing 'larger interests of the world beyond it', according to Indian minister Gen. VK Singh.³³ The omnimeshment strategy of the group embracing all the regional and extra-regional powers, including India, within its expanded fold like ASEAN Regional Forum, East Asia Summit and ASEAN Defence Ministers' Meeting Plus has put it at the centre of the East Asian geopolitics today. During Nehru's time Southeast Asia was unable to handle its affairs and India under Nehru was in action to

set the house in order. Today, when India-ASEAN relations officially turn twenty-five, we see India more as a partner in the ASEAN led missions in East Asia. Besides, Nehru's Look/Act East strategy was more diplomatic and non-military in character while today India expands her strategic collaboration through joint exercises and port visits. The only consistency in India's Southeast Asia policy has been the China factor. The China factor remains equally relevant today as it was during Nehru period. India today is partnering with ASEAN to engage China to contain her, as did Nehru. Later ASEAN policy towards China in post-Cold War years reflected this wisdom.

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India in the Regional Comprehensive Economic Partnership (RCEP) - Need for Caution

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Introduction

Regional Comprehensive Economic Cooperation Partnership (RCEP) is an initiative of economic cooperation among 10-member ASEAN countries and six Free Trade Agreement (FTA) partners of ASEAN. A broader Asian regional free trade area was contemplated and East Asia Vision Group (EAVG) recommended the establishment of an East Asian Free Trade Area (EAFTA) to the leaders of ASEAN+3 while Japan proposed Comprehensive Economic Partnership for East Asia (CEPEA) based on East Asia Summit framework. In November 2011, ASEAN proposed its own model for an ASEAN centric regional FTA – the RCEP. RCEP was conceived as a competitor for TPP agreement. However, TPP agreement faces deadlock and put under backburner and RCEP is receiving more global attention.

The countries participating in the RCEP also signed a number of bilateral FTAs with other member countries. Since there are a number of cross-country FTAs signed between members, the outcome of RCEP may not be substantial. But RCEP is expected to improve efficient functioning of the production networks of the region. Also, the coverage of the RCEP should be substantial compared to FTA+1 for sustainable benefit from the agreement.

RCEP negotiations cover trade in goods, trade in services, investment, economic and technical cooperation, intellectual property, competition, dispute settlement, e-commerce, and other issues.

RCEP negotiations will follow eight

principles: (1) consistency with the WTO; (2) significant improvements over the existing ASEAN+1 FTAs; (3) facilitation of trade and investment; (4) flexibility (e.g., special and differential treatment) to the least developed ASEAN Member States (AMSs); (5) continuation of existing FTAs; (6) open accession clause; (7) technical assistance and capacity building to the developing and least-developed countries; and (8) parallel negotiation. RCEP negotiations were launched in November 2012, and 18 rounds of negotiation have been held, along with six ministerial meetings and three inter-sessional meetings. But there is limited progress as members have disagreements on the tariff reduction on goods, liberalisation of services and investment framework.

Economic and Trade Profile of ASEAN+6 Countries

Table-1 provides the economic and trade profile of ASEAN countries and its six FTA partners. In terms of land area China, Australia and India are the large economies where China, India and Indonesia are the most populous countries in the group. In terms of GDP size, China is by far the largest economy with 11 trillion US \$ in 2015 followed by India which is a 2.9 trillion economy. Australia got the highest per capita income followed by New Zealand and Japan. India and China are the fastest growing economies among bigger countries. FDI inflows into China is way high with 133 billion US\$ followed by India at 44 billion US\$ in 2015. Trade GDP ratio is highest in Singapore as trade is almost three times the GDP of Singapore.

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Table 1 : Economic and Trade Profile of ASEAN+6 Countries, 2016

Indicators	Brunei	Cambodia	Indonesia	Laos	Malaysia	Myanmar	Philippines	Singapore	Thailand	Vietnam	Australia	China	India	Japan	Korea	New Zealand
Land Area(m ² /km ²)	5270	176520	1811570	230800	328550	653080	298170	707	510890	310070	7682300	9326410	2973193	364485	96920	264537
Population (million)	0.423	15.578	257.564	6.802	30.331	53.897	100.699	5.604	67.959	93.448	24.309	1382.323	1326.802	126.324	50.504	4.565
GDP Millions Current US\$	12930	18050	861934	12585	296284	62601	292449	292734	395168	193241	1270596	11382057	2274998	4919661	1392963	180583
GDP Per Capita Current \$	30.553	1159	3346	1850	9768	1161	2904	52239	5815	2068	52268	8234	1715	38945	27581	39556
Real GDP Growth yony %	-0.55	7.04	4.79	7.56	4.97	7.29	5.90	2.01	2.83	6.68	2.40	6.70	7.30	1.0	2.70	3.20
Current A/C Balance (%GDP)	13.26	-9.38 (e)	-2.02	-18.08	7.78 (e)	-7.30	2.82	20.12	8.08	0.47	-	2.96 (2015)	-1.06 (2015)	3.09 (2015)	7.68 (2015)	-2.92 (2015)
Exchange Rate (\$)	1.375	4067.75	13389.4	8147.91	12.17 (e)	1162.615	45.503	1.375	34.248	21697.60	1.345	6.644	67.195	108.793	1160.270	1.437
FDI inflows(M\$)	173.24	1700.97	15508.16	1219.82	11121.50	2824.0	5234.03 (f)	65262.40 (f)	10844.64	11800.0	48190.25	133700.0	44485	11388.41	10826.60	2291.63
FDI outflows (M\$)	507.94	47.46	6249.62	1.13	9899.50	-	5601.94 (f)	35485.04 (f)	7776.24	1100.0	6011.70	183100.0	5120.27	145242.43	27274.20	-43.86
Personal Remittances (%GDP)	-	2.20	1.10	0.74	-	5.11	10.05	-	1.33	-	-	-	3.10 (2015)	0.09 (2015)	0.48 (2015)	-
Trade Balance (%GDP)	8.28(e)	-7.71 (e)	0.83 (e)	-5.86 (e)	7.78 (e)	-2.10	-5.85	27.32	11.38 (e)	1.59 (e)	-0.75	2.19	-3.49	0.82	7.38	0.55
Trade Balance (% imports)	24.60(e)	-10.12 (e)	4.38 (e)	-17.48 (e)	12.17 (e)	-9.50	-19.63	17.96	19.50 (e)	1.82 (e)	-3.73	12.81	-15.57	5.25	20.50	2.09
Trade (% of GDP)	84.90	126.95	37.39	-	128.08	42.79	64.90	318.42	126.59	176.77	39.95	37.06	39.81	35.59	83.71	55.01

Source: UNCTAD & World Bank

Trade by ASEAN+6 Countries

Singapore is the dominant country in the ASEAN region with regard to international trade. Singapore is having an export of 346 billion US\$ and imports worth 296 billion US\$ with a trade

surplus of 46 billion US\$. Thailand, Malaysia, Vietnam and Indonesia are the other important ASEAN countries having larger trade share in the region. With regard to services also Singapore plays a dominant role.

Table 2 : Merchandise Trade and Services by ASEAN and its FTA Partners, 2015 (Million US\$)

Countries	Merchandise			Services		
	Exports	Imports	Balance	Exports	Imports	Balance
Brunei	6,353	3,229	3,124	577 (e)	2,225 (e)	- 1,648 (e)
Cambodia	8,542	12,615	-4,073	3,943 (e)	1,907 (e)	2.36 (e)
Indonesia	150,366	142,695	7,672	21,891 (e)	30,384 (e)	-8,493 (e)
Laos	2,769	5,233	-2,464	810 (e)	566 (e)	244 (e)
Malaysia	199,158	176,011	23,147	34,844 (e)	40,044 (e)	-5,200 (e)
Myanmar	11,429	16,885	-5,456	4,212 (2014)	2,602 (2014)	1,609 (2014)
Philippines	58,827	70,153	-11,326	28,167	23,924	4,244
Singapore	346,638	296,745	49,893	139,611	143,469	-3,858
Thailand	214,352	202,654	11,698	60,543 (e)	50,779 (e)	9,864 (e)
Vietnam	162,107	166,103	-3,996	11,200 (e)	15,501 (e)	-4,300 (e)
Australia	190,271	196,150 (e)	-5,879	53941	56532	-2,590
China	2098,161	1587,431	510,730	208,488	453,014	-244,526
India	264,020	359,065	-95,045	161,845 (e)	133,710 (e)	28,135 (e)
Japan	644,933	606,927	38,006	173,821	184,710	28,135
Korea	495,426	406,192	89,234	92,828	110,436	-17,608
New Zealand	33,699	36,067	-2,368	14,886 (e)	11,967 (e)	2,919 (e)

Source: Extracted from WITS, World Bank

With regard to FTA partners of ASEAN, China enjoys a dominant position with a trade surplus of 510 billion US\$. Japan, Korea and India are the other prominent countries with large trade performance. China's trade performance is very large and other countries shares are much smaller in relative terms.

Top 5 Trade Partners of India ASEAN+6 Countries

Table 3 gives the top five exports and import

partners of ASEAN countries and its six FTA partners. With regard to Brunei, the top export and import partners are primarily from the Asian region with Japan as the major export destination and whereas Malaysia is the largest import partner. For almost all countries, China is the largest import partner. For Indonesia, Myanmar, Singapore, Australia, Korea and New Zealand, China is the largest export and import partner. The table shows that for most of the ASEAN plus countries a large proportion of trade is happening among themselves.

Table 3 : Top 5 Trade Partners of ASEAN Plus Economies for the Year 2016.

Brunei (2015)	Top 5 Export Partners	Japan	Rep. of Korea	India	Thailand	Other Asia
	Top 5 Import Partners	Malaysia	Singapore	China	US	Korea
Cambodia	Top 5 Export Partners	US	UK	Germany	Japan	Canada
	Top 5 Import Partners	China	Thailand	Vietnam	Other Asia	Singapore
Indonesia (2016)	Top 5 Export Partners	China	US	Japan	Singapore	India
	Top 5 Import Partners	China	Singapore	Japan	Thailand	US
Laos	Top 5 Export Partners	Thailand	China	Vietnam	India	Japan
	Top 5 Import Partners					
Malaysia	Top 5 Export Partners	Singapore	China	US	Japan	Thailand
	Top 5 Import Partners	China	Singapore	Japan	US	Thailand
Myanmar	Top 5 Export Partners	China	Thailand	India	Singapore	Japan
	Top 5 Import Partners	China	Singapore	Thailand	Japan	India
Philippines	Top 5 Export Partners	Japan	US	Hong Kong	China	Singapore
	Top 5 Import Partners	China	Japan	US	Thailand	Korea
Singapore	Top 5 Export Partners	China	Hong Kong	Malaysia	Indonesia	US
	Top 5 Import Partners	China	Malaysia	US	Other Asia	Japan
Thailand (2015)	Top 5 Export Partners	US	China	Japan	Hong Kong	Malaysia
	Top 5 Import Partners	China	Japan	US	Malaysia	UAE
Vietnam (2015)	Top 5 Export Partners	US	China	Japan	Korea	Hong Kong
	Top 5 Import Partners	China	Korea	Japan	Other Asia	Thailand
Australia	Top 5 Export Partners	China	Japan	Korea	US	India
	Top 5 Import Partners	China	US	Japan	Thailand	Germany

China	Top 5 Export Partners	US	Hong Kong	Japan	Korea	Germany
	Top 5 Import Partners	Korea	Japan	Other Asia	US	Unspecified
India	Top 5 Export Partners	US	UAE	Hong Kong	China	UK
	Top 5 Import Partners	China	US	UAE	Saudi	Switzerland
Japan	Top 5 Export Partners	US	China	Korea	Other Asia	Hong Kong
	Top 5 Import Partners	China	US	Australia	Korea	Other Asia
Korea	Top 5 Export Partners	China	US	Hong Kong	Vietnam	Japan
	Top 5 Import Partners	China	Japan	US	Germany	Other Asia
New Zealand	Top 5 Export Partners	China	Australia	US	Japan	Korea
	Top 5 Import Partners	China	Australia	US	Japan	Germany

Source: Extracted from WITS, World Bank

ASEAN Plus Export Share

The table shows the intra-regional export share of ASEAN+6 countries. China, Japan and Korea are the largest trade partners of Australia. China is having larger export share with Japan. China, Japan, India and Singapore are the important export destinations of Indonesia. India does not enjoy large export share with the ASEAN plus region. For Japan, China is the large export

market followed by Korea. More than one-fourth of Korea's export is going to China only. For Malaysia, China and Singapore are the important trade partners followed by Japan. For New Zealand, Australia and China are important while Singapore is having larger export share with China and Malaysia. China and Japan are the important export destinations for Thailand whereas China, Japan and Korea are important for Vietnam.

Table 4 : Export Share of ASEAN Plus Countries for the year 2015

		Exporting Nations													
	AUS	BRU	CHN	INDO	IND	JPN	CAM	KOR	LAO	MYAN	MAL	NZ	SIN	THA	VIET
AUS	0.00	3.49	1.77	2.46	1.23	2.06	1.03	2.06	0.11	0.05	3.60	15.98	3.32	4.56	1.79
BRN	0.02	0.00	0.06	0.06	0.01	0.02	0.02	0.05	0.00	0.01	0.34	0.01	0.22	0.05	0.02
CHN	32.49	1.52	0.00	10.01	3.62	17.49	4.75	26.03	34.82	39.61	13.02	18.32	13.76	11.05	10.23
IDN	1.99	1.62	1.51	0.00	1.09	1.85	0.17	1.49	0.01	1.24	3.73	1.72	8.18	3.65	1.76
IND	4.23	9.06	2.56	7.80	0.00	1.30	0.12	2.28	1.11	8.31	4.06	1.35	3.06	2.47	1.52
JPN	15.88	36.35	5.97	11.98	1.71	0.00	6.69	4.86	1.66	3.99	9.46	6.29	4.39	9.37	8.70
KHM	0.02	0.00	0.17	0.29	0.05	0.05	0.00	0.12	0.58	0.00	0.12	0.02	0.28	2.31	1.48
KOR	7.08	15.63	4.46	5.10	1.37	7.04	1.61	0.00	0.21	2.40	3.23	3.32	4.18	1.91	5.50
LAO	0.01	0.00	0.05	0.01	0.02	0.02	0.06	0.03	0.00	0.00	0.01	0.00	0.02	1.98	0.32
MMR	0.06	0.00	0.42	0.41	0.33	0.17	0.02	0.13	0.01	0.00	0.39	0.06	0.71	1.95	0.23
MYS	1.82	4.62	1.93	5.07	1.85	1.92	1.57	1.47	0.20	1.52	0.00	1.99	10.89	4.75	2.21

NZL	3.33	5.23	0.22	0.29	0.12	0.34	0.07	0.24	0.02	0.01	0.51	0.00	0.50	0.62	0.20
PHL	0.62	0.39	1.17	2.61	0.49	1.52	0.20	1.58	0.08	0.10	1.69	1.36	1.85	2.80	1.24
SGP	2.71	3.50	2.28	8.40	2.95	3.18	0.69	2.85	0.19	5.50	13.91	1.71	0.00	4.07	2.01
THA	1.73	8.64	1.68	3.66	1.18	4.48	4.05	1.21	33.77	27.54	5.70	1.63	3.97	0.00	1.96
VNM	1.39	0.74	2.90	1.82	2.03	2.01	2.17	5.27	18.02	0.52	2.23	1.10	3.50	4.16	0.00
WLD	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Computed based on data extracted from WITS

ASEAN Plus Import Share

Australia's imports are coming mainly from China and Japan. Malaysia is the largest import partner of Brunei. China's largest import partner from the region are Korea and Japan. India imports substantially from China. Indonesia imports large

share from China, Singapore, Japan, Korea and Malaysia. One-fourth of the Japanese imports are coming from China. Imports from China are dominant in ASEAN countries and the FTA partners of ASEAN.

Table 5 : Import Share of ASEAN Plus Economies for the Year 2015

	Exporting Nations														
	AUS	BRN	CHN	IDN	IND	JPN	KHM	KOR	LAO	MMR	MYS	NZL	SGP	THA	VNM
AUS	0.00	1.36	4.79	3.38	2.41	5.56	0.29	3.77	0.37	0.34	2.55	11.91	1.08	2.11	1.22
BRN	0.15	0.00	0.01	0.09	0.16	0.37	0.00	0.22	0.00	0.00	0.08	1.01	0.05	0.36	0.03
CHN	23.22	10.43	0.00	20.63	15.77	25.67	36.95	20.68	18.88	38.05	18.87	19.66	14.20	20.52	29.82
IDN	2.11	2.67	1.29	0.00	3.56	3.16	3.16	2.03	0.23	3.47	4.53	1.75	4.84	3.28	1.65
IND	1.80	1.13	0.87	1.92	0.00	0.78	1.07	0.97	0.38	2.80	2.21	1.15	1.94	1.31	1.60
JPN	7.42	7.41	9.30	9.30	2.47	0.00	3.98	10.51	1.91	9.08	7.82	6.57	6.27	15.61	8.55
KHM	0.06	0.00	0.04	0.01	0.01	0.15	0.00	0.05	0.01	0.00	0.09	0.03	0.05	0.32	0.57
KOR	5.47	9.06	11.36	5.91	3.35	4.29	4.33	0.00	1.28	2.44	4.52	3.70	6.14	3.52	16.64
LAO	0.00	0.00	0.10	0.00	0.04	0.02	0.19	0.01	0.00	0.00	0.00	0.01	0.00	0.73	0.35
MMR	0.02	0.01	0.35	0.11	0.26	0.14	0.03	0.12	0.00	0.00	0.10	0.01	0.04	1.78	0.03
MYS	3.71	21.13	3.47	5.98	2.45	3.44	1.76	1.97	0.32	3.13	0.00	3.35	11.14	5.95	2.52
NZL	2.87	0.15	0.43	0.45	0.14	0.38	0.04	0.28	0.04	0.10	0.44	0.00	0.24	0.30	0.23
PHL	0.28	0.26	1.23	0.48	0.13	1.42	0.09	0.74	0.02	0.12	0.95	0.26	1.53	1.18	0.54
SGP	3.49	14.00	1.80	12.64	1.89	1.26	4.74	1.82	0.21	21.65	11.98	3.47	0.00	3.60	3.64
THA	5.12	3.75	2.42	5.67	1.45	3.27	14.70	1.11	58.82	11.58	6.09	4.16	2.62	0.00	4.99
VNM	1.68	1.18	1.94	2.22	0.69	2.42	8.72	2.25	13.94	1.59	2.75	1.17	1.21	2.02	0.00
WLD	100.00	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Source: Computed based on data extracted from WITS

India's Trade with ASEAN Plus Countries

India's exports to ASEAN increased from U.S. \$ 10.41 billion in 2005-06 to US\$ 25.20 billion in 2015-16 and imports over the same period quadrupled from US\$ 10.81 billion in 2005-06 to US\$ 39.84 billion. This reflects a compound annual growth rate (CAGR) of about 9.2 percent in exports to the ASEAN region and close to 14 percent per annum growth in imports during 2005-06 to 2015-16. Concomitantly, India's trade deficit with the ASEAN surged from US\$ 0.5 billion in 2005-06 to US\$ 14.6 billion. In terms of market share, the share of imports in India's total imports from ASEAN went up from 7.3 percent in 2005-

06 to 10.5 percent in 2015-16, over the same period share of exports to ASEAN in India's total exports fell from 10.1 percent to 9.6 percent. With regard to India's trade with individual countries of the region, India runs in to trade deficit with major countries of Southeast Asia. With regard to ASEAN plus countries, India has a trade deficit of 88 billion US\$ of which China alone accounts for 52 billion US\$. India also has trade deficits with Australia (6.15Bn. US\$), Indonesia (11 Bn. US\$), Korea (9.48 Bn. US\$), Japan (5.10 Bn. US\$), Malaysia (4.67 Bn. US\$). India got trade surplus with Vietnam (2.68 Bn. US\$) and a marginal trade surplus with Cambodia, Philippines and Singapore.

Table 6 : India's Trade with ASEAN Plus Economies

Partner Name	Export Value (Million \$)	Import Value (Million \$)	Trade Balance (Millions \$)
ASEAN plus FTA partners	47710.76	135805.34	-88,094.58
Australia	3252.81	9411.87	-6,159.05
Brunei	30.39	607.78	-577.39
China	9576.58	61604.43	-52,027.85
Indonesia	2868.88	13902.02	-11,033.14
Japan	4529.72	9635.16	-5,105.44
Cambodia	145.35	42.99	102.36
Korea, Rep.	3609.63	13087.66	-9,478.02
Lao PDR	51.26	142.95	-91.69
Myanmar	859.97	1016.30	-156.33
Malaysia	4892.06	9559.92	-4,667.86
New Zealand	313.90	549.84	-235.94
Philippines	1304.35	518.19	786.16
Singapore	7805.08	7395.99	409.09
Thailand	3113.56	5650.14	-2,536.58
Vietnam	5357.21	2680.09	2,677.12
World	264,381.00	390,744.73	-126,363.73

Source: Data extracted from WITS

Impact of India ASEAN Plus FTA – Smart Simulation Analysis

The economic impact of proposed India-ASEAN plus Free Trade Agreement is analysed using World Integrated Trade Solutions (WITS) tool. WITS is a data extraction and tariff simulation software using databases maintained by UNSD COMTRADE, UNCTAD TRAINS, and WTO IDB/CTS. The SMART simulation model of the WITS allows users to estimate the partial equilibrium impact of tariff reductions for a single market at a time. WITS simulation is largely used to simulate the impact of preferential trade agreements. This simulation involves two aspects. First, a database has to be extracted to conduct simulation exercise. Secondly, simulation parameters are defined to get the impact of a tariff cut arising out of a Free Trade Agreement (FTA).

The simulation exercise for the study used bilateral trade data between India and ASEAN plus countries for the year 2015. India is cutting tariff and the beneficiary Countries are ASEAN and its five FTA partners. Tariff cut is done across the board and all products are affected by that. Since the attempt is to understand the impact of FTA,

the new tariff rate is kept at zero percent. There arise five results from the simulation exercise. They are total trade effect, export effect on partners, effect on average duty, welfare effect and tariff revenue effect. When India initiates 100 percent tariff cut against ASEAN plus countries as part of the Free Trade Agreement, they gain access to the Indian market and the exports to India will increase substantially. Table-7 provides changes in the exports of 10-member ASEAN countries and five FTA partners of ASEAN due to 100 percent tariff reduction by India. The biggest trade gains are arising to countries against which the tariff cuts are effected by India. China gains most with an increase of 13.52 billion (22.49 percent), followed by Malaysia (4.74 billion US\$), Korea (3.36 billion US\$), Thailand (2.19 billion US\$) and Japan (2.18 billion US\$). The countries which are losing most from India ASEAN plus FTA are Indonesia (2.77 billion US\$), US (532 million US\$), Germany (523 million US\$), Italy (180 million US\$). Interestingly, Indonesia which is an FTA partner is losing out a substantial trade to other members of the ASEAN plus group.

Table 7 : Major Gainers from India ASEAN Plus FTA – Smart Simulation

Partner Name	Product Code	Exports Before in 1000 USD	Exports After in 1000 USD	Export Change in Revenue in 1000 USD	Percentage Change in Exports
China	Total	60,120,801	73,642,347	13,521,546	22.49
Malaysia	Total	9,493,390	14,228,497	4,735,107	49.88
Korea, Rep.	Total	12,878,505	16,233,598	3,355,093	26.05
Thailand	Total	5,417,513	7,608,380	2,190,867	40.44
Japan	Total	9,367,973	11,543,881	2,175,907	23.23
Vietnam	Total	2,536,126	3,882,464	1,346,338	53.09
Singapore	Total	7,380,912	8,577,367	1,196,456	16.21
Australia	Total	9,243,673	10,284,401	1,040,728	11.26
Philippines	Total	505,562.5	620,169.3	114,606.9	22.67
New Zealand	Total	544.125.6	626,297.8	82,172.12	15.10
Brunei	Total	607,783.4	608,538.4	755.072	0.12

Source: Calculated based on WITS SMART simulations

**Table 8 : Major Losers from
India ASEAN Plus FTA – Smart Simulation**

Partner Name	Product Code	Exports Before in 1000 US\$	Exports After in 1000 US\$	Export Change in Revenue in 1000 US\$	Percentage Change in Exports
Indonesia	Total	13553819	10786291	-2,767,528	-20.42
United States	Total	19628746	19096118	-532,628	-2.71
Germany	Total	11332232	10808555	-523,677	-4.62
Italy	Total	3967955	3787745	-180,210	-4.54
Taiwan, China	Total	3523306	3352020	-171,286	-4.86
Switzerland	Total	21075113	20914464	-160650	-0.76
United Kingdom	Total	5311658	5155350	-156308	-2.94
United Arab Emirates	Total	20265670	20133665	-132005	-0.65
France	Total	3122004	3004414	-117591	-3.77
Saudi Arabia	Total	21348540	21253981	-94559.5	-0.44
Russian Federation	Total	4514333	4425048	-89285	-1.98

Source: Calculated based on WITS SMART simulations

The simulations show that India's imports will increase by 23.58 billion if the FTA is signed with ASEAN plus countries. Because of the elimination of tariffs with ASEAN plus countries, there will

be a reduction in customs duty to the tune of 19.3 billion US dollars. Because of the reduction in tariff and the consequent reduction in prices, there will be a consumer surplus to the tune of 1.92 billion US \$.

**Table 9 : Trade, Revenue and
Welfare effect of India-BIMSTEC FTA**

Market View of India-ASEAN PLUS FTA					
Imports	Imports	Tariff	Tariff	Tariff	
Before (\$ '000)	Change In	Revenue (\$ '000)	New Revenue (\$ '000)	Change in Revenue (\$ '000)	Consumer Surplus (\$ '000)
377535382	23,581,967.25	40,965,439.83	21,623,485.41	-19,341,954.42	1,915,040.615

Revenue Impact of India-ASEAN PLUS FTA					
Revenue Effect (\$ '000)	Trade Total Effect (\$ '000)	Trade Value (\$ '000)	Old Weighted Rate (%)	New Weighted Rate (%)	
-12147512.13	23,581,967.25	377,535,382	10.85	5.39	
Welfare Impact from India-ASEAN PLUS FTA					
Trade Total Effect (\$ '000)	Welfare (\$ '000)	Old Weighted Rate (%)	New Weighted Rate (%)		
23,581,967.25	2,224,771.425	5.39	10.85		
Trade creation from India –ASEAN PLUS FTA					
Trade Total Effect (\$ '000)	Trade Diversion Effect (\$ '000)	Trade Creation Effect (\$ '000)	Price Effect	Old Simple Duty Rate (%)	New Simple Duty Rate (%)
23,581,967.25	0.097	23,581,967.25	0	10.85	5.39

Source: Calculated based on WITS SMART simulations

The total trade effect of India ASEAN plus FTA is 23.58 billion US\$ of which the trade creation effect is 12.58 billion US\$ and the trade diversion effect is only 79 US\$ and the total welfare effect is to the tune of 2.22 billion US\$. This showed that the India ASEAN plus is a highly trade creation FTA with no trade diversion and substantial welfare improvement.

Conclusion

The simulation exercise showed that India's import from ASEAN plus countries will substantially increase if the FTA comes into existence. China which enjoys a huge trade surplus with India will further improve its trade

performance and increase the trade balance. India's advantage will be primarily in the services sector and it is better to complete the comprehensive trade agreement which includes trade, services and investment. Also, protection of sensitive product categories with higher Rules of Origin (RoO) support is necessary. India's experiences with the existing FTAs is not very encouraging. India should ensure its concerns are addressed before signing the FTA. Already China is pressurising ASEAN to go ahead with the agreement without India. This kind of Chinese hegemony should be resisted and an institutional framework should be created for the success of RCEP.

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The Beauty of Indic Thought

Ram Madhav*

Indic thought is the most liberal that the world has ever produced. This is because it is the most democratically evolved of all. It is a product of the deep contemplation of great sages and saints, their great dialogues and discourses. A *bhadra icchha*, a benign wish had originated from that, and it was about *abhyudaya*, progress and prosperity.

*Bhadram icchhantah rishiyah
swar vidayah, tapo dikshaamupanshed agre.
Tato raashtram, bala, ojasya jaatam
tadasmai devaupasanmantu*

That *bhadra icchha* led to the evolution of the core principles of Indic thought several millennia ago. It explored all dimensions of human existence, and concluded that life is a celebration. ‘*Aananda*’, eternal bliss, is the ultimate objective of this. Indic Thought teaches us to celebrate life.

A few years ago, I was at a conference in China. A Chinese scholar had made a startling comment that Indians can never compete with the Chinese. I asked him to explain. “You Indians are worshippers of poverty,” he insisted, saying that Indians worship loin cloth-clad saintly men as heroes, whereas the Chinese civilisation had always worshipped prosperity.

It prompted me to wonder whether they have misunderstood our worldview. We are one people who always strived for ‘*aananda*’, eternal bliss.

Alexander bumps into Diogenes, a half-naked

man lying on the banks of a river on his way. He asks the man, “Who are you?” The man says he is Diogenes. And then he asks Alexander, “Who are you?” A little surprised and a lot annoyed, Alexander replies, “I am Alexander the Great.” Hearing it, Diogenes laughs out aloud. “I am seeing a man for the first time who calls himself ‘the Great’,” he says.

They engage in a discussion. At the end, impressed by Diogenes’ philosophy, Alexander promises to become his disciple. “Do it today, or it will be too late,” warns Diogenes. Alexander hesitates, “I have a mission to conquer the world. I shall come back after that,” he promises. “You can never,” says Diogenes. “Can I do something for you?” asks Alexander. “Yes! I am enjoying my beautiful sun bath. You are coming in the way. Please get off,” shouts Diogenes.

Alexander was looking for his happiness in wars, conquest and subjugation. Diogenes, a saintly man, finds it in his freedom to lie down by the side of the river in his sun bath. Freedom, absolute and unmitigated, is the Indic way.

“God is dead; Man is free,” exclaimed Nietzsche. But we said, “No. God is here, and hence man is free. God is all around. He is in me. I am God, the unbound. Hence I am free.” We are a society that cherishes freedom.

Our Dharma, a view and vision of life that has evolved out of this thought, is the Dharma of

**This article is a summary of the inaugural address delivered by Shri Ram Madhav, National General Secretary, BJP and Director, India Foundation at the Indic Thoughts Festival organised by India Foundation and Indic Academy at Goa on 17th December, 2017.*

happiness and celebration. ‘*Sarve api sukhinah santu*’ is the daily morning prayer of us all. At one level, it is purely a material prayer. It says, ‘Let all be happy; let all be free from disease; let all enjoy goods in life; let all be free of sorrow’. It is about material happiness.

But the operational word in this prayer is ‘*sarvepi*’ or ‘all’. We pray that everybody should be happy. In order for all to be happy, all have to also sacrifice. ‘*Tyaaga*’, sacrifice, is thus made a virtue for the greater *aananda* of society.

Indic Thought is very profound, and yet very humble. It doesn’t ordain any final word and demand that followers believe it. We are not ‘believers’, we are ‘seekers’. Indic Thought is man’s journey, an unending exploration of the Absolute.

Since we are seekers, we have to be ever open to new ideas. We shouldn’t assume that all the Indic wisdom can be available in a single gathering. Humility, the quality of accepting our inadequacy to realise the Ultimate Truth, and a constant yearning for it, is best captured in the Indic concept of ‘*Neti Neti*’. Scholars have interpreted it in many ways: ‘Neither this nor that’ etcetera. But Chaturvedi Badrinath’s interpretation, ‘Not just this alone’, best captures the Indic spirit. In our seeking, we must not forget that what we explore is not the entire truth. We must respect the other; continue to seek.

The seeker has no boundaries. He can find virtue anywhere in the world. “Hold your own values with one hand, close to your heart. Stretch your other hand into the universe, and collect as much wisdom as you can,” exhorted Swami

Vivekananda. Indic Thought doesn’t discard any idea based on its origin, East or West. It accepts all noble thoughts.

Any effort to restrict it in a framework will be the ‘Victorianisation’ of Indic Thought. It will be the death of it.

Indic Thought wants a human to evolve in inner spaces, not just in outer morals. Semitic faiths and Victorians have emphasised ‘character’. This English word has two equivalent Hindi words: ‘*sheel*’ and ‘*charitra*’. The latter is a discipline imposed from outside. Social norms, ethics, societal morals - all these form your ‘*charitra*’. But ‘*sheel*’ is the blossoming of the inner self; it is not bound by external restrictions; it is an innate virtue.

Go to an uneducated old woman of the poorest household in a remote village in our country. Listen to her morning prayer. She might not have enough food to eat for the day, or enough clothes to wear. But her prayer will be: ‘*Ganga maiyya ki jai ho; gau mata ki jai ho*’, ‘Glory to the Ganges and the revered cow’. And it will end with ‘*Lok kalyaan ho*’, ‘Let the whole world be happy.’ It was not taught to her; it is her ‘*sheel*’ speaking.

Religions have imposed so-called values externally. They wanted society to have character. One should never become ‘*dus-charitra*’, a man of bad character. But one shouldn’t remain ‘*charitravaan*’, a man of external character, alone. One should become ‘*sheelvaan*’, a man of innate virtue. That is Indic Thought.

It is this virtue that might sometimes seem to go against societal mores, which is the real freedom that Indic Thought accords the individual.

Because many a time, these norms that we construct - for '*charitra*' - might end up subjecting some sections of people to injustice. Victims of this are true minorities. A minority is not defined numerically; it refers to those whose voice has been taken away. Discrimination on the basis of sex, caste or race, even in the name of social character, is against Indic Thought.

Draupadi is the epitome of '*sheel*'. She is in a way the first feminist of the world. A woman with five husbands, but fiercely independent, as she is not to obey any of them, and only listen to her dear colleague Krishna. Draupadi was partly responsible for the epic Mahabharata War. Yudhisthira, being Dharmaraj, was willing to settle for five villages. But Krishna turns to Draupadi, and it was she who insists that she wouldn't settle for anything less, quite rightfully, than the blood of Dusshasana. It was Draupadi's '*sheel*', not

Yudhisthira's '*charitra*' of peace and no-war that finally led to the victory of Dharma. We didn't call Draupadi an obdurate woman; instead, we call her *Maha Sadhvi*, an epitome of virtue.

Indic Thought is about promoting and respecting that '*sheel*', irrespective of whether one is born as a man or a woman, or even a transgender.

Such a profound and evolved way of thought has still not taken its rightful place in the world. It is still regarded as regressive, obscurantist, etcetera. But as Gandhiji rightly used to say, "If there is something bad in your society, don't blame Dharma; blame yourself, that you have failed to realise it fully." We have to realise it. More importantly, we have to articulate it properly.

That is the challenge. I have another one to proffer: think of ways to make Indic Thought fashionable, something that a 21st century young man would like to wear on his sleeve.



“Quadrilateral” Partnership for “Free and Open Indo-Pacific”

Siddharth Singh*

The Indo-Pacific’s rising prosperity has been built on the region’s stability. Today, the Indo-Pacific region is undergoing a strategic transition as profound as the economic transformation that preceded it. The proposal for quadrilateral cooperation among India, Japan, Australia and the United States is undoubtedly linked with China’s emergence as a powerful force in the region as well as at the global level. The fear of China’s growing unilateralism in the Indo-Pacific region actually drives other nations in the region to reduce the regional imbalance by banding together either at bilateral or multilateral level¹. But at the same time, the attractions of doing business with China and the dangers of provoking it actually limits the possibility for any collective action against Beijing.

Recently on the side-lines of the East Asia Summit in Manila, the Quad nations (India, Japan, Australia and the US) engaged in a four-way dialogue about an open and transparent maritime order in the Indo-Pacific region. The meeting prompted speculation that the big democracies in Asia were again at work, trying to forge an alliance to counter Chinese naval and economic power in the Indo-Pacific region. The quadrilateral discussion in concert with India’s strengthening naval ties with Quad-partners is a possible indication of New Delhi’s willingness to be part of a naval compact in maritime-Asia where Chinese aggressive behaviour has resulted in change in behaviour of other resident countries in

the region. Quadrilateral cooperation in future among India, United States, Japan and Australia will reflect the growing convergence of the four countries and their interests in the Indo-Pacific region as it also underscores the importance of rule based international order in the region².

The multitude of strategic partnerships forged at bilateral or minilateral level among the ‘Quad’ Countries and among other maritime East Asian states over the past few years might give a more tangible expression to the regional construct of Indo-Pacific. In India, although previous UPA government was reluctant in participating in the quad because of the vaguely conflated tradition of non-alignment but Modi government is no longer defensive at least on this aspect. India’s engagement with Japan, America and Australia on the quad agenda suggests that the era when a diffident New Delhi hiding behind ideological slogans is now behind us. India is now confident enough to embark on complex geopolitical jousting in the Indo-Pacific region. As a rising or leading power, India must demonstrate the will to influence geopolitical outcomes in the Indo-Pacific region and should play an active role in the regionalism in the region³. There is no doubt that the construction of quad will face many challenges, given the deep divisions in all countries on how best to deal with China.

At the time when the rule based international order is under threat because of the growing unilateralism by countries like China, the countries

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in the Indo-Pacific region and especially the US, Australia, Japan and India need to reiterate their commitment through setting examples by respecting freedom of navigation and over flight, and unimpeded lawful commerce, based on the principles of international law, as reflected notably in the United Nations Convention on the Law of the Sea (UNCLOS).

The quadrilateral minilateralism of India-Japan-Australia-USA stands on a firm conceptual ground as far as their understanding of the security problem in the region is considered. The complementary nature of their situational security interests, their shared values and their economic and military capabilities provide further boost to this partnership. The Quad partnerships may tend to circumvent collective action problems by limiting alignment only to those parties with commensurate interests on a given security issue. As far as any minilateral grouping is built on the notion of equality, flexibility and informality, it also resolves two specific problems which countries face when involved in collective action games. These are of free-riding and set-up. In this regard, the security partnership among the quad countries can help in avoiding the problem of free-riding for various reasons. First, since all four countries are more or less equally capable, there is no reason for them to under-participate. Second, even when free-riding may take place out of necessity as some may lack the required capability, preference intensities of players also matter. If some states prefer a collective good more than the others, they may be ready to contribute more. This also incentivises free-riding by those whose preference intensity for a public good is relatively

less. As these four countries have similar preference intensities with regard to Chinese hegemony, they are most likely to contribute equally for the cause. More specifically, since India, Japan, USA and Australia all prefer an open maritime space, they will be equally willing to participate. The problem of free-riding also gets attenuated by increasing strategic interaction and dispersal of information among the participants. The more the players interact and share information, the more their interests converge and the more they know about each other's contributions and capabilities. Quadrilateral initiative especially in the field of security will help in furthering the interaction and dissemination of information.

Economic growth in Indo-Pacific region also continues to re-shape the strategic landscape in the region. The compounding effect of China's growth is accelerating shifts in relative economic and strategic weight. In parts of the Indo-Pacific, including in Southeast Asia, China's power and influence are growing to match, and in some cases, exceed that of the United States. The future balance of power in the Indo-Pacific will largely depend on the actions of the Quad countries - United States, China, Japan and India. The responses of major Southeast Asian States, such as Indonesia and Vietnam, will also be important. In this dynamic environment, competition is intensifying, over both power and the principles and values on which the regional order should be based.

India certainly needs to increase its investments in maritime security capacity building in the Indian Ocean region by collaborating with other Quad countries along with strengthening the

focus on maritime issues within regional forums, including the EAS and IORA, and should also enhance regional training on maritime domain awareness, protection of the marine environment and international law. India should also deepen joint exercises and build maritime domain awareness with rest of the Quad Countries by collaborating on maritime safety and security with other like-minded partners in the Indo-Pacific region⁴. Exercises such as Malabar play a very critical role in ensuring that those of us who operate in the Indo-Pacific region are ready to protect our shared interests, whether we are responding to the threat from piracy or to humanitarian disasters⁵. Quad Countries should promote confidence-building measures and cooperation among regional coast guards and maritime enforcement bodies along with providing assistance in efforts to counter terrorism and offer to support regional littoral states to develop comprehensive national maritime strategies.

If we look at the Quad from the point of view of USA then Mr. Rex Tillerson, Secretary of State, USA, proposed to make it into a formal partnership which is evident from his speech. Recently in his speech at Atlantic Council think Tank meeting he

said, “*As part of the free and open Indo-Pacific, we have elevated our engagement with India. We’ve long had a trilateral relationship in the Indo-Pacific between Japan, Australia, and the U.S., and we’re now working towards whether this will become a quad relationship to include India because of the importance of India’s rising economy as well and I think shared national security concerns that we have with India.*”⁶

In conclusion, it can be said that there is a lot of potential for the collaboration among the four countries of Quad in realising prosperous Indo-Pacific region in the 21st century. The countries need to draw on the strength of shared values, convergent interests and complementary skills and resources, to promote economic and social development, capacity building, connectivity and infrastructure development in the Indo-Pacific region. Regular meetings at ministerial level and Head of State level among Quad countries could lead to more explicit cooperation in future. Will India, Japan, United States and Australia truly move from talking and exercising together to operating together in the Indo-Pacific region? It will probably depend upon China’s actions and its assertive foreign policy approach in the region.

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India Ideas Conclave 2017

Jayraj Pandya, Soumya Chaturvedi & Priyadarshi



“Men are mortal. So are ideas. An idea needs propagation as much as a plant needs watering.” Dr. B.R. Ambedkar’s words signify the importance of a persistent set of efforts necessary for permeating an idea within each and every strand of society. India Ideas Conclave, an annual platform in its fourth edition this year, is one such effort made by India Foundation to take forward the churning of ideas for the peace, progress and prosperity of the world in the 21st century. The theme of the India Ideas Conclave 2017 - *Leadership in 21st century*, was aimed at generating meaningful discussions around this subject of crucial importance in the global arena. A brief report of the proceedings of the three-day Conclave is here below.

Day 1 – December 15, 2017

A. Inaugural Session

1. Mr. M.J. Akbar

Minister of State for External Affairs, Government of India, Mr. M.J. Akbar, in his Welcome Address remarked, “In order to understand what is leadership in the 21st century, one needs to first understand what the 21st century is.” Mr. Akbar emphasised through the examples of Battle of Waterloo (1815) and Mahatma Gandhi’s “Satyagraha” for India’s freedom during the late 1910s and early 1920s, that these kinds of events define the inception of a century rather than merely the turn of the century in numerical terms.

He attributed the birth of 21st century to two events, i.e. 9/11 (New York twin tower attacks) and 26/11 (Mumbai terror attacks). Mr. Akbar stated that terrorism has become an existential challenge to the very concept of a nation state and further added that nationalism is the ideological response to terrorism.

Reiterating the underlying philosophy of 'Sabka Saath Sabka Vikaas' Mr. Akbar said, "21st century is going to be the century where we search for prosperity. Not for few, but prosperity for all."

2. Mr. Zakir Anwar Nusseibeh

Minister of State, United Arab Emirates (UAE), Mr. Zakir Anwar Nusseibeh stated, "Those who do not remember their past are doomed to repeat it." He further stated that lack of efficient political leaders creates the space for failed states and proxy wars. He added that by ensuring effective governance and administration, promoting investment and delivering smart and timely public services, UAE has become a pioneer in the Arab world for governance. Mr. Nusseibeh asserted that a leader must be aware of the consequences of failure and hence must be prepared to deftly face a highly uncertain set of challenges in the 21st century.

3. Smt. Chandrika Kumaratunga

Former President of Sri Lanka, Smt. Chandrika Kumaratunga stated, "Today's leaders in the 21st century will have to work together to strengthen the mechanism of regional and global governance. This is an absolute must." She said that conflicts are bound to happen in the process of evolution and hence, continuous exchange of

ideas is an imperative in order to promote understanding and developing consensus. She cautioned about the critical issue of climate change and asserted, "Solutions to the threat of climate change will have to begin from within nations but will have to be managed and handled at a global level."

Advising the future leaders to be audacious in their decision making, she said that the problems of today cannot be solved by age-old solutions of the past and hence, the leaders must believe in themselves and not fear to be different.

4. Mr. Manohar Parrikar

Delivering the concluding address at the Inaugural session, Goa Chief Minister, Mr. Manohar Parrikar stated, "Lack of information or distorted information creates political chaos," and added that "The real biggest challenge for 21st century leader is to ensure that this message goes in a focused manner to the citizenry." He highlighted the need to develop acumen to undertake quick decision-making in such times of information asymmetry as an imperative to become a great leader in the 21st century.

B. Ms. Mehbooba Mufti in conversation with Mr. S. Prasannarajan

Jammu and Kashmir Chief Minister, Ms. Mehbooba Mufti asserted, "Idea of India is not separate from the idea of Kashmir." She said that there is immense hope for finding a solution for Jammu and Kashmir if the leadership can go beyond the use of force, especially against its own people. Ms. Mufti went on to iterate that her party PDP formed an alliance with the BJP in the



interests of the state of Jammu & Kashmir. She highlighted the need to increase the engagement of the entire country with Jammu and Kashmir and further added that by making the state a part of the broader SAARC vision of the country, Jammu and Kashmir can become India's gateway to the Central Asia. Ms. Mufti emphasized that the concept of *Kashmiriyat* refers to the love for humanity and asked the members of media fraternity to help bring forth this aspect to the people across the country and the world.

C. Panel Discussion I Effective Nationalist Discourse

The panellists were - Mr. Zafar Sareshwala, Chancellor, Maulana Azad National Urdu University; Mr. Kanchan Gupta, Commissioning Editor & Commentator, ABP News; Mr. Anand Ranganathan, Associate Professor, JNU; Ms. Yogini Deshpande, Entrepreneur; and Mr. Vivek Agnihotri, Filmmaker. The session was moderated by Mr. Rajeev Srinivasan, Adjunct Faculty, IIM Bangalore.

Mr. Srinivasan began the discussion with bringing 'Indic Exceptionalism' into light and set the parameters for the discussion to include the meaning of nationalism, its role in the international arena and the nationalist narrative it subscribes to.

Mr. Sareshwala said that the idea of nationalism is devoid of any religious identity or sub-text. Culture and ethnicity help form better bonds than religion. For him, nationalism and patriotism are complimentary and one cannot exist without the other. Mr. Kanchan Gupta did not agree and stated that for him, the concept of nationalism is different from that of patriotism. He referred to patriotism as a 'reduced idea' to the geographical reality of a nation state. He asserted, "Civilisational identity is the national identity."

Mr. Ranganathan stated that he considered nationalism as anti-science or anti-evolution and added that whereas human evolution respects diversity, nationalism on the other hand, restricts such diversity. Ms. Deshpande also acknowledged the difference between patriotism and nationalism

and stated that the former is restricted to territorial bounds. Very significantly, she went on to challenge the token value of the oft-used adage ‘*Vasudhaiva Kutumbakam*’ by stating that the real essence of the entirety of the Hitopadesha shloka from where this adage is derived is that one should be careful to decide whom to invite to one’s home. Mr. Agnihotri called for a balanced approach in understanding the concepts of globalism and nationalism.

Day 2 – December 16, 2017

A. Breakfast Session I Mainstream Media

The panellists were - Ms. Aarti Tikoo, Senior Assistant Editor, the Times of India; Mr. Abhijit Majumdar, Managing Editor, Mail Today; Mr. Prashant Jha, Associate Editor, Hindustan Times and Ms. Liz Mathew, Associate Editor, Indian Express. Prof. Madhav Das Nalapat, Editorial Director, The Sunday Guardian was the moderator for this session. Important issues were raised about how media is being used for one-sided narratives due to which media is seen in a bad light and is

losing credibility in the society. When questioned if ‘Media is power or it exists to empower’, the panel answered that media exists to check people in power and that it is not just confined to politics. The role of media is that of being a mediator and a facilitator. Ms. Tikoo highlighted that social media has in fact pushed back the mainstream media to correct its course, but mainstream media is effective in the matrix of current situation. Important concerns raised during the session included - whether mainstream media should be restricted to geographical hotspots; the need for media to refrain from blowing up incidents to disproportionate sizes and for maintaining a standard of ethics in its functioning. It was also generally agreed that nature of media should not be right or left to the centre, but it should concentrate on the right or wrong aspect of any particular incident or event.

B. Special Address by Sri M

Addressing the gathering on the subject - *Bhagwad Gita and leadership in 21st century*, Founder of Satsang Foundation, Sri M (born





Mumtaz Ali Khan) stated, “Shrimad Bhagwad Gita is the scripture of mankind.” The Bhagwad Gita was narrated in the battle field with the dissatisfaction of Arjun as its backdrop, which, according to Sri M, makes it not just a form of literature for a particular era but is meant for eternity. He stated that Bhagwad Gita teaches that ‘*nishkaam karma*’ is an important aspect of leadership and further added, “A leader should be in control of his emotions and be level-headed in all circumstances”.

Sri M said Gita narrates the attributes of the greatest yogi (leader) as one who can think for others as well as ensure self-growth. Referring to teachings of Swami Vivekananda, he stated that, “By considering underprivileged as ‘*daridra-narayan*’, service to them not only makes one a leader but also paves the path for one’s salvation.” Sri M iterated that in his view, Swami Vivekananda founded the concept of ‘*vedantic socialism*’, a

basis of Indian leadership, which considers all souls to be equal.

C. Presentations I

1. Mr. Grandhi Mallikarjuna Rao

Chairman, GMR Group, Mr. Grandhi Mallikarjuna Rao stated that earlier, the nature of the world order was closed, but with rising effects of globalisation and economic interdependence, citizens across nationalities acquired a form of a global citizenship. Mr. Rao stated, “An ethical leadership with strong governance is the need of leadership in the 21st century.” He emphasised that the modern world is an extremely volatile one and efforts must be made to develop leaders who can impart ‘timeless leadership’.

2. Ms. Naheed Farid

Member of Parliament from Herat province in Afghanistan, Ms. Naheed Farid commenced her presentation with Rumi’s words - ‘Raise your words, not voice’. She drew civilisational



similarities between India and Afghanistan and referred to the need of eliminating the artificial boundaries which divide our societies. The purpose of the Conclave, according to her, is to conclude what to make of humanity. In her view, a leader must undertake several tasks namely - reverse poverty, diffuse terrorism, achieve sustainable lifestyle, prevent the use of weapons of mass destruction and plan for advancing the human civilisation. She asserted that terrorism and violence cannot dictate the choices of a leader and leaders should take full responsibility for their actions.

3. Mr. Swapan Dasgupta

Member of Parliament, Rajya Sabha, Mr. Swapan Dasgupta said that times are changing and the ideas from yesterday have become the reality of today. He talked about the need for expanding our horizons and incorporating our national identity with the concept of global citizenship thereby making it more nuanced in nature. While advocating embracing change, he also cautioned, “There is a difference between having a critical view of the past and a dismissive view of the past.” He stated that the need of the hour is to be balanced and not become overwhelmed with modernity. The notion of ‘common decency’ or common values needs to be upheld at all times.

4. Mr. Rajiv B. Lall

Founder Managing Director and CEO, IDFC Bank, Mr. Rajiv Lall stated that a strong leadership is a must to make a political case for a market-based economy. He talked about the need for a leader to catalyse social change when tensions exist between modernisation and conservatism. He

observed, “There is a fierce contestation in our times to find new identities.” He said, “The new India needs statesman who can build generations.” In conclusion, he stated that a leader must revisit the idea of national identity and forge a new identity for a new India.

D. Panel Discussion II Intellectual Leadership

The panellists were - Mr. Minhaz Merchant, Journalist & Author; Prof. Makarand Paranjape, Professor, JNU; Mr. Badri Narayan, Director, G.B. Pant Social Science Institute; and Mr. Amish Tripathi, Author. Mr. Rahul Pandita was the moderator. Mr. Pandita stated, “There is no civilisation that is not rooted in culture.” Mr. Merchant spoke about the need for laying down the essentials of what comprises of national interest for a country. According to him, social inclusiveness, governance and geo-politics are the important parameters for delivering intellectual leadership.

Prof. Paranjape attributed the main cause of Indian backwardness on its lack of thought and the incapacity to think. Stating that India is blessed with ‘*Avataric leadership*’ since centuries, he went on to emphasise his point by giving the illustration of free-thinking leadership imparted by Lord Buddha. Thus, the Indic leadership is shifting of consciousness and not imposing of a one, single idea. He asserted that change must occur at all levels in the society to revive intellectualism.

Mr. Narayan acknowledged that every community needs intellectuals to make their identities visible in the society. These intellectuals do not merely deliver education but impart wisdom. He spoke about the need for leadership

in 21st Century to speak in a language that can instantly connect and directly interact with the thoughts of people like Kabir.

Mr. Amish Tripathi stated, “Despite the system trying to do everything to make us forget, we refuse to forget.” He asserted that the source of India’s wealth in the past was its colossal intellectual leadership. He highlighted the need to reform Indian education system to reflect its true intellectuality and the need to reconnect with the roots of our culture for the same.

The panel agreed that rationality alone cannot save the dying knowledge creation and the ancient wisdom is important. It is important to adopt a bottom-up approach to build a genuine intellectual ecosystem in the country. The panel concurred on the fact that the academic leadership in the 21st century needs to become more outcome oriented. The challenge is to make this ecosystem conducive where formal and informal learning can thrive in harmony in the society.

E. Presentations II

1. Mr. Haseeb Drabu

Jammu and Kashmir Finance Minister, Mr. Haseeb Drabu’s presentation focused on the subject - ‘Relationship between the civil society and state of J&K and the interventions made by the state as a matter of policy.’ He asserted that the situation in J&K has become better as the role of civil society has increased since 2015 and the engagement has not been confined to any one segment but with people of India as a whole.

He stressed that the long-term experiment set in motion with the alliance of the BJP and the PDP in J&K is an example of displaying the traits of a

sound leadership by both sides. Explaining the kind of national identity he envisages for the country, Mr. Drabu stated, “I would rather see a national identity as a matrix of regional identities.” He went on to add that this can happen not merely through the Indian state, but through holistic participation by the Indian civil society. He said, “I think the real challenge of leadership in Kashmir and also in rest of the country is not about leadership in terms of political or economic leadership, but the core issue would be social leadership in the country.”

2. Mr. Baijayant Jay Panda

Member of Parliament from the state of Odisha in Lok Sabha, Mr. Baijayant Jay Panda stated that the most important challenge for a leader is to take democracy to the last mile. Describing democracy as a work-in-progress, Mr. Panda identified important attributes of



leadership in 21st century as - branding, organising and possessing charisma. Talking about the importance of being a charismatic leader, he stated, “If you want to bring about seminal changes in your field, charisma is an important attribute for a leader to possess.”

Mr. Panda spoke about the two trends visible in Indian polity in today’s times namely - cynicism vs optimism; and the argumentative Indian vs the decisive Indian. Explaining the difference between a cynical and an optimist leader, he remarked, “Cynical leadership looks at the past, (whereas) optimistic leadership looks at the future.” He also highlighted that the gradual shift of our polity from an argumentative one to a decisive one is an achievement in itself which must be attributed to leadership of the country.

3. Mr. Jayant Sinha

Focusing on the virtues of economic leadership, Minister of State for Civil Aviation, Government of India, Mr. Jayant Sinha confidently stated that India can become an economic leader if it can become a global hub for innovative and entrepreneurial businesses. Talking about the need to develop a long-term vision for becoming the economic growth-engine of the world, he said, “We must aim to not merely build a unicorn (1 billion) or a super unicorn (10 billion) but target at building a mega unicorn (100 billion market cap companies).”

Mr. Sinha stated, “When we solve India’s problems, we solve the world’s problems.” He spoke about how focusing on getting our own processes right through an indigenous ‘Indian’ style of functioning can help develop prototypes which can then be emulated in developing



countries across the globe. Mr. Sinha remarked, “If we want to seize the leadership in the 21st century, we need to become the entrepreneurial engine of the remaining 6 billion people of the world.” He identified financial technology, electric vehicles and drone technology as the three possible sectors that can make India an economic leader in the 21st century.

F. Special Address by Vice President of India

Vice President of India, Mr. M. Venkaiah Naidu presented the India Foundation-Swarajya Awards 2017. Dr B R Shenoy Award was presented to Mr. Niranjan Rajadhyaksha. Dr Shyam Prasad Mukherjee Award was presented to Mr. Himanta Biswa Sarma. Sree Narayana Guru Award was presented to Ms Lakshmi Narayan Tripathi. Ustad Bismillah Khan Award was



presented to Mr. Sirivennela Seetharama Sastry.

In his special address Mr. Naidu stated, “The time has now come for us to build a New India, which shall again take its rightful place in the comity of nations.” Speaking about the nature of Indian culture, he stated, “If you have a roti (a form of bread), you eat that roti, it is prakruti (nature). If you don’t have a roti, you take other’s roti and eat, that is vikruti (regression). If you have a roti and there is someone starving and you give them the roti that is sanskruti (values of culture). This is Bharatiya Sanskriti (Indian cultural values).”

Speaking about the importance of a functional and accountable Parliament, Shri Naidu said, “The effective functioning of Parliament and Legislatures is extremely important for strengthening the foundations of democracy in the country.” Talking about the significance of Vedas from ancient Indian history, he said, “Answers for many problems facing the world can be found in the Vedas, which provide us with guidance needed

to achieve moral, economic, social and political development.”

G. Panel Discussion III Business Leadership

The panellists were - Ms. Shamika Ravi, Member, PM’s Economic Advisory Council; Mr. Ashish Chauhan, MD & CEO, Bombay Stock Exchange; Mr. Nilesh Shah, MD Kotak Mahindra Mutual Fund and Mr. Niranjan Rajadhyaksha, Executive Editor, Mint. Mr. Saket Misra was the moderator for this session. Ms. Ravi stated that growth must not merely be considered as a ‘macro concept’. She emphasised on the need for having focus on developing human capital to address the ‘culture of growth’ for business leadership in the country. Mr. Chauhan emphasised on the need for creating an ‘entrepreneurial culture’ to manage the wealth that will be created in the future in our economy. He stated, “Leadership has to concentrate not only on developing trade and commerce but also on the creation of trust.” Mr.

Rajadhyaksha stated that in order to develop strong leadership, there is an imperative need to create a conducive environment to foster innovation and to implement a sound legal framework in the country. He stated, “We cannot think of India as a market economy unless we think of India as an effective state.” Ms. Ravi also spoke about the need for inculcating financial discipline in order to enable growth. The panel collectively agreed that it is important to bring economic and financial discourse into the mainstream within the country.

H. Panel Discussion IV Editors Panel

The panellists were - Mr. Raj Chengappa, Group Editorial Director (Publishing), India Today Group; Ms. Milee Aishwarya, Editor-in-Chief, Penguin India; Mr. R Jagannathan, Editorial Director, Swarajya and Mr. Prabhu Chawla, Editorial Director, The New Indian Express and The Sunday Standard. Mr. Balbir Punj, former Member of Parliament was the moderator. Mr. Punj said that an effective leadership must be well-equipped in order to resolve civilisational issues. Mr. Chengappa stressed on the need to deal with fundamentals and reform leadership across all the stratas of the society.

Ms. Aishwarya highlighted that a leader must possess the ability to mobilise the people for a cause or an idea. She also mentioned that the writings of 21st century should be able to reflect what is happening in the society. For Mr. Jagannathan, the attributes of a leader would depend on the issues that need to be resolved. He cautioned saying, “Everything that was taken for granted in the 20th century has been challenged in

the 21st century and so old ideas cannot be adhered to.” He stated that there is a need for ‘post-ideology leaders’ in the country, and that 29 such state leaders have to deliver, to make a case for strong Indian leadership.

Mr. Chawla expressed his concerns on the changing discourse on leadership that only speaks an economic language and not the language of the whole country. He stated, “Leaders have to be not only cautious of the political terrors but also of the market terrors to ensure equality.” He asserted that the focus should be on creation of ‘ethical Indian’ developmental solutions for our nation’s problems. The panel agreed that leadership in the 21st century needs to deliver on the key parameters of ‘Vikaas’ with a focus on micro-level development in the country.

I. Presentations III

1. Mr. P.V. Rajgopal

President of Ekta Parishad, Mr. P. V. Rajgopal stated, “Leadership needs to be initiated from the bottom where the people are capacitated to solve their own problems.” He remarked that unjust systems produce violence and conflict and therefore it is important to engage with the youth in the 21st century. He also emphasised that means are as important as ends and hence, ethics become important in the discourse of development. He said, “Indian leadership should be an ‘enlightened leadership’ based on renouncement and sacrifice.”

2. Mr. C.R. Mukunda

Akhil Bharatiya Saha-Baudhik Pramukh of the Rashtriya Swayamsevak Sangh (RSS), Mr. C.R. Mukunda stressed on the need for developing

‘cultural leadership’ in the 21st century. He talked about how good values inculcated from within the family can be spread across the world order. He stated, “Leadership will emerge from the society which will be a product of values and dynamism from within the community.” He stressed on the fact that a leader is known by the decision he takes and therefore, it is important for a leader to stay balanced and not get influenced by extreme thoughts. He further stated, “There should be a balance between values-based idealism and needs-based pragmatism.”

3. Mr. Syed Salman Chisty

Gaddi Nashin- Dargah Ajmer Sharif and Chairman - Chishty Foundation, Mr. Syed Salman Chisty emphasised on the subject of the spiritual responsibility of a leader. He said, “There is enough discourse on the physical aspect of the responsibilities of a leader but there is a dearth of literature on a leader’s spiritual responsibility.” He said, “Living entity is not a mere resource. It is an instrument of healing created by the divine.” To the leaders of 21st century, Mr. Chisty gave the message that India has always had a rich past of spiritual legacy and imparting service to humankind which they must always keep in mind.

Describing the qualities of a good leader, he stated, “A leader must have earth like hospitality, river like prosperity and sun like bounty. A leader should serve the (nature’s) creation to serve the nature.” Emphasising on the actions to be undertaken by a leader, he iterated that a leader must approach his work as a form of meditation, be honest towards his actions and overcome selfishness to impart world-class leadership in the 21st century.



Day3 – December 17, 2017

A. Breakfast Session II – Social Media

The panellists were - Mr. Amit Paranjape, Co-Founder, PuneTech; Ms. Smita Barooah, writer; Ms. Shefali Vaidya, columnist, Swarajya; and Mr. Amit Malviya, In-charge, National IT Cell, BJP. Mr. Vijay Chada, Owner, VIANA Consultants, was the moderator.

Talking about the need to build credibility on social media, Mr. Paranjape said, “Like any other media platform, for social media too, one needs to build credibility and then sustain the same.” Speaking about how social-media has led to altering the status-quo in the world of communication, Ms. Barooah remarked, “Social media has led to the breakdown of the ‘Raja-Praja’ model. Instead of vertical communication, horizontal communication is happening which is altering the entire dynamics.” She went on to add, “One needs to be mindful that on social media, one must ‘respond’ and not ‘react’.”

On being asked the change that has been

brought in the discourse by social media, Mr. Malviya said, “Social media has democratized the discourse.” He further stated, “I believe social media shall continue to remain as chaotic as it is today and that is the beauty of it.”

B. Presentations IV

1. Mr. Himanta Biswa Sarma

Finance Minister of Assam, Mr. Himanta Biswa Sarma stated that the problems faced by the world today have a reflection of their past. He said, “India needs an ‘organic leadership’ and not a ‘dynastic’ leadership.” He attributed leadership in 21st century to attributes such as respect for culture, education, family values, principles of *ahimsa* and universal tolerance.

He stated, “The problems of India can be answered through Indic solutions which are found in the Indian heritage.” He referred to Swami Vivekananda and said, “The purpose is not to go back to the past but to develop a scientific and healthy understanding of our philosophy and tradition so that our future generations can benefit.” Talking about the impact of positive leadership, he said that the change in leadership



in the state of Assam has had a positive impact not restricted only to the state of Assam, but has created a ripple effect across entire North-eastern India.

2. Mr. Prasoon Joshi in conversation with Mr. Vikram Sampath

Referring to a leader as a Guru, Chairperson, Central Board of Film Certification and noted lyricist and poet, Mr. Prasoon Joshi said, “A true Guru is the one who frees you of himself.”





Speaking about Indian leadership, he said, “It is important to institutionalise the culture and the collective sub-conscious to make a strong case for Indian leadership.”

Taking cue from the teachings of Bhagawad Gita, Mr. Joshi said, “The world out there is not predictable. Have you prepared leaders who can instinctively take decisions in such a world using his ‘vivek’ (wisdom) by being ‘sthitapragya’ (one with equilibrium of mind in all situations)?”

Describing the kind of creativity he believes in, Mr. Joshi said, “Expression and responsibility go hand in hand. I subscribe to that kind of creativity.” But he also cautioned that in the era of ‘snacking entertainment’, one must know the subject well before commenting or else it becomes a disservice to the society. On the question of whether there should be a boundary on creative expression, Mr. Joshi provided with an affirmative answer. The society of India is complex and therefore it becomes necessary to be responsible within the defined structure. One should be creative, but also respect the society. One should

not kill and progress. Degrading a human form cannot be entertained. He categorically stated, “Depiction is acceptable, not derogation.”

C. Panel Discussion V Global Leadership

The panellists were – Ms. Veena Sikri and Mr. Basant Kumar Gupta, both former diplomats. Mr. Shakti Sinha, Director, Nehru Memorial Museum and Library was the moderator. Mr. Sinha brought many aspects before the panel such as - multi-polarity in 21st Century, Chinese hegemony, Indic thought of governance, academic power in the realm of international relations, etc. He said, “India is solidly democratic. Both contestation and participation are an integral part of democracy of the country.”

Ms. Sikri emphasised on the need for ‘thought-based leadership’ in 21st Century. She remarked, “Misuse of power is dictatorship. Leadership is the wise use of power.” She said that only when there is a clear national vision of ‘brand India’, will the global leadership come

organically. She stated, “The Indian soft power is the strategic asset of the Indian foreign policy.”

Mr. Gupta claimed spirituality to be India’s biggest power. He believed that thoughts from texts such as the Bhagawad Gita must be learnt to reform the Indian leadership. Giving an example he remarked, “Leadership in Sanskrit means ‘Netrutva’ which originates from the word ‘Niti’.” He further added, “There is a need to ensure that the Indian ethics and values are taught to today’s demography in order to enjoy its dividend while providing for a global leadership.”

D. Panel Discussion VI Women Leadership

The panellists were - Ms. Lalitha Kumaramangalam, former Chairperson, National Commission for Women; Ms. Nistula Hebbar, Journalist, the Hindu; Ms. Sandhya Jain, Editor, Vijayvaani; and Ms. Setara Hassan, CEO, Zan TV, Afghanistan. Ms. Smriti Kak, journalist, the Hindustan Times was the moderator. Ms. Kumaramangalam iterated that the women can be said to have gained leadership only when they can become contributing decision-makers in the society.

She said, “It is not about men vs. women, but about giving women a chance to portray their skills.”

Ms. Jain focused on the momentum of women empowerment in the 21st Century. South Asia has a dynamic heritage which has witnessed women leaders much before the other countries in the world. She said, “Women in power are making subtle differences with significant impact but not being adequately noticed.” She also highlighted the need to recognise women in the fields of science and technology, sports, combat services etc.

Ms. Hebbar noted that entry is not difficult for women in today’s times, but climbing up the ladder is relatively tough. She stated, “Women should be recognised for their proportion in the population and not because they are better or deserve sympathy.” She made a case for ‘targeted intervention’ for the case of women leadership in the society.

Ms. Hassan also spoke about the under-representation of women in the top managerial positions both in the East and the West. She highlighted the fact that the notion that women must have masculine characters to be a good leader should change. She said, “Domestic work does not





disqualify her from being strategic thinkers.” The panel concurred that leadership is not about forced modernisation, but when women shall get freedom to make a choice in every aspect of their lives.

E. Valedictory Session

The valedictory session was graced by Shri Khilraj Regmi, former Prime Minister & Chief Justice of Nepal and Smt. Mridula Sinha, Governor of Goa.

1. Mr. Khilraj Regmi

Talking about leadership in politics, Shri Regmi stated, “When we are talking about politics and philosophy, we cannot forget our ancient philosophers.” He spoke about the need for instilling morality and self-discipline in leaders of the 21st century. Talking about the kind of challenges that shall be faced by leaders in the 21st century he stated, “21st Century leadership cannot escape from the complexities of the societal boundaries.” He asserted that the modern society shall march towards peace and prosperity only

when we can eliminate poverty and inequality from the world.

2. Smt. Mridula Sinha

Smt. Mridula Sinha stated, “Leadership is an ability or capacity to do something through talent (natural ability) and skill (proficiency).” Describing the qualities of a good leader, she said that a leader must have the qualities of self-awareness, sense of direction, vision, motivation, social awareness, innovation, respect for history, ability to dream for a future and must foster creativity in the 21st century. She affirmed the need to imbibe Indian values in truest sense in order to become a global leader in the 21st century. She said, “In order to become a world leader, one must not only embrace technological changes, but also thoughts, values and culture of Indian origin which talk about human service as the supreme service to the mankind.” She said, “Leadership is needed to solve the problems - closing the gap between the way things exist and the way they ought to be.”



North East Development Summit

Shristi Pukhrem & Siddharth Singh

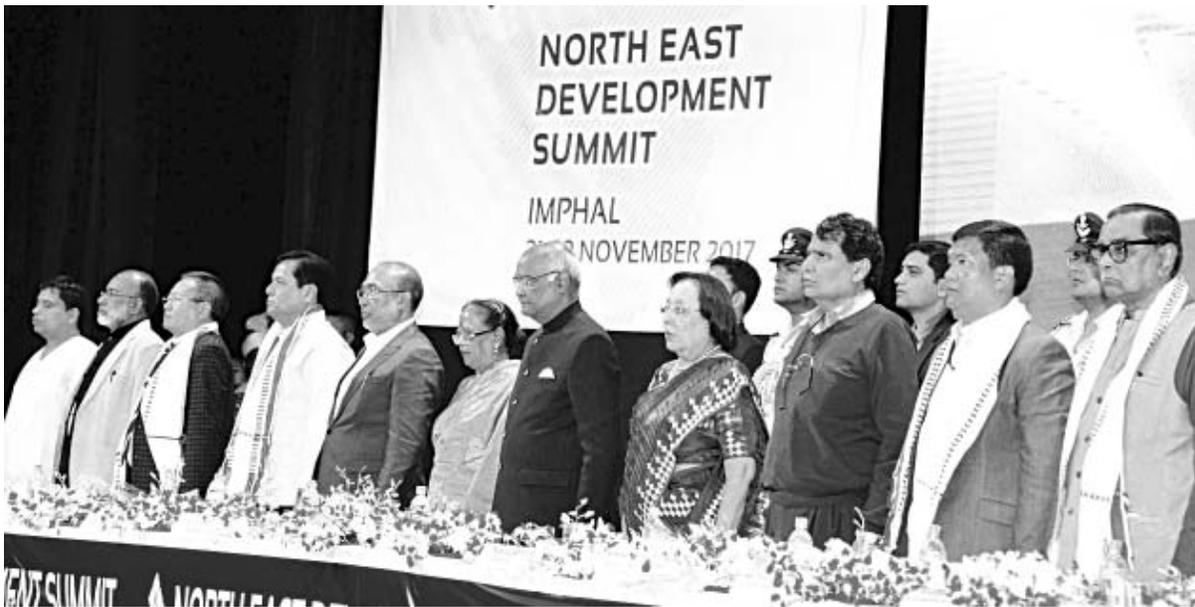


India Foundation in collaboration with Government of Manipur and Ministry of Commerce & Industry, Government of India organised the North East Development Summit at Imphal, Manipur from 21-22 November, 2017. The Summit was an effort to highlight and explore the potential of North East India in further establishing itself as a land hub of India's Act East Policy. Key focus areas of the summit centred around themes of trade & investment, connectivity & infrastructure development, tourism development, agri-business & sports in North-East region, skill development, capacity building and entrepreneurship. States of the region with visuals showcased each of their resource potential and capacity in a special session.

The President of India, Shri Ram Nath

Kovind, inaugurated the Northeast Development Summit. Speaking on the occasion, the President said that the Northeast is an amazing social and cultural ecosystem. Few regions of the world have such a wealth of cultural, ethnic and religious diversity packed into such a small area. This variety is an inspiration for all of us. The President said that the Northeast's geographical location makes it the obvious gateway to India, linking the vast economies of the Indian subcontinent and of today's ASEAN countries. This is the potential we have to tap. And this is the idea that must inspire this Summit.

The President said that central to the Government of India's approach to the development of the Northeast is an urgent and speedy enhancement of connectivity. This is a



multi-modal programme, across land, water and air. And it refers both to connectivity within India as well as to connectivity between India and its eastern and Southeast Asian neighbours. The President emphasised that in the development of the Northeast is both the development of India – as well the true measure of the India-ASEAN partnership. He stated that the opportunity is before us and we should grab it.

Shri Suresh Prabhu, Minister of Commerce and Industry, Government of India, also addressed the gathering in the inaugural session and said that the North East Development Summit was aimed to boost trade and investment in underdeveloped region of North East and at building confidence and altering perception among visiting delegates and investors.

Union Minister of State for Civil Aviation Shri Jayant Sinha announced at the summit that to provide a major boost to air connectivity in the Northeast, 92 new routes will be opened in the

region in the second round of the government's 'Udaan' scheme. Shri Sinha also announced a direct bi-weekly Air India flight from Delhi to Imphal from January next year, which he said would be made a daily service when the demand picks up.

Assam Chief Minister Shri Sarbananda Sonowal also spoke in the Inaugural session and said that "the Central Government has made a huge effort in developing the infrastructure" in the region with "new highways having been declared and constructed and existing highways have been widened". He also echoed that connectivity will provide economic prosperity for the country and not just Northeast region.

While addressing the gathering at the Summit in the inaugural session, Chief Minister of Arunachal Pradesh, Shri Pema Khandu said that "Nehruvian policy of 'Panchsheel' had become a barrier for economic development. The decades of 80s and the 90s saw tremendous development

in the rest of the country. But sadly, for the northeast people, these were decades of opportunity lost.” He welcomed investors in the region, particularly in Arunachal Pradesh, in hydroelectricity, social infrastructure, agro-processing, farming, and research and development, pharmaceutical and information technology.

Nagaland Chief Minister T R Zeliang in his remarks at the Inaugural session said that “Centre should indulge in improving air and road connectivity” so as to improve the geographical remoteness and remove the feeling of alienation which has made the region backward compared to mainland states. He urged for a “right policy” for promoting investment in the region as the region serves as a gateway to the South East Asian Nations.

Mr Yutaka Kikuta, Deputy Chief of Mission, Embassy of Japan, spoke in the session on Trade and Investment in the summit and said that North East region of India is a place where Japan’s Free and Open Indo-Pacific Strategy and India’s Act East Policy converge.

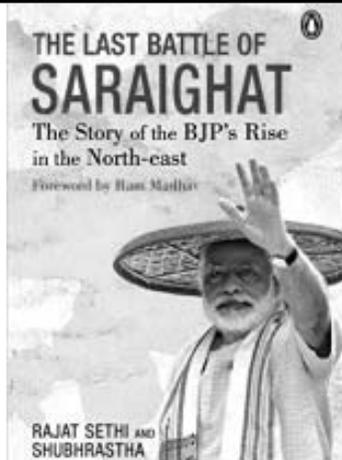
The two-day North East Development Summit concluded on a positive note with the Manipur government signing 39 Memoranda of Understanding (MoU) with various firms, primarily in healthcare, infrastructure, skill development and agriculture. The state forest department of Manipur signed four MoUs - two with the HSMM Group of Laos for agarwood plantation and production of essential oil and commercial production of orchids, one with NLR of Netherland for production of biofuels from bamboo and one with the Tribal Cooperative

Marketing Development Federation of India for minimum support prices for minor forest produces. Manipur State’s higher education department signed an MoU with UNESCO Centre, the UK, for setting up a private university in Manipur. The finance department of Manipur Government signed an MoU with the Indo-Swiss Centre, Switzerland, for facilitating and attracting investment in trade and tourism. The agriculture department of Manipur Government signed an MoU with MSTC, a government of India undertaking, for e-marketing of agricultural produce from Manipur.

The State tourism department of Government of Manipur signed an MoU with the Lao Peoples Democratic Republic for development of tourism and another with Star Track Business House Pvt Ltd, Mumbai, for a Rs 50-crore infrastructure development project. The Manipur Police Housing Corporation signed an MoU with Fitzroy Salai Holdings, Calcutta, for a cable car project in the state.

In the Valedictory Session, rounding off the summit, Chief Minister of Manipur Shri N. Biren Singh said that the North East Development Summit was an effort to showcase and explore the potential of the Northeast in establishing itself as the “hub” of India’s Act East Policy. He said the summit marked the beginning of his govt’s and private companies’ commitment towards building a partnership to address the aspirations of the people by unlocking the full potential of the state. He hoped that the positive outcome of the summit would transform the business and development environment of the region in general and Manipur in particular.





THE LAST BATTLE OF SARAIGHAT

*The Story of the BJP's Rise
in the North-east*

Authors: Rajat Sethi and Shubhrastha

Publisher: Penguin Viking, 2017, pp 182

Price: Rs.599/-

Book Review by: K. Raka Sudhakar Rao

Winning an election in a geographical behemoth like UP looks a child's play compared to winning Assam in India's North-east. Such are the complexities of Assam. Though just 126 seats, the voters in the Ujoni (upper) Assam have different set of priorities compared to Namoni (Lower region). The Barak Vally with its 14 seats thinks and behaves differently, at times diametrically opposed to the Assamese regions. A Rabha in Goalpara has little in common with the Mishing in Jorhat in terms of voting behaviour. Plains tribe Bodo has nothing in common with the hill tribes like Dimasa or Karbi when it comes to exercising his franchise. A tilt here or a nudge there can profoundly alter the poll outcome in this small but extremely important state. One only has to remember how Tarun Gogoi's statement that Bengali Hindus should be treated as refugees and not foreigners has tilted the scales at the finish line and led to a Congress sweep in the Barak Valley during 2011 elections.

But, winning Assam is very important as much for emotional and sociological reasons as for political reasons for the BJP. It is not just winning another state. It is a gateway to seven-state North-east and a key to unlock the maze of complex regional dynamics there. Even geographically,

Assam looks like the peduncle of a flower that holds six petals. For the BJP, a victory represents growing pan-India presence particularly in the wake of a post-2014 political geography faultline where East and South bucked the pro-BJP trend, as correctly pointed by Martin W Lewis in his Geocurrents Blog. A victory in Assam for the BJP has great salience for its nationalist and integrationist ideological moorings. More over, as Ram Madhav rightly points out in his forward, it was a much-needed morale boosting victory after two back-to-back defeats in Delhi and Bihar.

The Last Battle of Saraighat: The Story of the BJP's Rise in the North-east, by Rajat Sethi and Shubhrastha is an account of how BJP powered and propelled itself to wrest the biggest Congress bastion in the North-east. Both Rajat and Shubhrastha were political campaigners for the BJP and have seen the unfolding of the high-octane political drama from the closest possible quarter. They were partners in the process of how the BJP managed to crack the code of demographic riddle that Assam is and are eminently qualified to chronicle the story of how the last battle for Saraighat was won. And they did it with a seamless unfolding of narrative that is as lucid as it is insightful. They managed to tell the story of the

K. Raka Sudhakar Rao is a Hyderabad-based journalist and commentator. He has worked in the North East from 1984 to 1995. He can be reached at krakasudhakar Rao@gmail.com

“seemingly calm yet ever-churning” political waters of Mahabahu Brahmaputra.

Gleaning through the pages of this book is a personal déjà vu for this reviewer. During the 1985 elections, post the historic Assam Accord, this reviewer campaigned for the then state BJP president Praveen Baruah, in Jamuguri constituency. He was thrashed for merely carrying BJP pamphlets (Such were the pro-Assam Gana Parishad (AGP) passions then) and the state president ended up with just 432 votes. One vividly remembers majestic Rajmatha Vijayraje Scindia visiting more temples than voters and managing to address a motley crowd of 50 people in Nepali-dominated area in Tezpur constituency during her day-long electioneering toil (The Nepalis gathered just because Rajmatha spoke flawless Nepali). One also witnessed the strangest spectacle of redoubtable Atal Bihari Vajpayee speaking at the near-empty Judges Ground in Guwahati. From that pariah-hood to primacy in North East is a stirring saga of a scintillating journey for the BJP. Rajat Sethi and Shubhrastra narrate with candour and commitment how this watershed moment became a reality.

Respecting the diversity and grooming of diverse local leadership, seamless blending of “Bharat Matha Ki Jai with Joi Ai Axom” and forging a rainbow coalition of political parties with diverse political aspirations without diluting the spirit of nationalism had helped the BJP register its first electoral victory in the North East.

One very significant aspect is the authors’ acknowledgement of the silent contribution made by nationalist organisations like the RSS. The authors wonder: In the monolithic narrative that dominated Assam’s contemporary politics, no one saw nationalism as a politically viable alternative or a rallying political thought. How did

organisations like the RSS make a foray into the battered Assam in late 1940s? What helped the Sangh, an organization that did not have roots in Assam, gain a firm foothold in the multi-lingual, multi-ethnic and multi-polar state? How did the organization make such an indelible imprint in Assam that while interpreting the assembly election results in 2016, analysts were forced to acknowledge its pervasive influence in galvanizing the support of the electorate?

They then go on to explain the growth and expansion of the RSS in Assam, which is vital to understand how BJP could get acceptance of Assamese voter. “Creating a counter narrative in an atmosphere of vitiated political and intellectual environment has been one of the greatest achievements of the Sangh. Even after losing so many swayamsevaks and pracharaks to violence, the RSS kept its firm resolve and commitment to achieve the goals of national integration,” say the authors (page 67).

It is interesting to note that even during the epic Mahabharata War, Pandavas forged rainbow coalitions in the North East in the run-up to Kurukshetra. Marriages with Hidimba, Uloopi, Prameela and others had helped the Pandavas muster strength to take on the mighty Kauravas in Kurukshetra. Under Ram Madhav’s leadership, the BJP managed to cobble up seemingly unlikely alliances. Spirited leadership of affable Sarbananda Sonowal and master strategist Himantha Biswa Sarma provided the much-needed spearhead in this battle of the ballot. Finally, the BJP did all the right things in the run-up to the poll battle and clinched that well-deserved victory.

The book is an important tool for all political science students to understand the art of politics and how a determined and visionary leadership can make seemingly impossible become possible.



Upcoming Events

Conference on India and Mongolia: Historical & Cultural Linkages and Looking into the Future

9 January 2018; Delhi

Buddhism has been the great vehicle of shared cultural ties between India and Mongolia for over 2000 years. The historic and cultural collaboration between India and Mongolia is most fascinating. Today the teachings of the Buddha have once again come back to Russia and Mongolia. To look into the past and the future of the India and Mongolia relationship, India Foundation in collaboration with Jawaharlal Nehru University, The Indian Council for Cultural Relations and the Embassy of Mongolia in India will be hosting this conference.

It will focus on the following sub-themes:

1. Historical and Cultural Linkages
2. Literary heritages and Scripts
3. Future: India and Mongolia Relations.

For further details, please write to mail@indiafoundation.in

4th International Dharma Dhamma Conference

11-13 January, 2018; Rajgir, Bihar

Centre for Study of Religion & Society (CSRS), India Foundation in collaboration with Nalanda University, Rajgir is organizing 4th International Dharma Dhamma Conference on the theme "State and Social Order in Dharma Dhamma Traditions". The conference seeks to explore the shared values of the dharmic traditions, which may provide the guiding light to the troubled world today. The conference will focus on the following sub-themes:

- 1) State and Governance in Dharma Traditions
- 2) Social Order in Dharma Traditions
- 3) State in Dhamma Traditions
- 4) Social Order in Dhamma Traditions
- 5) Ecology & Environmental Consciousness in Dharma Dhamma Traditions
- 6) Peace & Conflict in Dharma Dhamma Traditions
- 7) Dharma Dhamma Traditions in Gandhi, Ambedkar, Lohia and Deen Dayal Upadhyaya
- 8) Idea of Rashtra (Nation) in Dharma Dhamma Traditions

For further details, please write to dharmadhamma@indiafoundation.in

Foreign Policy Workshop

28 January - 1 February, 2018; Delhi

India Foundation is convening a uniquely comprehensive six-day Workshop on India's Foreign Policy in New Delhi, from 28 January - 1 February, 2018. This event will bring together, as participants, 70 aficionados of Indian foreign policy: researchers, academicians, and practitioners, from across India, from India's neighbouring countries, and from key partner nations. The course-structure for this Workshop is well-rounded to cover major thematic issues and vital bilateral relationships in India's foreign policy. These sessions will be addressed by senior practitioners and thought leaders including Union Ministers of the Government of India, national leaders, experienced diplomats (serving and retired), domain-specialists and Delhi-based Ambassadors of several nations. In addition, this Foreign Policy Workshop will deploy innovative mechanisms to facilitate in-depth analysis and interaction through Breakout Sessions, Panel Discussions, Foreign Policy Labs and Mini-Workshops on selected issues.

For further details, please write to mail@indiafoundation.in

Counter Terrorism Conference 2018

14-16 March, 2018

India Foundation is organising the 4th edition of the annual Counter Terrorism Conference CTC 2018 on 14-16 March, 2018. The theme for this edition of the Conference is "Changing Contours of Global Terror" and it will be addressed by Heads of States, Ministers, Bureaucrats, Diplomats, Defence personnel and scholars from across the world.

For further details, please write to mail@indiafoundation.in