

# **GS Paper 2**

## **International Relations**

**India and Extended Neighbourhood**

**India and South East Asia**

**Dr. Shruti Joshi**

## (I)India's Act East Policy

### Context:

**18 Mar 2021**---The Union Minister of State Development of North Eastern Region (DoNER) said that connectivity is an important element of Act East Policy.

India's Act East Policy focusses on the extended neighbourhood in the Asia-Pacific region.

**November 2022**---Recently, the Vice President of India attended the **19<sup>th</sup> ASEAN-India Summit** in Phnom Penh, Cambodia.



# Evolution of Act East policy

## 1) Look East Policy

**Domestic situation**

**International situation**

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- **In this pursuit, former Prime minister of India P V Narasimha Rao launched Look East policy in 1992.**
- **Focus area: ASEAN countries + Economic Integration.**
- **1996---India became a dialogue partner of ASEAN in 1996**
- **2002----India became the summit level partner.**
- **2010---India's FTA with ASEAN.**
- **2012-----relationship got up-graded into a Strategic Partnership.**

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# Act East Policy

**In 2014, India launched the Act East policy**

- **India's situation**
- **Focus:** ASEAN countries + Economic Integration + East Asian countries + Security cooperation
- **4C's of Act East Policy.**
  - ✓ Culture
  - ✓ Commerce
  - ✓ Connectivity
  - ✓ Capacity building

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## Objectives of 'Act East Policy'

- Promote economic cooperation, cultural ties, and develop a strategic relationship with countries in the Asia-Pacific region through continuous engagement at regional, bilateral, and multilateral levels.
- To enhance the connectivity of the North-Eastern Indian states with other neighbouring countries.
- To contain the growing footprints of China in the ASEAN region.
- To help establish India's vision for the region, that is SAGAR – Security for All and Growth for All.

## **India has upgraded its relations to strategic partnership with**

- ✓ Indonesia,
- ✓ Vietnam,
- ✓ Malaysia,
- ✓ Japan,
- ✓ Republic of Korea (ROK),
- ✓ Australia,
- ✓ Singapore and
- ✓ Association of Southeast Asian Nations (ASEAN) and forged close ties with all countries in the Asia-Pacific region.

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## Key organisations related to Act East Policy

✓ ASEAN

✓ ASEAN Regional Forum (ARF)

✓ East Asia Summit (EAS)

✓ BIMSTEC

✓ Asia Cooperation Dialogue (ACD)

✓ Mekong Ganga Cooperation (MGC)

✓ Indian Ocean Rim Association (IORA)

✓ QUAD

Create a short note

Create a short note

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# India's initiatives to strengthen the Act East Policy

- **Initiatives to enhance connectivity:**

- ✓ Kaladan Multimodal Transit Transport Project.
- ✓ The Trilateral Highway Project connecting the North East with Myanmar and Thailand.
- ✓ Intermodal transport linkages and inland waterways through Bangladesh.
- ✓ Agartala-Akhaura Rail Link between India and Bangladesh.
- ✓ Under India-Japan Act East Forum, several projects such as construction of Road and Bridges and modernization of Hydro-electric power projects have been undertaken.

- **Other initiatives**

- ✓ National Bamboo Mission

- ✓ Digital North East Vision 2022

- ✓ Mahabahu-Brahmaputra inland waterway project-

- ✓ Dhubri Phulbari bridge

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## ✓ NITI Forum for North East (2018)

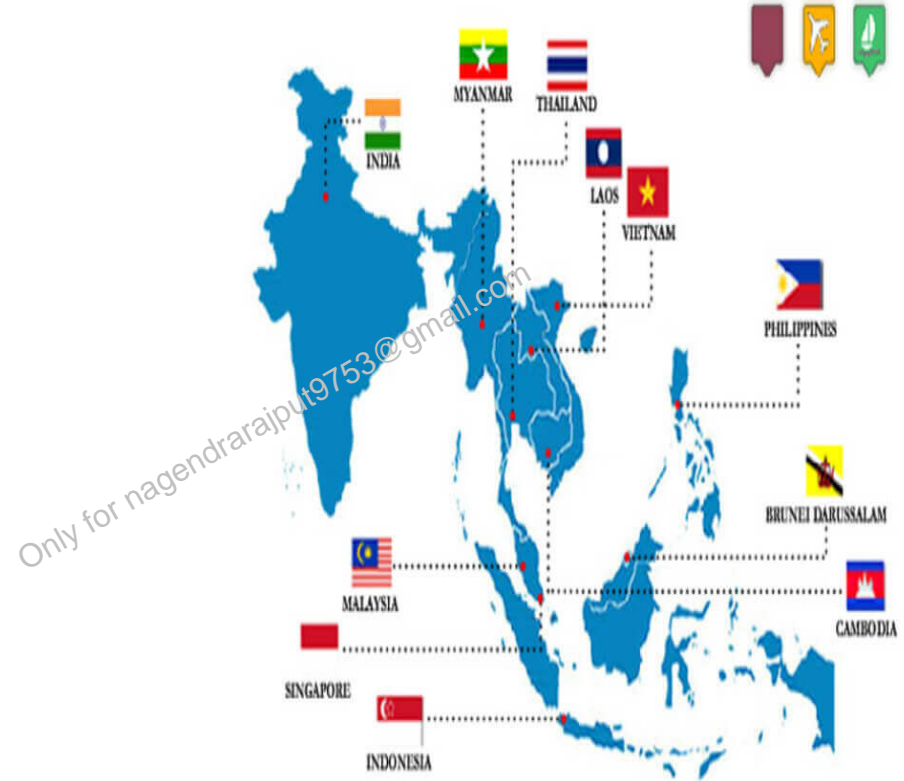
- Focussed attention on the development of NER.
- The forum examines various proposals both at the Central and the State levels and prepares plans for the speedy development of the North Eastern Region.
- The Forum proposed that the development projects in the NER would be based on the concept of “HIRA” (Highways, Inland Waterways, Railways and Airways)

## (II) Association of South East Nations (ASEAN)

- The Association of Southeast Asian Nations is a regional organization which was established to promote
  - ✓ political and
  - ✓ social stability amid rising tensions among the Asia-Pacific's post-colonial states.
- The motto of ASEAN is “One Vision, One Identity, One Community”.
- 8<sup>th</sup> August is observed as ASEAN Day.
- ASEAN Secretariat – Indonesia, Jakarta.
- **ASEAN Plus Three:** The consultative group initiated in 1997 brings together ASEA ten members, China, Japan, and South Korea.
- ASEAN 2023 Summit: Chaired by Indonesia.

## Who are the Member Nations?

- Indonesia
- Malaysia
- Philippines
- Singapore
- Thailand
- Brunei
- Vietnam
- Laos
- Myanmar
- Cambodia.



## **1)November 2023---10th ASEAN Defence Ministers' Meeting - Plus (ADMM-Plus) held in Jakarta, Indonesia**

- ADMM Plus (established in 2010) is a platform for ASEAN (Association of Southeast Asian Nations) and its eight Dialogue Partners ( Plus Countries).
- Plus countries include Australia, China, India, Japan, New Zealand, South Korea, Russia and USA.
- ADMM is the highest defence consultative and cooperative mechanism in ASEAN.
- Its objective is to strengthen security and defence cooperation for peace and stability.
- India's proposal to co-chair Expert Working Group on Counter-Terrorism has been endorsed by ADMM-Plus.
- India has also committed towards result-oriented cooperation with ADMM-Plus for enhancing maritime security in the region.

## **2) 42<sup>nd</sup> ASEAN SUMMIT 2023 in Indonesia.**

**5<sup>th</sup> September 2023---The theme for Indonesia's chairmanship of the Association of Southeast Asian Nations (ASEAN) in 2023, "ASEAN Matters: Epicentrum of Growth," aims to validate Southeast Asia's status as an epicenter of economic growth.**

- President Joko Widodo, who holds the presidency of the bloc, emphasized the enormous potential of the ASEAN region, which has a total population of around 650 million inhabitants and consistently outperforms the world average in terms of economic growth.
- Discussions were made to enhance economic integration and ASEAN's global standing. However, it appears difficult for ASEAN to overcome the existing rift between its members who want to take a tougher stance on China and Russia and those who rely on trade with and diplomatic support by Beijing.



- Enhancing ASEAN's attractiveness to foreign investment was also discussed. (ASEAN is eager to attract firms who are currently looking to divest their manufacturing base away from China. Though this region offers cheaper labor costs, but red tape and underdeveloped high-tech industries remain an obstacle.)
- Another important development was regarding Timor-Leste's bid to become the final Southeast Asian country to join the bloc. In November 2022, following the 40th and 41<sup>st</sup> ASEAN Summit in Phnom Penh, the organization issued statement agreeing "in principle" to East Timor's membership, granting East Timor observer status at high-level meetings and stating that a roadmap to full membership would be submitted in the 2023 summit. The Southeast Asian bloc's leaders adopted a roadmap for Timor Leste's full membership when they assembled in Labuan Bajo (Indonesia) in May 2023.

# What are the Strengths of ASEAN

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# What are the Challenges within ASEAN?

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# India and ASEAN

## Recent Context:

**(I) September 2023----20th ASEAN-India summit and 18th East Asia Summit (EAS) in Jakarta.** (10 ASEAN nations and Australia, China, India, Japan, New Zealand, South Korea, Russia, and the U.S.). Key Points:

- **ASEAN and India's Act East Policy:** India stated that the Association of Southeast Asian Nations (ASEAN) is an “important pillar” of India's Act East policy.
- **Support for ASEAN's Outlook:** India expressed its support for ASEAN's outlook on **ASEAN-India centrality** and the Indo-Pacific.
- Common Interest in Indo-Pacific.
- India and ASEAN, after completing 30 years of their strategic cooperation, have taken the relationship to a comprehensive strategic partnership in 2022.

- India also emphasized the need to complete the review of ASEAN-India FTA (AITIGA) in a time bound manner.
- Issues of importance to the region are food and energy security, environment, health, and digital transformation.
- India said, “Our partnership is entering its fourth decade. Our history and geography connect India and ASEAN. Along with shared values, regional unity, peace, prosperity, and a shared belief in a multipolar world also binds us together.”
- Indian Prime Minister unveiled an ambitious multi-modal connectivity initiative. The initiative aims to link Southeast Asia, India, West Asia and Europe, which experts suggest could be an alternative to China's One Belt, One Road programme. Connectivity has emerged as a pivotal area of cooperation between India and ASEAN.

- **12-point plan** (covering connectivity, digital transformation, trade and economic engagement, addressing contemporary challenges, people-to-people contacts and deepening strategic engagement).

- ✓ Establishing multi-modal connectivity and economic corridor that links South-East Asia-India-West Asia-Europe.
- ✓ Offer to share India's Digital Public Infrastructure Stack with ASEAN partners.
- ✓ ASEAN-India fund for Digital Future focusing on cooperation in digital transformation and financial connectivity.
- ✓ Renewal of support to Economic and Research Institute of ASEAN and East Asia (ERIA) to act as knowledge partner for enhancing engagement.
- ✓ Call for collectively raising issues being faced by Global South in multilateral fora

- ✓ An invitation to ASEAN countries to join Global Centre for Traditional Medicine being established by WHO in India.
- ✓ Call for working together on Mission LiFE.( Lifestyle for the environment).
- ✓ Offer to share India's experience in providing affordable and quality medicines to people through Jan-Aushadhi Kendras.
- ✓ A call for collective fight against terrorism, terror financing and cyber-disinformation.
- ✓ Invitation to ASEAN countries to join Coalition for Disaster Resilient Infrastructure.
- ✓ Call for cooperation in disaster management.
- ✓ Call for enhanced cooperation on maritime safety, security and domain awareness.

**(II)Jan 2022----** 2<sup>nd</sup> ASEAN Digital Ministers meeting with India.

**(III)15 June 2022 --**The 24<sup>th</sup> ASEAN-India Senior Official's Meeting (SOM) was hosted in Delhi.

**(IV)June 2022----**Special ASEAN-India Foreign Ministers' Meeting' was held in New Delhi.

**This was to commemorate the 30th anniversary of the ASEAN-India Dialogue Relations in 2022. India is part of the ASEAN Plus Six grouping, which includes China, Japan, South Korea, New Zealand, and Australia.**

**The year 2022 has been designated as the 'ASEAN-India Friendship Year'. The year also marks the tenth anniversary of India's strategic cooperation with ASEAN.**



# Evolution of India ASEAN relations

**1992**---India began formal engagement with ASEAN in 1992 as a “Sectoral Dialogue Partner”.

**1996**---- India became “Dialogue Partner” in 1996.

**2012**----The Dialogue Partnership was further elevated to a Strategic Partnership.

**2018**---During the 25-year Commemorative Summit in New Delhi (January 2018), India and ASEAN further agreed that the Strategic Partnership will be focused on building cooperation in the maritime domain.

**2022**----The year 2022 marks 30 years of ASEAN-India relations and it has been designated as ASEAN-India Friendship Year by the leaders in October 2021.

# What is the Significance of ASEAN for India?

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# Cooperation between India and ASEAN

## 1) Economic Cooperation:

- ✓ The 5th ASEAN-India Business Summit took place on 6 March 2023 in Kuala Lumpur.
- ✓ ASEAN is India's fourth largest trading partner.
- ✓ Establishment of The ASEAN-India Free Trade Area.
- ✓ 2003--ASEAN India-Business Council (AIBC)--collaborates key private sector players from India and the ASEAN countries on a single platform.
- ✓ **2010----ASEAN-India Trade in Goods Agreement (AITIGA).** It has created one of the world's largest free trade areas
- ✓ 2015----The **ASEAN-India Trade in Services Agreement.**

## **2) Socio-Cultural Cooperation:**

- ✓ People-to-People
- ✓ Educational collaboration with ASEAN students in India,
- ✓ Capacity building of ASEAN diplomats,
- ✓ Exchange of Parliamentarians, etc.

## **3) Fund Collaboration:**

- ✓ ASEAN-India Cooperation Fund
- ✓ ASEAN-India S&T Development Fund
- ✓ ASEAN-India Green Fund (prepare a short note)

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#### **4) Strategic cooperation:**

- ✓ India's relationship with ASEAN is foundation of India's Act East Policy.
- ✓ India has established a separate Mission to ASEAN and the EAS in Jakarta.
- ✓ Both shares glorious record of 25 years of Dialogue Partnership, 15 years of Summit Level interaction and 5 years of Strategic Partnership with ASEAN.
- ✓ 2018---Delhi Declaration 2018---to celebrate 25 years of India ASEAN relations. Importance to cooperation in the Maritime Domain.

- **Delhi Dialogue:** annual Track 1.5 forum (Key focus areas: politico-security, economic and socio-cultural).
- ASEAN is central to India India's Indo-Pacific vision of Security and Growth for All in the Region.(SAGAR)
- **ASEAN-India Centre (AIC):** Key thrust on policy research and creating synergies with organizations and think-tanks in India and ASEAN.

# **November 2022---Vice President of India attended the 19<sup>th</sup> ASEAN-India Summit in Phnom Penh, Cambodia.**

## **Highlights of the Meeting:**

### **• Act East Policy:**

- ✓ India-ASEAN relationship forms the central pillar of India's Act East Policy.
- ✓ India reiterated its support to ASEAN centrality in the Indo-Pacific.

### **• Comprehensive Strategic Partnership:**

- ✓ Announcing the elevation of the existing Strategic Partnership to Comprehensive Strategic Partnership.
- ✓ Enhancement of India-ASEAN cooperation in various areas such as maritime activities, counter-terrorism, cyber security, digital economy, environment, science & technology, tourism, among other areas.
- ✓ Proposal to expedite the review of ASEAN- India Trade in Goods Agreement (AITIGA) to make it more user-friendly, simple, and trade-facilitative.

- **Peace and Security:**

- ✓ Both sides reaffirmed the importance of maintaining and promoting peace, stability, maritime safety and security, freedom of navigation and overflight in the Indo Pacific Ocean.

- **Deepening Dialogue and Coordination:**

- ✓ As part of maintaining “**ASEAN-Centrality**”, the two sides reaffirmed the importance of deepening dialogue and coordination through ASEAN-led mechanisms including the
  - ASEAN-India Summit,
  - the East Asia Summit,
  - Post-Ministerial Conference with India (PMC+1),
  - ASEAN Regional Forum (ARF),
  - ASEAN Defence Ministers’ Meeting-Plus (ADMM-Plus),
  - Expanded ASEAN Maritime Forum (EAMF)



## **(III)Regional Comprehensive Economic Partnership Program (RCEP)**

- The RCEP came into effect on January 1, 2022, marking the formation of the world's largest free trade zone in terms of trade volume.
- It is a Free Trade Agreement between 10 members of ASEAN and 5 FTA Partners (Australia, New Zealand, China, Japan, South Korea) of ASEAN.
- India though is an FTA partner of ASEAN, it opted out of RCEP in November 2019.


# Aims and Objectives of RCEP

- Economic objectives:

- ✓ Lowering of tariffs,
- ✓ opening up of trade in services
- ✓ Promotion of investment.

- Reduction of costs and time for companies– How? It allows them to export a product anywhere within the bloc without meeting separate requirements for each country.

It has

-  To deal with issues of intellectual property, however it does not cover environmental protections and labour rights.

## Significance of RCEP

- Demographic: Covers nearly a third of the world's population, some 2.2 billion people.
- Economic: RCEP covers approx 30% of global gross domestic product (GDP), worth \$26.2 trillion (€23.17 trillion).
- Will eliminate 90% of trade tariffs within the bloc.
- RCEP will establish common rules around trade, intellectual property, e-commerce and competition.

# Why did India opted out of RCEP?

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# Challenges within RCEP

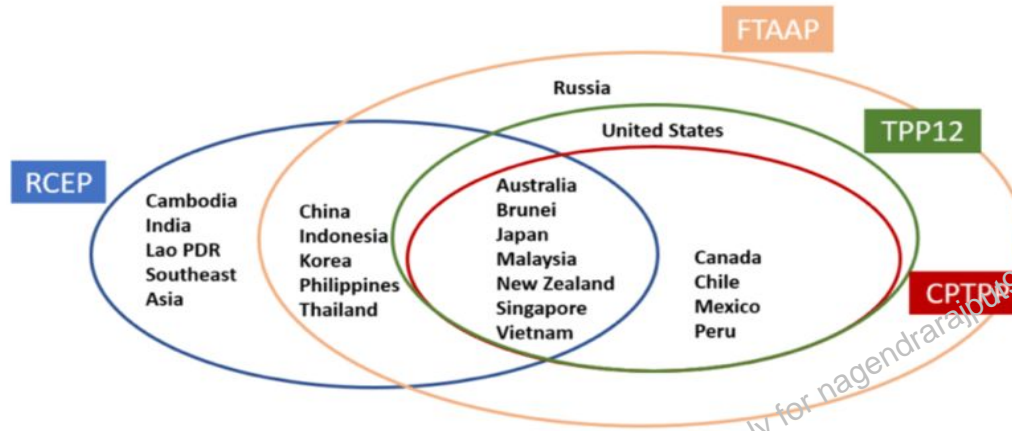
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**QUES/- Keeping into mind the present global economic scenario,  
Do you think India should review its position on RCEP.  
Discuss.**

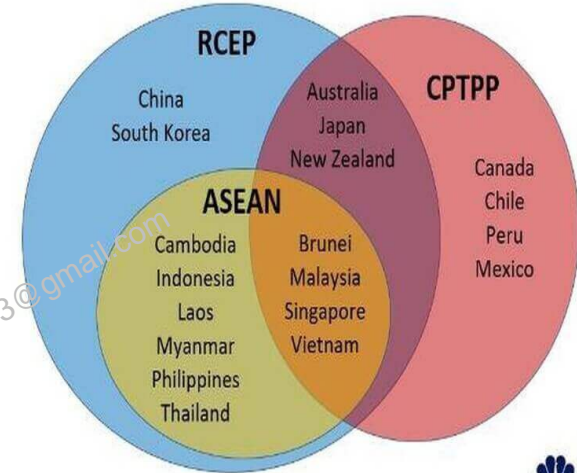
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# Trade Groupings involving Asia Pacific Region



## Trade groupings involving Asia Pacific nations



SOURCE: The Economist Intelligence Unit



## 1) Free-Trade Agreement of the Asia-Pacific (FTAAP)

- A proposed free trade agreement among the 21 APEC economies.
- The U.S. government now publicly supports FTAAP, after opposing it before.



## 2)Regional Comprehensive Economic Partnership (RCEP) Vs

## 3)Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

### 15 Countries Sign World's Biggest Free Trade Deal

Key facts about the Regional Comprehensive Economic Partnership free trade deal



Countries  
**15**

Population  
**2.2 billion**

Combined GDP  
**\$26.2 trillion**

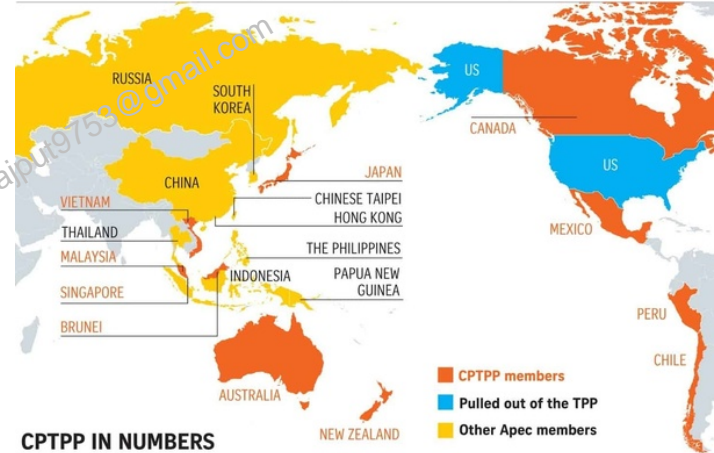
Share of global trade  
**28%**

Share of global economic output  
**30%**

**10 ASEAN countries+China, South Korea, Japan, Australia and New Zealand**

### TPP-11 to move forward on trade deal

The 11 remaining members of the Trans-Pacific Partnership (TPP), all of them in Apec, will push ahead on their free trade deal without the United States. They have renamed it the Comprehensive and Progressive Agreement for the TPP (CPTPP).



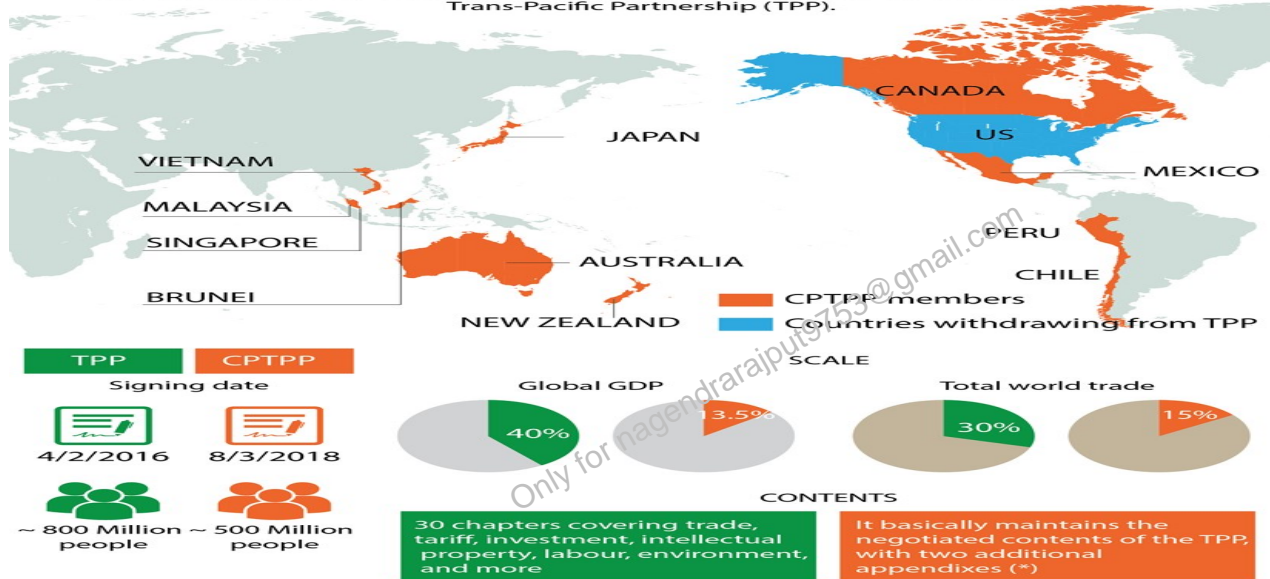
### CPTPP IN NUMBERS

<b>6</b>	No. of members needed to ratify it before it can enter into force	<b>60</b>	Time needed to enter into force after the ratification requirement is met	<b>20</b>	Provisions from the original TPP that will be suspended, 11 of which dealt with intellectual property
<b>13.5%</b>	Share of global GDP, down from 40 per cent had the US stayed in the TPP			<b>\$13.6 trillion</b>	Economic output of members

SUNDAY TIMES GRAPHICS

## DIFFERENCES BETWEEN TPP AND CPTPP

Ministers of 11 countries joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) signed the deal in Chile on March 8 (local time). The agreement is expected to be effective from early 2019. CPTPP's predecessor is the Trans-Pacific Partnership (TPP).



\*\*The 1st appendix is on the list of 20 suspended obligations of the TPP and four issues needed renegotiation, such as investment and investment licences, telecom dispute settlement, conditions for bidding participation, transparency and equality in procedures for pharmaceutical products and medical equipment...The 2nd appendix is on seven issues related to technical features of the new deal.



Source: VNA

<http://infographics.vn>

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**US President Donald Trump withdrew the US**

**signature from TPP in January 2017.**



# Way Forward – India & ASEAN

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## **(IV)India- Japan Relations**

**March 19<sup>th</sup> 2023--Japanese Prime Minister Fumio Kishida's visit to Delhi.**

- **Three agendas** top his visit at a time when the global order is in a massive churn- **bilateral economic and security cooperation; regional Indo-Pacific security agenda within the Quad framework** (with the US and Australia being the other partners); and **a global G-7 agenda with Japan as its chair.** (Aimed at synchronising plans for the G7 summit in Hiroshima in May 2023 and the G20 summit in Delhi in September 2023.)

- **PM Kishida announced a new plan for an open and free Indo-Pacific, seeking India's support to check China's growing influence across the region.** China is the biggest common challenge India and Japan face in protecting their territorial integrity and economic security — over China's assertion on Ladakh and Arunachal Pradesh in the Himalayas, and Senkaku Islands in the East China Sea.

Japan is also wary of China's territorial-military claim on the entire South China Sea. The two seas are crucial for global trade.

- **Both India and Russia are poles apart on Russia:** Japan wants more sanctions against Russia. But as G-20 chair, India has prevented the forum from being used for any such announcement. India has not blamed Russia for the Ukraine war, and also defied the Japan-West bloc by purchasing cheaper oil from Russia.

**March 2022---** Japanese Prime Minister Fumio Kishida visited India. He described the country as an “indispensable partner” of Japan to achieve the ambitious goal of peace, prosperity and stability in the Indo-Pacific region. India will be central in all the four pillars of Kishida’s FOIP Plan, namely

- (a) principles for peace based on respect for diversity, inclusiveness and openness;
- (b) addressing challenges in an Indo-Pacific Way anchored on equal partnership;
- (c) multi-layered connectivity; and finally
- (d) security and safe use of both the sea and airspace.

**9 July 2022---**India announced one day national mourning as mark of respect for Shino Abe's death. Later Prime Minister Modi met his Japan's counterpart Fumio Kishida in Tokyo, where Indian Prime Minister attended Mr. Abe's state funeral.

**Sep 2022----**India Japan 2+2 ministerial dialogue was held.

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## **Q. How can India and Japan collaborate in the defence sector to cope with the China challenge? Discuss.**

**Ans: Start with discussing Chinese challenge:**

- Militarization of the South China Sea:
- Developments in Taiwan Strait: emerged as a new flash point in the region.
- Common security threat by China: India is facing the threat across LAC and Japan in the South China sea.

**Then write collaboration in the defence sector to cope with the China challenge**

- October 2008– “The Joint Declaration on Security Cooperation between Japan and India” got issued.
- “2+2” meeting.
- Annual Defence Ministerial Dialogue and Coast Guard-to-Coast Guard dialogue.
- Bilateral exercises---JIMEX, SHINYUU Maitra, and Dharma Guardian. Both countries also participate in the Malabar exercise with the USA.
- Quad alliance.
- Other points

# **Key Challenges in path of India-Japan Relations**

**Ques/-“Though India and Japan shares similar interest in keeping the Indo-Pacific open and free, their bilateral cooperation is still lacking.” Comment**

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# Way Forward

## UPSC PYQ

**Q/- The time has come for India and Japan to build a strong contemporary relationship, one involving global and strategic partnership that will have a great significance for Asia and the world as a whole.’ Comment. (2019, 10 marks))**