

PART-C

1 CHAPTER

India and South East Asia Policy— Key Drivers

After reading the chapter, the reader will be able to develop an analytical understanding on the following:

- Historical analysis of Indian engagement.
- Evolution and analysis of the Look East Policy.
- From the Look East to the Act East Policy.
- Analysis of key themes in Indian engagement.
- Regional relationships and their dimensions.

HISTORICAL ANALYSIS OF INDIAN POLICY

The significance of South East Asia (SEA) as a strategic region for India's security matrix was highlighted in 1941 when Japan invaded India by launching attacks during the World War–II. Recollection of these developments compelled K M Panikkar to advance the idea of collective security. Panikkar asserted that India should strive for establishing interdependence with SEA to ensure that it forms a sphere of co-prosperity with India at the centre of that sphere. Nehru always believed that India's geographical location and its power could transform it into the pivot of Asia. When India became independent, a core element of its foreign policy was promotion of decolonisation. India always believed that imperialism not only facilitated economic-cum-political exploitation, but also promoted myriad forms of racism. India also opposed imperialism for strategic reasons. It believed that strategic autonomy can only be preserved if India dealt with states which were decolonised. Only decolonised states would give Indian an option to preserve autonomy of action in global affairs. India was concerned that even after the World War–II, colonial rule in Asia might continue as before, in which case, India's quest for autonomy of action would not materialise. Thus, after India's independence, it became a strong advocate of decolonisation.

When Japan surrendered the control of Indonesia in 1945, the Dutch attempted to colonise Indonesia. India, along with Australia, took the question of Indonesia to the United Nations (UN) and after four years of intense diplomatic negotiations, the Dutch failed in their efforts. In January 1949, New Delhi organised the conference on Indonesia and forwarded the idea of an independent Indonesia. In February 1949, the UNSC too passed the final resolution for an independent Indonesia, thereby paving the way for the ousting of the Dutch. The issue not only brought India and Indonesia closer, but the two sides developed defence relations, with India beginning to train Indonesian army officers.

Simultaneously, India tried to materialise its decolonisation policy strategically in cases of states neighbouring Indo-China. As per the Geneva Accord on Indo-China, three international commissions of supervision and control with an Indian chairman for each were created for Vietnam, Cambodia, and Laos. India used its decolonisation policy to seek independence for Vietnam, Cambodia, and Laos.

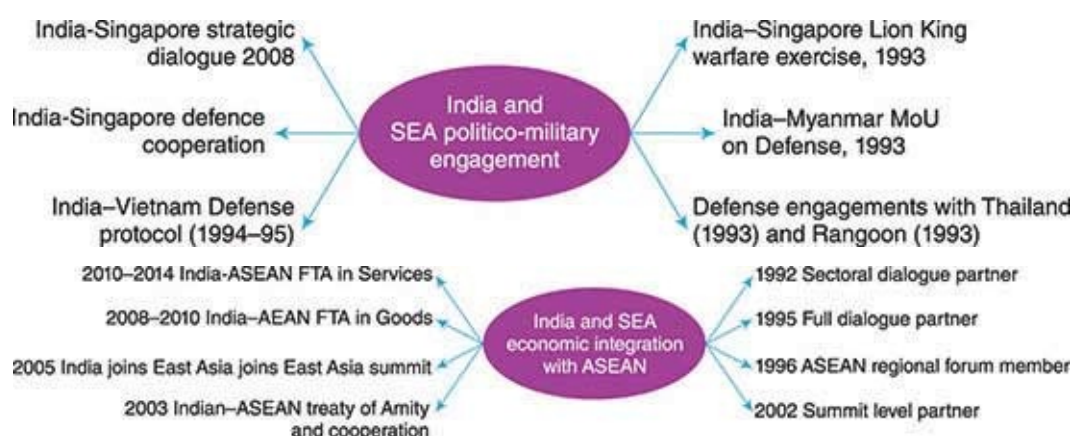
India also used its policy of non-alignment to build up relations with SEA. Burma and Indonesia were two states that also supported the non-alignment to ensure their stable existence. The British India had had SEA as its third largest trading partner. When India became independent, it had a decent trade with SEA. India, after independence, adopted an autarkic economic model. As India began to look inward, the South East Asian states began to adopt an export-led growth model. The SEA states began to seek support for industrialisation from the west and the USSR. Thus, due to different economic models, trade between India and SEA began to decline and all complementarities were lost.

As India was a British colony, the British from India took a lot of workers to work in their other colonies. The British had colonised Burma and had taken Indians from South India belonging to Chettiar community to work in rice fields in Burma. The Chettians constituted a large chunk of Indian immigrants to Burma. Burma, after independence from the British, initiated land reform policy (Burma for Burmans) and passed the Land Alienation Act of 1948. This policy of Burma affected the Indian immigrants and they looked up for support from India. Nehru took up the issue with Burmese PM U Nu at a non-official level. The concerns of the Chettiar community people could not be resolved. As a result, a lot of Chettians began to return to India. Nehru did not take up the matter officially with the Burmese leadership as he feared losing Burmese support to non-alignment. He thought that if he took up the matter with Burma, it might perceive this as an interference by India in its internal affairs, which, in turn, would have repercussions on Burma's continuance of support to non-alignment. Thus, for India, the strategic concern of Burmese support for non-alignment emerged as more important than the concerns of the Indian immigrant community. A similar issue had erupted in Malaya where a sizeable chunk of Indian community resided. After the independence of Malaya, their government passed multiple legislations that led to discrimination against the Indians. Nehru urged the Indians to display loyalty to their local governments and urged them to integrate with the local masses than raising their voices. He wanted India to be the light of Asia and an interlocutor between the West and Asia. This idea was not received well by the SEA states who felt that end of imperial control by Europe could lead to rise of neoliberalism by India. Nehru's self-proclaimed leadership role in SEA created enormous suspicion amongst SEA states and some smaller states even began to feel that India might try and colonise them.

Due to the adoption of a closed economic model, India was unable to provide any support for the economic growth of Asia. In 1962, after the Sino-India conflict, the SEA began to perceive that India might not be able to provide military security to any of the decolonised states either. Post 1962, India came to be perceived as a marginal player in the region till the end of Cold War. The 1960s saw a further deterioration of ties. In 1965, when India and Pakistan engaged in a conflict, Indonesia supported Pakistan. The alliance of Indonesia with Pakistan came as a big blow to India. In 1964, USA-Vietnam war began and India began to support Vietnam. India criticised USA presence, which was not well

received by SEA states. The states of SEA began to perceive India's hostility towards USA as a part of its alliance with the USSR. In 1971, when India-USSR signed a Treaty of Friendship and Cooperation, the SEA fears got intensified further. As India picked up an anti-West fault line, it was completely isolated in 1967 when the ASEAN was created. The ASEAN was made to promote economic integration and has a pro-West tilt. After the 1971 war between India and Pakistan, Iran threatened India that any future attack on Pakistan would lead to retaliation by Iran on India as such an attack on Pakistan would be perceived as an attack on Iran as well. The SEA states began to feel that India was too fixated with war to be a potential player for engagement. In the subsequent period of 1971, when India resorted to military modernisation, it was perceived suspiciously by SEA states. The Indian response to Sri Lanka in 1980s on issue of Tamil minorities and its subsequent military intervention in Sri Lanka heightened the concerns of SEA states that began to feel that if ethnic Indians are mistreated, India may resort to military use. The PM of Singapore, Lee Kuan Yew, was a friend of Nehru and always favoured a deeper engagement with India and a larger role for India in Asia. He even urged India to test a nuclear weapon to balance China after China tested a weapon in 1964. When Singapore was created in 1965, Lee urged India to train the military officials of Singapore. He wanted India to not only have an Asian Monroe doctrine but favoured a deeper naval engagement of India in the region. However, a struggling India, defeated in 1962 and devastated in a conflict with Pakistan in 1965 (devastated due to domestic problems), had neither the material capabilities nor a strategic vision to achieve the dream envisaged by Lee Kuan Yew.

Manmohini Kaul aptly summed up India's relation with SEA and the ASEAN states by stating that India's relations during the Cold War were a slew of missed opportunities, mistrust, misperception and bungling diplomacy. As the Cold War ended, India began to forge a closer relationship with the USA and began to improve relations with states which were allies and partners of the USA. As India embarked upon a path of open economy and liberalisation, the SEA states emerged a natural choice for India for partnerships. In the late 1980s, China was becoming militarily assertive in the region and its military assertion on Paracel and Spratly islands had created a new sense of fear amongst the states of SEA. China was also exerting a strong influence on the ASEAN and many SEA states perceived it an attempt to dominate the ASEAN. The SEA states and ASEAN members initiated a Look West Policy to engage with India as a potential regional balancer. India responded positively and in 1991-92 announced a Look East Policy to engage with SEA at the politico-military level. India also began to integrate economically with ASEAN.



As India opened up its economy and began to economically integrate with SEA, energy security became the core concern for India. To feed its rapidly growing economy, India began to explore options to import energy from Myanmar. India's OVL began to explore offshore gas fields in Vietnam (the chapter on India–Vietnam relations ahead will elaborate on this). To promote development of India's North East and maintain peace and stability, India has cooperated with both Myanmar and Bangladesh. During the recent visit of Sheikh Hasina in April 2017 to India, the two sides evolved a security-cum-defence partnership. Myanmar and India also cooperated with each other to carry out a surgical strike in 2015. Not only had PM Rao initiated the Look East Policy, but Gujarat also tried to bring India at a centre-stage in the region of Asia–Pacific with his Gujarat Doctrine. Under Gujarat Doctrine, India decided not to insist upon reciprocity in affairs with smaller states in the neighbourhood. The recent attempts to deepen ties with SEA and EA have taken an aggressive push with India's Act East Policy.

In conclusion, we may say that during much of the Cold War era, Indian policymakers ignored SEA. There were many reasons for the failure of India to establish ties with SEA. Initially, the Nehruvian idea to consolidate and establish Asia solidarity failed to take off. As majority of the SEA states feared communism, they showed faith in the ideology of the US. At the end of the Cold War, India's Look East Policy was designed to attract investments from SEA and boost trade through market access. India also began integration with the ASEAN. During the Vajpayee regime, the Look East Policy II brought in a security dimension along with trade. Finally, during the Manmohan Singh era, an FTA was put in place for goods and services. The Modi government has renamed the Look East Policy as the Act East Policy with an intention to seek investments and keep a check on China. To achieve this, there has been a thrust towards deepening defence ties with Vietnam, Japan, Singapore, and Australia with focus on infrastructure creation in Myanmar.

EVOLUTION AND ANALYSIS OF LOOK EAST POLICY (LEP)

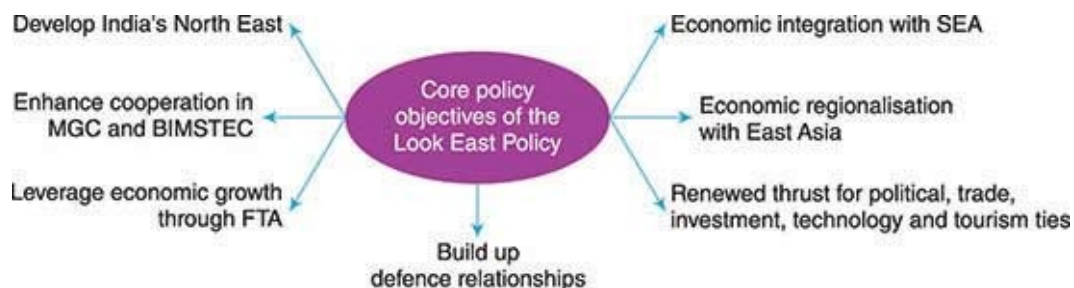
In 1970s, the SEA region itself was yet to emerge as an economic magnet. Apart from India's own protectionist policies, Myanmar was a closed economy and Bangladesh did not provide the needed transit. Ideologically too, India differed from SEA. Thus, due to differing priorities, India could not leverage its cultural ties with SEA. Things began to change at the end of the Cold War as ASEAN states adopted a Look West Policy to counterbalance the dominance of China. As India began to look towards the East it realised that its diaspora in SEA is very different from the Chinese diaspora. The economic profile of the Indian Diaspora in SEA was very low compared to the economically vibrant Chinese diaspora and migrants.

India's economic crisis in 1991 and the end of the Cold War led P V Narasimha Rao to give a strategic push to India's engagement with SEA. An all-party consensus too began to emerge to improve ties with SEA based up cultural and spiritual affinities while economically integrating India into the region. Without wasting much time, India decided to recover the loss of the USSR by building up a relationship with the USA and allies of USA in SEA. As India adopted an open economy, India decided to learn the models from SEA. The Rao government officially launched the LEP in 1994 when Rao delivered a lecture during his visit to Singapore. In the first phase of the LEP, India decided to expand

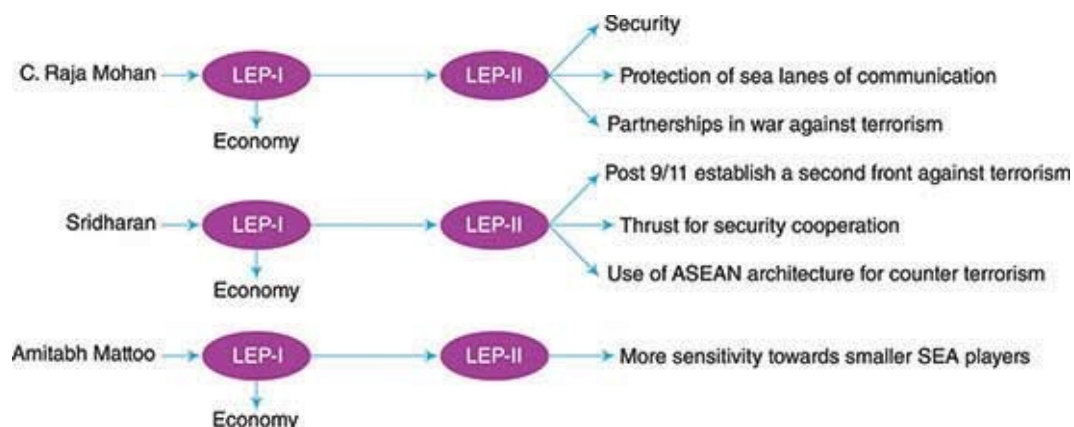
economic ties with SEA and provide an answer to ASEAN'S search for an alternative to China in the grouping.

LEP in Phase-I = South East Asia + Economic Integration

The idea of LEP was to economically integrate with ASEAN. India wanted to attract investments from SEA to facilitate its domestic growth. As India and SEA had historical and cultural ties, and the LEP provided a bridge to the past. India also wanted to stabilise its North East which could eventually be used a springboard to reach SEA. Thus, India under LEP, began to prop up its diplomatic presence in the region.



The LEP of India was further enhanced during the Vajpayee government. Some scholars have called it Phase-II of the LEP. The second phase has focussed on enhancing security partnerships. The second phase also expanded the geographical sphere of India's engagement in the region to include East Asia. A few scholars' views could be helpful in our analysis here.



LEP-II = SEA + East Asia + Security + Economy

FROM LOOK EAST POLICY TO ACT EAST POLICY

As the LEP paid rich dividends, India was not only able to economically integrate itself with the ASEAN but also able to secure an FTA in both goods (2010) and services (2014). The Indo-ASEAN trade reached \$100 billion. In 2011, during her visit to India, Hillary Clinton urged India to not merely Look East but Act East. The suggestion was made at a time when the UPA government was in power. Ideologically, the Congress government was not very inclined towards deep liberalisation. Clinton's suggestion of Act East demanded more action oriented economic integration with SEA and East Asia (EA). Nothing materialised during the UPA regime. In 2014, after the coming of the NDA government to power, the new Indian PM Narendra Modi, at the 12th Indo-ASEAN summit at Nay Pi Taw in Myanmar, announced the transition from LEP to the Act East

Policy (AEP). The basic theme of the AEP was to focus on integration with the ASEAN by improving connectivity with the ASEAN states. India, under the AEP, wants to promote connectivity, cultural ties and commercial ties with SEA and EA. India has invited the Head of the States of all 10 ASEAN Members as Chief guests for 2018 Republic Day celebrations in New Delhi as a part of outreach under AEP.



Under the AEP, India wishes to reinvigorate ties and explore strategic dimensions of its relationship with Vietnam, Singapore, and Myanmar. There is an enhanced focus on connectivity and increased levels of historical interaction. The aim is to have an accelerated engagement with the Asia-Pacific region at a strategic level with focus on transnational crimes, marine piracy, nuclear issues, and freedom of navigation the focus is upon improving connectivity at land, air, and maritime levels. India has contributed to three funds.



One of the core dimensions of the AEP is to also promote people relationships based upon civilizational links of common language, religion, tradition, dress and crafts. If LEP was about improving economic-cum-security relationship with SEA and EA, then AEP is about adding strategic content to the relationship across Asia-Pacific with focus on connectivity, culture and commerce. In 2015, India and Singapore concluded a strategic partnership agreement. India has also upgraded its strategic partnership with Vietnam, Japan and Malaysia.



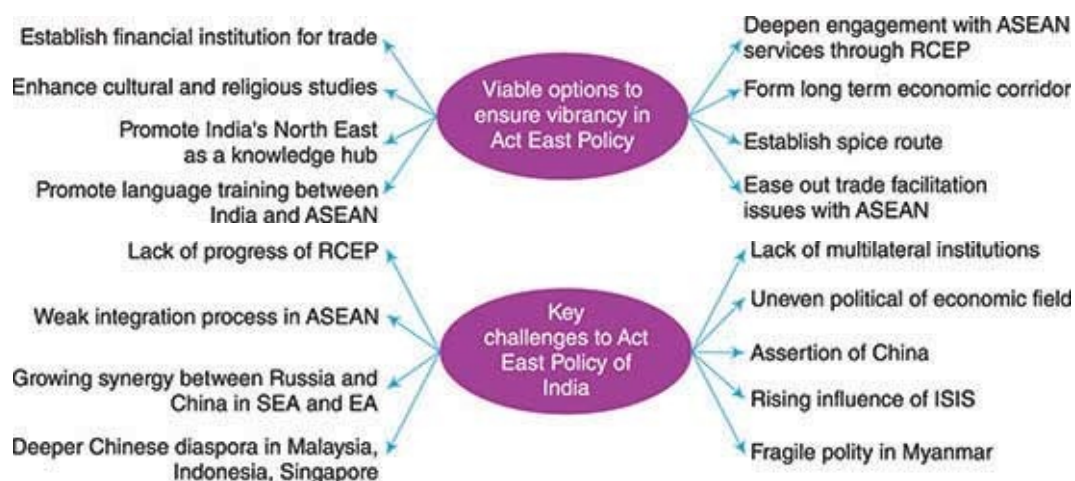
How does Act East Policy (AEP) Realign Indian Foreign Policy along its Historical Axis Towards the East?

In 2002, Vajpayee gave a lecture in Singapore where he asserted that India's position in Asia-Pacific was a political fact. Modi in 2014 made it a reality by changing the Look East Policy {LEP} (which was centered around ASEAN) to Act East Policy (based on an extended cultural outreach). The AEP is different from the LEP as it focuses on building defense, cultural and economic partnerships with states in the Asia-Pacific region. Brahma Chellany asserts that AEP has enhanced India's external prestige as an integral part of Indio-Pacific region. A key element of the AEP is that India has started internationalizing disputes in the Indo-Pacific region to psychological pressure on irritants (the recent mentions of South China Sea dispute in

bilateral statements between India-USA and India-France is a testimony to the fact). There is a rising consensus that US President Donald Trump may allow China to take charge of the Indo-Pacific and may reduce its own influence in the region. This may lead to India plough a lonely furrow. India has to hedge against this uncertainty by enhancing relations with the states in the Indo-Pacific. The AEP realigns Indian foreign policy along its historical axis towards the East. India is aggressively using the soft tool of Buddhist legacy to reclaim the unique historical leverage.



The North-Eastern states of India have been identified as a launch pad for the AEP. The region is envisioned as a Natural Economic Zone from where economic corridors are to be developed. The idea is to develop infrastructure in the North-eastern states to integrate them with CLMV states.



What makes the AEP different from the LEP is the action component. Under the AEP, India is also investing more diplomatic capital to boost strategic component of relationship with Japan, Australia, South Korea, Vietnam, Singapore and Pacific-rim states. The future of the AEP will depend on how India uses the AEP to develop its North East to act as a springboard for connectivity. We can sum up the policies in the following diagram:



Look East Policy–When?

There has been a serious concern that India never articulated the tenets of the LEP. There has been a criticism that the governments never pronounced or articulated the visions clearly for the public. The Rao government never explained what exactly the

LEP stood for. S D Munni remarks that LEP was never spelled out. Moreover, the way it was carried out suggested that it was neither a reaction to geo strategy nor an articulated response to the post-Cold War period. India's former foreign secretary Salman Haider says that the term LEP was rather an off-the-cuff slogan. He emphasises it was crafted to garner the attention of the media for Rao's trip to South Korea in 1993. In fact, a predominant theory was that Rao coined the term during a lecture in Singapore in 1994. Haider further states that Rao never used the term LEP in the lecture, stating only that Asia-Pacific could potentially emerge as a springboard for India's emergence to global markets. This is why there is no official date for the initiation of the LEP.



RCEP—Is it a Trade Pact that would hurt India?

India is negotiating RCEP with fifteen countries (for detailed analysis-refer to [Section-F, Chapter-2](#) of the book). In May 2017, at the Ministerial Conference for RCEP in Hanoi, a lot of pressure was applied on India to make concessions in goods, services and investments. At the level of trade in goods, India has offered that it will give up the three-tier tariff reduction. Under the three tier tariff reduction proposals, India has offered different coverage of tariffs. For members of ASEAN it is 65% tariff coverage for trade in goods while it is 42% tariff coverage for Australia, New Zealand and China. There is a pressure on India to accept higher product coverage for all trade partners. It is proposed to India that it should accept 92% coverage uniformly for all. India on the other hand has offered 80% coverage (instead of 90% proposed) with 75% for more developed players. There are studies done that show that if tariff cover from 92% to 80% product coverage is accepted, then the dairy sector of New Zealand will decimate the Indian dairy sector. There are pressures on India to push provisions in IPR beyond TRIPS that are likely to have serious consequences on the generic medicine sector in India. As protectionism in the West rises, India needs to make inroads into the RCEP without making compromises on agriculture, IPR and industrial sector.

ANALYSIS OF KEY THEMES IN INDIA AND SEA AND EA

In this section, we shall adopt a thematic approach to India's ties with SEA and EA. We will try to build upon the knowledge from the previous sections of the chapter to broaden our understanding.

Theme 1: Challenges and hurdles in India's integration with SEA and EA

Way back in 1946, in a memorandum to the Ministry of External Affairs (MEA) in India, Nehru asserted that India lies at the centre of security in Asia and shall play a larger role in security of SEA. This vision was reiterated later by Lee Kuan Yew, who wanted India to be a balancer of forces in the region. India did take certain policy steps to promote and deepen ties with the region, but the ground reality is that there is a huge gap between what is promised and what is achieved on the ground. The Modi government's shift to the AEP was undertaken with an intention to remedy the existing deficiencies but it also will require some major changes in the policy to get things moving.

In the initial years of the British rule, there was a great enthusiasm amongst the nationalist scholars to establish cultural colonies in SEA as they perceived that the region had once functioned as a cultural progeny of India. Nehru too dreamt of organising a new forum to assert India as a lynchpin in affairs of SEA. Nehruvian diplomacy in Burma, Indo-China, Indonesia, Korean crisis and Vietnam were steps to assert the same, but, all strategies failed to achieve this ambitious pan-Asianism. The LEP and later the AEP are initiatives that have helped regain some of the lost space. India is now negotiating Regional Comprehensive Economic Partnership (RCEP) to establish the largest free trade bloc in the world. Yet India's economic interaction with the region has not yielded results because of its stunted domestic growth. The FDI in retail has always met with stiff resistance in this regard. A deeper economic integration with SEA and EA is impacted due to a fragmented internal market of India. The new government in Delhi since 2014 has pushed for domestic reforms. 'Make in India' and GST are landmark achievements. Steps to boost up port infrastructure through the Sagarmala initiative have been launched. India's bureaucratic hurdles and its officials' discomfort with equity from foreign shores has demotivated SEA states. For example, in 1994, Singaporean PM Goh Chok Tong envisaged an alliance between Tata and Singapore Airlines, which could only materialise in January, 2015 with the launch of Air Vistara. The lack of progress in BIMSTEC and Makong-Ganga cooperation have caused much inconvenience. The major reason for lack of progress in the two organisations has been reluctance of India to develop its North-Eastern region. Though the AEP has raised the pitch, progress on the ground is still awaited. At the security level, India's defence bureaucracy has failed to evolve plans to garner resources for the growth of the country. India's oil exploration forays in SEA and mineral trade at foreign policy levels have not been synced with proper security for the sea lanes of communication.

Theme 2: Counter-terrorism Operations between India and ASEAN

The ASEAN, through mechanisms like ASEAN Plus Three (APT), East Asia Summit (EAS) and ASEAN Regional Forum (ARF), divides the great powers of the platform for dialogue to ensure stability. Apart from other areas of engagement, India and the ASEAN today are cooperating with each other in counter-terrorism. In the period prior to 9/11, terrorism was also an agenda for discussion at a regional forum like ASEAN but only as a priority to be tackled at the national level. The ASEAN states ensured that they refrained from intervening in national strategies of member states. Post 9/11, the ASEAN faced the challenge of unifying all different approaches followed by member state to combat terrorism. On the side-lines of the 7th ASEAN summit in 2011 in Brunei, the ASEAN states adopted a declaration on Joint Action to counter terrorism. Subsequently, in 2011, the ASEAN Convention on Counter Terrorism (ACCT) was adopted. The ACCT delinked terrorism and religion and displayed sensitivities about the dangers posed by terrorism to global peace and security and the development of the region. The ACCT recognises that the ASEAN's existence is not threatened by terrorism but terrorism may impact the long-term goals of the ASEAN. The ACCT also asserts that each sovereign member state may evolve their own laws to tackle terrorism and re-affirms a non-interventionist approach. The ASEAN has scrutinised terrorism as a transnational crime while allowing member states to implement their own approaches. It has limited interaction between the member states on political basis but has facilitated legal and technical cooperation. The member

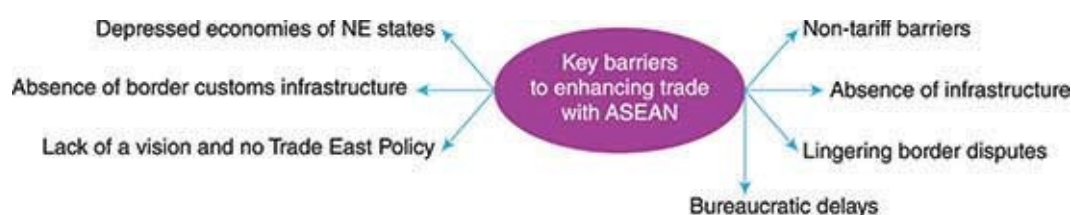
states meet to strengthen the ACCT while allowing operational parts to be resolved by states. India and the ASEAN signed a Joint Declaration for co-operation to combat international terrorism in Bali in 2003. India, since 2009, has agreed to the ASEAN Regional Forum (ARF) work plan on counter terrorism and transnational crime.



In 2014, the ASEAN had already asserted that the ISIS was a threat not just to the Middle East but to the rest of the world. The future of Indo-ASEAN cooperation lies in how the two sides develop a plan to counter ISIS that affects the stability of both the ASEAN states and India.

Theme 3: Trade Potential between India and ASEAN

India, under its AEP, has asserted that it aims to enhance commercial relations with the ASEAN region. During the Cold War, the main barriers to trade with the ASEAN included India's inward-looking policies and lack of connectivity to promote land trade with Bangladesh and Myanmar. The slow pace of development in West Bengal and Northeast also acted as hindering factors. Thus, lack of infrastructure, connectivity and development at the borders hindered cross-border trade. Though India signed an FTA in services with ASEAN, the situation as of 2017 is that not all ASEAN states have ratified the FTA. It is understood that India could rectify its trade deficit with ASEAN in goods if the agreement on services is ratified by all states as India could capitalise on areas of its comparative advantage (that range from IT to higher education to medical tourism). To take maximum advantage of the trade with ASEAN, India needs to work upon its infrastructure and institutions of governance. To foster trade, India has been extending lines of credit as well. The poor rank of India in the 'ease of doing businesses' too had been a big hurdle to realise its potential—a situation that is now being addressed to redress the mechanisms involved.



Theme-4: ASEAN celebrates its 50th birthday in 2017—An assessment

In 2017 ASEAN completed 50 years of Asian regionalism. When ASEAN was born in 1967, many believed that the organization will not be able to survive, yet it succeeded due to multiple reasons. Firstly, the most powerful binder was the anti-communism policy in the grouping. The five founding members (Philippines, Malaysia, Singapore, Indonesia and Thailand) of ASEAN were open economies and used open economy as a tool to achieve economic integration. At the end of the Cold War, the erstwhile communist states of Cambodia, Laos, Myanmar, Vietnam and Brunei made a transition to an open economy and entered ASEAN. ASEAN received a lot of flak from the West when it engaged with

Myanmar as Myanmar was under a military rule. ASEAN however continued to engage with Myanmar as the core value of ASEAN was that trade and economic integration are good confidence building measures than isolation. It is due to this value of ASEAN that Myanmar was finally able to transition to a democracy. In contrast, the West has isolated Syria and Syria is unlikely to witness such a transformation. Today ASEAN has emerged as a reliable platform for geopolitical engagement in Asia. The success is rooted in Masyawah and Mufakat (consultation and consensus) culture which has been championed by ASEAN. Today ASEAN has emerged as an integrated single market due to two key things:

1. Legal charter envisaging free movement of goods, services, capital and skilled labor (in 2007).
2. ASEAN Economic Community (in 2015).

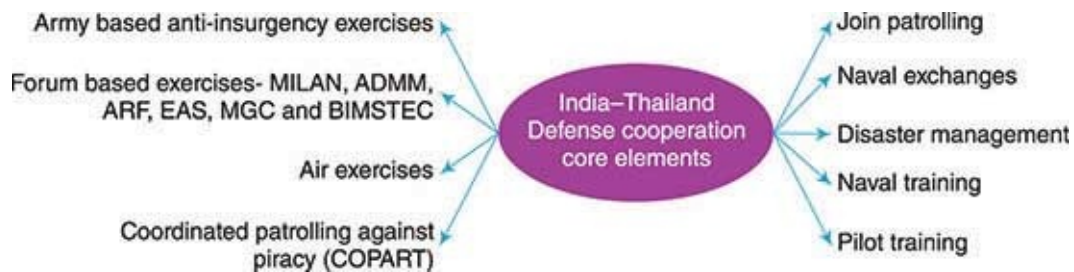
In September 2017, a Parliamentary Standing Committee in India headed by Bhupendra Yadav has suggested 69 ways to improve India-ASEAN trade diplomacy. The report asserts that India should allow ASEAN to access Indian markets in leather, pharmacy and textiles. A core recommendation was to increase the economic interaction so that ASEAN can play a major role in enhancing manufacturing sector of India. The committee has asserted that India needs to focus on creating corridor of connectivity and corridor of trade with ASEAN.

REGIONAL RELATIONSHIPS AND THEIR DIMENSIONS

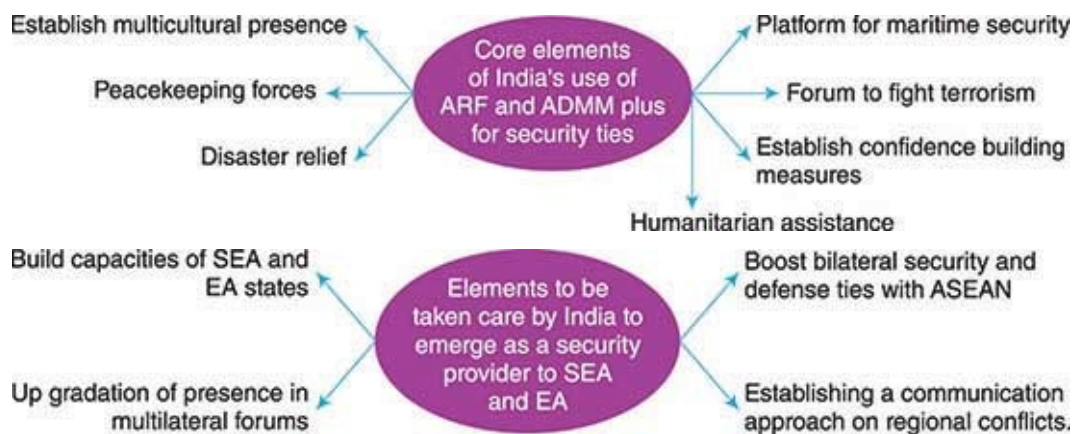
Survey of Security Relationship between India and Thailand

In 2012, India and Thailand celebrated 65 years of diplomatic relations. In 2012, the Thai PM Yingluck Shinawatra was also the chief guest for the Republic Day celebrations in India. For Thailand, India is strategically located as a gateway to South Asia and the core of Thailand's Look West Policy. Indo–Thai relations go back to the ancient times when Ashoka sent a mission to Swarnabhumi to spread Buddhism. This led to a rise of cultural exchanges between India and Thailand. In 1947, the two states established diplomatic ties and Thailand became an integral part of India's Look East Policy. A key regional binder for India and Thailand is the BIMSTEC. The relations have been deep at the economic level between the two states as they signed an Early Harvest Scheme in 2003 that ultimately culminated into an FTA.

The rise of China in the region has altered the security dynamics of the region. The Chinese assertions in the South China Sea and its hegemonic ambitions have become a cause of concern. What is also important is that none of the states wishes to live in a Chinese dominated system as both prefer more freedom and autonomy. For Thailand, China has been a security threat since the World War–II and during the Cold War. In the post-Cold War times, Thailand and China concluded an agreement for strategic co-operation in 2007. The support of China to Thailand in the aftermath of the financial crisis had caused a shift toward strategic cooperation. Since 2007, Thailand has come to recognise the importance of China for the Thai economy. However, the recent Chinese assertion in South China Sea has opened up a new space of co-operation for India and Thailand. Both sides have now explored defence as a hedge against regional uncertainties. In 2012, India and Thailand concluded an MoU on defence co-operation.

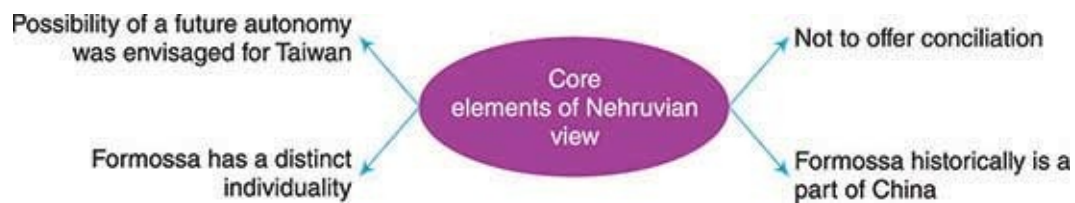


The bigger question that arises is whether India can successfully emerge as a security provider to East Asia against the rising uncertainties. India has not used its LEP to bolster security and defence relations as it has preferred a lesser engagement in the security realm. As China and its assertiveness increases in the area, the SEA and EA states expect India to be able to provide security through strategic engagements with the players in the region. The Japanese and Koreans too see India as a net security provider in the region. It is in this context that Indian began to assert its role as a net security provider since 2012 by beginning to use the Indian Ocean as a region to demonstrate its capabilities. As India believes East Asia is also a part of its extended neighbourhood, it has begun using a mixture of soft and hard power along with sustained political, security and economic interaction within the region under its Act East Policy. Under the AEP, India intends to use the existing institutional architecture to deepen ties with the region. The recent AEP signifies India's strategic interest in injecting the strategic dimension into the relationship. India has already enhanced strategic control of its relation with Vietnam, Japan, Singapore and South Korea. Thailand has emerged as the next destination, along with Indonesia, where relations can be taken to a strategic level. India has emerged as a security partner of the region and the AEP will give India a further push to the process as it now possesses a vision and the leadership qualities necessary for network building.



Survey of Future of India-Taiwan Relations

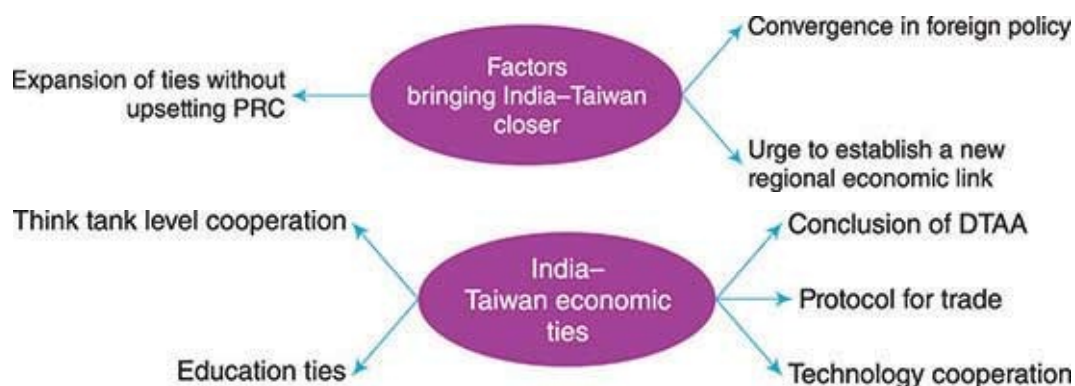
In 1949, India recognised the People's Republic of China (PRC) but not the Republic of China (ROC) {For detailed analysis, refer to the chapter of India and China relationship}. It is not that India offered any position on the issue of Formosa. India believed that it was important to recognise the fact that the PRC had been established. Thus, Nehru recognised PRC and also that Formosa is Chinese territory. As neither PRC nor ROC favoured any international mediation, Nehru also designed Indian policy appropriately and maintained that the civil war of China would end soon and the will of the Chinese people would be abiding. India refrained from playing any conciliatory role in ROC-PRC issue.



During the initial years, as Nehru maintained this policy, leaders of the Hindu Mahasabha, namely N B Khare, and Jan Sangh's Madhok, felt that India had adopted a policy of double standards by not accepting a nationalist Taiwan while accepting a communist China. Post the 1962 Sino-Indian conflict, India and Taiwan began to witness a rise in military and media exchange which today manifests as rising parliamentary exchanges. But in the last 30 years, Taiwan-China relations have improved. A unique feature is that this improvement has not been driven by forces from top down but from bottom up. The Taiwanese businesses have invested heavily in China and as a result, the people-to-people ties have flourished. China has remained adamant on the One-China policy and has maintained that Taiwan is part of China as ROC does not exist anymore.

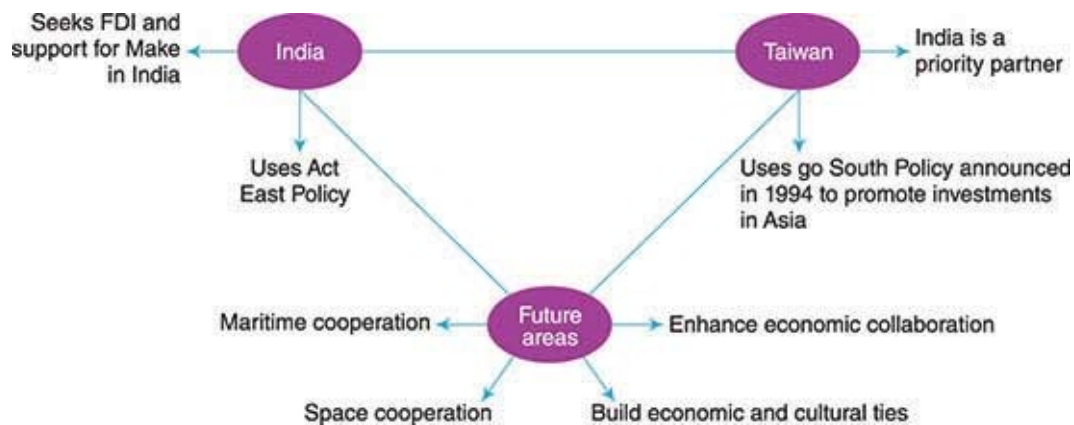
India does engage with Taiwan, but, under a different nomenclature. In 1995, India established an India-Taipei Association in Taiwan while Taiwan established the Taipei Economic and Cultural Centre (TECC) in India. The two sides don't have diplomatic relations and thus lack an institutional architecture. Today, the bilateral trade stands to be \$8 billion as of 2016. India has received FDI from Taiwan. Taiwan has, however, faced difficulties in bringing FDI to India as in the official documents of India, Taiwan is mentioned as Chinese Taipei and the existing Indian rules that apply to China also apply to Taiwan, with no exception applicable. The continental engineering corporation of Taiwan has been working with the Delhi metro. It has often complained about the repeated RBI clearance it had to get for bringing investments to India. Taiwan somehow receives less support from the Indian political elites and its foreign bureaucracy. It is important for India to rectify this imbalance and boost ties with Taiwan.

In 2014, during the swearing in of Indian PM Modi, the representatives from the TECC were invited. Later in the year, as India initiated its AEP, the two states seem to have developed more potential to enhance ties. Taiwan can become a frontier state of India's AEP. In 2015, the two sides celebrated their 20th anniversary of their relations.



Taiwan has initiated a Go South Policy and under which it intends to establish representative offices in the states of SEA for economic engagement. The Go South Policy intends to use economic diplomacy to boost political relation. The new leadership of Taiwan under Tsai Ing-wen favours deeper economic ties with India. It is under the AEP, that India should try to create an institutional framework that will bolster cooperation with

Taiwan. Under its AEP, India can do great fine balancing of enhancing ties in education, science and economy without upsetting China.



In June, 2016, an Indian delegation landed in Taiwan and concluded an MoU on Air Services Agreement and agricultural cooperation. An India–Taiwan Parliamentary Forum was established to enhance political cooperation. In February, 2017, a Parliamentary delegation from Taiwan, comprising of three women members of Parliament led by Kuan Bi Lang, visited India. The delegation supported Make in India and cooperation for smart cities. Taiwan pledged support to boost tourism and people to people ties with India. There were protest from China in 2017 over the visit by Taiwan’s delegation but India dismissed the Chinese protests by asserting that the visits had nothing unusual and had no political meanings attached as such informal interactions are a part Indo-Taiwan engagement.

Survey of Sixty years of India–Malaysia Diplomatic Relationship, 2017

India and Malaysia have historic and civilizational ties. The two sides established diplomatic relations in 1957. In 1993, the two sides concluded an MoU on defence cooperation. Apart from the regular meetings of the defence secretaries of the two countries, the two sides have conducted regular air level and naval exercises. In 2010, the two sides concluded a comprehensive economic cooperation agreement (CECA). As Malaysia is a member of the ASEAN, the two sides also benefit commercially due to the India–ASEAN FTA. The FDI from Malaysia to India is directed primarily in telecom, oil and gas and power plants.

In April, 2017, the Malaysian PM Dato Seri Mohmad Najib Bin Tun Abdula Razak visited India. He addressed a conference of Indo–Malaysia CEO forum. The two sides decided to deepen cooperation in infrastructure, textiles, pharmacy, IT, healthcare, and help in manpower development, data mining, traditional medicine, education, MSME, civil aviation and tourism. To further enhance the India–Malaysia strategic partnership, the two sides have decided to augment cooperation in multilateral affairs and economic issues.



Survey of India and Singapore Relations

The India-Singapore relations began during the Chola period. Cholas named the island

Singapore and established a settlement there. In the modern times, the East India Company used to carry cargo via Singapore to India and it was an important transit route for the British. Singapore was later colonized by the British and governed from Calcutta. Singapore became independent from the British in 1965. In the same year, India concluded a diplomatic treaty with Singapore. India-Singapore relations paced up since the end of the Cold War and in 2005 the two sides concluded a C.E.C.A. In 2015, India and Singapore celebrated 50 years of diplomatic relations. In the same year, Indian Prime Minister also attended the funeral of Lee Kuan Yew. The foundation of the economic relationship between the two is the Double Taxation Avoidance Agreement (DTAA) signed in 1994 (with protocols signed in 2011). India exports light oils, nickel and diamonds while it imports styrene, digital processing units and toluene. Singapore is the second largest FDI provider to India. In 2003, the two sides concluded India-Singapore Defense Cooperation Agreement and established a Joint Working Group on intelligence cooperation. Today, the two sides cooperate in defense at the level of maritime security and defense technologies. There have been frequent bilateral army and naval exercises under MILAN and SIMBEX formats. At the economic level, to enhance commercial diplomacy with India, Singapore follows a three-point strategy. Firstly, it encourages private investment to India. Secondly, it collaborates with countries like Japan and South Korea to invest in India and thirdly, India and Singapore jointly explore possibilities of investing together in other countries (mainly Africa, Latin America, and Central Asia). Singapore has complained about bureaucratic hurdles, procedural hassles and lack of transparency as some of the hurdles in commercial diplomacy. In the recent times, under the leadership of Narendra Modi, India has decided to attract global investment to make India a manufacturing hub of the world. Just like China has used Hong Kong as a collaborator to access international investment community, India has decided to use Singapore in the same way to access global finances. India is taking steps to integrate to the global economy by integrating the India Rupee through Singapore to make it an international currency. The RBI has allowed Indian firms to raise Rupee bonds abroad. Such bonds are raised in the local currency and can be settled in US Dollars. Singapore can play an important role to allow India to internationalize the Rupee. This will strengthen the bilateral India-Singapore commercial diplomacy.