

Chapter – 4

Challenges and Future Prospect

Since 1991, the geographical canvas of India's LEP has expanded considerably with India's involvement in the EAS and EAC, bringing into its ambit with new players and diverse priorities. Similarly, India's engagement with the ASEAN region, the central focus of the LEP, has become much more varied and intense, whether it is in the realm of political, economic or security cooperation. The East Asian spread is vital for India's economic progress and security needs¹. It can be a vehicle for India's greater Asian identity and provide a constructive outlet to such of its energy and aspirations that cannot be absorbed in the South Asian neighbourhood alone. This region is also emerging as the key theatre for the intense interplay of the forces of globalization that will affect the texture and contours not only of Asian, but even of world politics.²

But with the passage of time it became clear that India and ASEAN are no longer separate and both have common challenges. Any objective assessment of nearly the past two decades of India's LEP would suggest that while notable progress has been made, there is still a long way to go and tremendous potential remains to be harnessed.

Challenges

Firstly, the geographical distance and lack of communication are the common challenges in the way of India –ASEAN relations. While distances are not so great between India and South-East Asia, Major obstacles to cross-regional flows

nonetheless remained. South-East Asian business communities complained about inadequate air links between India and ASEAN and felt that there were not enough direct flights to various ASEAN capitals. They also complained about the difficulty of finding seats on domestic flights and the lack of Hotel facilities. In addition, there was a demand for the development of the flow of goods by air (Cargo); Kolkata was a good example, as it could occupy the position of a central hub for the trade in goods between India and South-East Asia. But the services and equipment at the airport were not equal to the ambition of the West Bengal government.³ The warehouses reserved for goods to be exported lacked equally in space and suffered from a chaotic management. Delays in the delivery of goods were a recurrent feature and the frequency of international flights was insufficient. As for maritime transport, inadequate equipment at the Indian ports put the brakes on the regionalization potential of the east coast. Indian companies did not have enough warehouses at their disposal in Singapore's port to gain from its position as a hub and re-export to other Asian countries. Similarly, cooperation between the Malaysia ports of Penang and Klang.⁴ Much better infrastructure, including connectivity by air, road, rail and sea is needed to sustain the anticipated accelerated all-round growth in relations between India and East Asia after the India –ASEAN FTA comes into force. As a result of India's initiative to significantly liberalize its civil aviation policy, air connectivity between India and ASEAN region, has vastly improved since 2004.⁵ India is building many cross-border road links with Myanmar. But there is a big problem in this way that is India-Myanmar-Thailand highway project from Moreh in India to Mue Sot in Thailand via Myanmar is under consideration although progress is much slower than originally envisaged because the three countries have not been able to agree upon the financial terms of the project.⁶

Arguably, one of the greatest challenges to ASEAN-Indian relations, particularly in the economic realm, has been and will continue to be protectionism. India has signed a free trade agreement (FTA) with the ASEAN nations. The agreement allows for the reduction of tariffs on highly sensitive items, and special products. India and ASEAN both submitted their lists of items on which full tariff concession could not be given. India's long list contained more than 2000 items. As a result, ASEAN rejected India's long list and the EHS could not be signed. India reduced its list initially to 1400 items but due to ASEAN's constant opposition India again reduced its negative list to about 500 items. It contained 10% of total number of the traded items. Apart from the negative list, India also proposed a highly sensitive list of nearly 400 items on which there would be no tariff reduction for ten years. ASEAN countries such as Malaysia and Indonesia, however, do not want to see some commodities such as vegetable oil in the negative list of India.⁷ The problem was that both India and ASEAN were not talking about their mutual welfare, but their individual welfare. Even within ASEAN, the welfare of the whole group overshadowed the interests of a few countries. Hence, both ASEAN and Indian leaders must continue to resist protectionism in the future if they hope to deepen bilateral economic cooperation. On the Indian side, AIFTA negotiations took a long eight years, broke down repeatedly, and almost fell through because businesses and politicians feared that a flood of cheap imports from Southeast Asia would cripple domestic industries particularly in fields such as tea, spices, palm oil, and rubber. Though several Indian scholars have documented that these fears are exaggerated and that the overall benefits of free trade far exceed the costs to certain industries, it took great political will from the Indian leadership, including Prime Minister Man Mohan Singh, as well as favorable coalition politics, to finally push the deal through.⁸

The lack of state and economic structural reforms in India and ASEAN could also limit prospects for future cooperation. India's economy has grown at a blistering pace over the last few years, and the Indian government claims it could surpass China in 2010 as the world's fastest growing economy.⁹ However, sustaining the robust economic growth needed for bilateral cooperation will require both major institutional fixes and bold policy changes to enhance Indian economic resilience and boost export competitiveness, as well as improve the business environment for ASEAN investment. Infrastructure programs must be improved or revamped to boost foreign interest in certain sectors like defense should be increased. Reforms must also eventually tackle the deep-seated problems with the Indian bureaucracy, which remains notoriously bloated, corrupt and inefficient. While enacting such reforms is challenging, due to the parliamentary nature of India's politics and the political differences within the United Progressive Alliance, they are critical to enhancing both the domestic economy and the prospects for further ASEAN India economic cooperation.¹⁰

There are a problem between India and ASEAN about the rapid expansion in trade, investment and tourism between India and ASEAN. That is all true except that if you look more deeply into the data on trade investment and tourism between Indian and ASEAN, you will find the almost one-third of the trade between ASEAN and India is accounted for by Singapore. Almost all the FDI of India in ASEAN is made up of investment tourism from India to ASEAN is directed at Singapore.¹¹

At a time when India's mushrooming economy's demand for energy is rapidly growing, India's domestic energy supply has not registered corresponding rise. In order to meet the demand for energy, India set out its quest of sources of energy around the world. Small wonder that the energy-rich Myanmar has come to occupy a

pre-eminent position on India's energy security map. Myanmar's importance as a supplier of energy to India has been further enhanced as it happens to be "a leading potential long-term source of energy supply free from the geopolitical risks of West Asia Oil and gas". State owned GAIL (India) Ltd and NGC Videsh Ltd. hold 30 percent stake in the exploration and production of gas in Myanmar's A-1 and A-3 offshore blocks in Rakhine State the in place reserves from A-block are considered to have a potential of 2.8 TCF (Trillion Cubic Feet) to 3.56 tcf. In addition to its own share of gas from the A-1 block, India hoped to get additional gas supplies" to make the import plans more feasible and help bridge the growing short fall of the clean energy fuel available in the country.¹²

With a growing economy, India's energy requirements have grown manifold, leading to an increasing dependence on an uninterrupted supply of energy from extra regional sources. India has gradually turned to North and Southeast Asia, Looking for supplies from Indonesia and exploring avenues for long-terms resources from the Middle East, which from India's perspective is becoming too unstable and too competitive. Most of the supplies from the East would transit the waters in Southeast Asia.¹³

The recent Arab world 'Uprising' complicates the journey towards global economic recovery and stability. Uncertainties over the global oil supply have nearly doubled the price of crude oil since bottoming in late 2008. However, the significance of the event to the energy market a major factor in the global economy extends beyond the oil price. The post-uprising effect may result in other possible geopolitical risks, such as change of government policies and relationship with other world superpower, particularly the U5 and EU. As Bangladesh frustrated India's efforts to get gas from Myanmar through its territory, India contemplated belatedly to bring gas

from Sittwe port in Myanmar via Aizwal Silchar-Guwahati-Siliguri to Gaya through a 1575 K M pipeline. Meanwhile Myanmar and China signed an MOU on March 12, 2007 according to which China would get the entire stock from A-1 and A-3 blocks. This caused "disappointment" to India.¹⁴

The lingering after-effects of the financial crisis, climate change/natural disaster (drought, flood and earthquake) and the Arab world uprising are amongst the factors behind increasing trends of global food prices to dangerous levels.

According to a recent report from the World Bank, its food-price index rose 15 percent between October 2010 and January 2011 led by wheat, sugar and edible oil and has pushed 44 million more people into extreme poverty. Food security across the Middle East region has become more of a prominent issue of late. If current trends persist, there will likely be plenty of political instability in their wake.¹⁵

ASEAN and India face considerable challenges in the non-traditional security sector. The trans-national aspect of these issues opens potential areas for cooperation and does promote practical cooperation between the ASEAN and India. There are so many challenges that need to be taken into account to improve further cooperation. ASEAN and India must engage in more confidence-building measures in some areas. India's nuclear policy is also at odds with ASEAN's overall goal of ensuring a nuclear weapons-free region. Such asymmetry in important strategic issues need to be addressed by leaders and diplomats if only to ensure that India's eventual rise as a power in East Asia will not be done at the expense of middle powers such as these in ASEAN.¹⁶ India's concerns about security and stability in Southeast Asia encompass a range. Global terrorism today poses a threat not only to internal peace, order and territorial integrity of both ASEAN and India, but also sets serious

roadblocks to achieving the ASEAN vision of building a community of nations living in peace, stability and security. Though both parties have intensified their crackdowns in recent years, India's recent experience in the 2008 Mumbai attacks and the 2009 bombing of the JW Marriott and Ritz-Carlton Hotels in Jakarta illustrate that terrorism will still remain a threat in the future. The problem of terrorism is substantial in the region and they are of different types. First of all, Southeast Asia is the biggest producer of opium and opium related products. There are connections between drug peddlers and insurgent groups in Northeastern part of India comprising Assam, Meghalaya, Arunachal Pradesh, Nagaland, Manipur and Tripura. The drug peddlers have a network and collusion with politicians, terrorists and police and they supply narcotics inside and outside the region. American President Bill Clinton highlighted the threat of Norco-terrorism before the UN General Assembly by saying that,

"no one is immune, not the people of Latin America or Southeast Asia, where drug traffickers wielding imported weapons have murdered judges, journalists, police officers and innocent passersby".¹⁷

Islamic terrorist outfits cause the most important and immediate threat to Southeast Asian security. They are spread indifferent parts of Southeast Asia and have linkages with terrorist organization at the global level. Al Qaida has supporters in Indonesia, Malaysia and Philippines and they have their secret cells in Singapore, Bangkok, Jakarta and other areas.¹⁸

Islamic terror groups are striving for Darulah Islamiah Raya (DIR) aimed at creation of a union of the Malay world. The areas comprising DIR are Malaysia, Singapore, Indonesia, Rakhine, (Burma), Mindanao (Philippines) and Patani (Thailand). They have trained militias and modern weapons. They want to overthrow

the existing order and establish Taliban type of regime in the region. Thus unity in diversity (Bhinekka Tunggal Ekka) and Panchshila Principles, which were the guiding principles of governance in Indonesia, has been threatened. Brunei and Malaysia are constantly reviewing their policies to cope with the demands of fanatic groups. Although both Brunei and Malaysia had to declare Islam as the state religion, it is not sufficient to please the terrorists.¹⁹

Terrorism and transnational crimes are now "two prominent sources of non-state violence and instability in the Asia-Pacific region" For India continuing terrorist violence both in South and Southeast Asia and increasing terrorist organized crime nexus have significant long term implication. Many of the Southeast Asian terrorists have trained in Afghanistan, Pakistan or in Bangladesh, with groups such as Laskar-e-Taiba (LeT), Harkat-ul-Jihad-al-Islami (HUJI) operating both in Pakistan and Bangladesh. Jemaah Islamiyah was training its next generation leadership in LeT facilities in Pakistan, as revealed from the arrests in 2003 of Rusman Gunawar the brother of Humbali, with a network of student from Thailand, Indonesia, Malaysia and Singapore.²⁰

LeT is one of the groups fighting for the independence of Kashmir'sS from India, which has taken an active interest in developments in Southern Thailand. With its transnational links spanning the United States, The United Kingdom, and Australia, LeT's foray into Southeast Asia would be potentially disturbing for New Delhi's strategic interest in the region. Similarly, Southeast Asian criminal networks feature prominently in supply of arms and ammunitions to groups in India's northeast. The clandestine airdrop of arms in purlieu in Dec 1995 meant for rebels in northeast India was linked to syndicates operating from Thailand.²¹

India also has a particular concern about its border with Myanmar where separatist groups are waging decades-old independent campaigns against New Delhi. Four North East Region (NER) states Arunachal Pradesh, Mizoram, Nagaland and Manipur-share a long International border with Myanmar spanning 1643KM. Failure on the part of India and Myanmar to establish their authority effectively over their respective region at the border, encouraged the Indian insurgent Groups (IIGS).

Including United Liberation Front of Assam (ULFA), Manipuri people's Liberation Front (MPLF), two factions of National Socialist Council of Nagaland (NSCN) namely, NSCN-IM led by Muivah and NSCN-IM, Led by Kalplang, National Democratic Front of Boroland (NDFB) and Kamatapur Liberation Organization (KLO) each fighting for its independent homeland. They engage themselves in anti-national and illegal activities such as trafficking in arms, and drugs and smuggling. Most of these rebel groups have their bases in Myanmar. They also use Myanmar as a cross state to secure arms and communication equipment from China. Myanmar's emergence as the "World's second largest opium producer and the largest producer of amphetamine tablets" intensified the problem of drug trafficking.²² Situation along the border is further complicated by the Myanmar refugee camp in India which has emerged as centers of heinous crimes like forced labour, rape and drug trafficking. What is more, Pakistan's ISI and Bangladesh's intelligence outfits and fundamentalist Islamic organization have been fishing in the troubled waters. Look East Policy, therefore, is focused on the economic advancement of the states of NER and the gradual economic integration of the latter with Myanmar and the deprecation and abrupt banning of the use of Myanmar's territory as a safe haven to the anti-Indian elements. In fact, one of the major factors that caused a shift in India's policy towards Myanmar was security concern. India's moves such as the

development of infrastructure in the states of NER and in Myanmar and the military assistance to the Junta, have all been designed to make India-Myanmar border an area of Peace and tranquility in collaboration with Myanmar.²³ Cox Bazar provides an important market for the sale of M-16, different types of Kalashnikovs, AK-47, and Chinese guns. The weapons left by insurgents during the Vietnam War and Cambodian civil war are cheaply available through arms dealers in Southeast Asia. The insurgents in the region are in liaison with arms merchants and rebels in Aceh, Ambon, Mindanao and West Irian are constantly getting their supplies. The problem has been very chronic, which eludes an effective solution.²⁴

Another area of concern is the security of the sea lanes of communications involving not only the critical straits and waterways in Southeast Asia, but also the extended Indian Ocean region, an operational space spanning from the "Straits of Hormuz to straits of Malacca". Security-wise, India shares maritime borders with Indonesia and Thailand, and a long land border with Myanmar, means that India and ASEAN share joint concerns about and interests in counter-terrorism, anti-piracy, counter-narcotics, and sea-lane protection. In the sea, the primary shared security interest is protecting the Strait of Malacca, which connects the South China Sea to the Indian Ocean and is one of the world's busiest sea routes, carrying goods vital to the economic viability and energy security of India and ASEAN. To insulate the sea lanes from piracy and crimes thus a key concern for both sides.²⁵ Besides these, both ASEAN countries and India are exposed to numerous Non Traditional Security risks like climate change and natural disaster relief. ASEAN countries like Cambodia and Laos, could face significant risk from energy shortages and declining crop yields in the near future, while low-lying 'megacities' such as Manila and Jakarta will be highly vulnerable to rising sea levels, tropical storms, drought, droughts and heat

waves. Meanwhile, in India, monsoon seasons are getting more difficult to predict and may become shorter in duration, cyclones could become more frequent and intense, and crop yields could decrease by 30% by 2050. The two parties also share a common commitment to assisting each other with disaster relief, an avenue for cooperation that was visibly demonstrated by the 2004 Indian Ocean earthquake and tsunami that rocked South and Southeast Asia.²⁶

It was only at the century after India acquired credibility as a rising Asian power and an important potential economic partner that India's 'Look East' initiative elicited a serious response from ASEAN and later the other East Asian Countries. As a nuclear weapons power, India is regarded as having the capability to play a 'Swing' role in the global and regional balance of power. ASEAN, Japan and South Korea see closer ties with India as providing a useful balance and a hedge against China's current economic dominance and future uncertainties smaller countries in the region fearing unilateralism by the big powers, see India as a potential security provider, even though it obviously cannot match China's military and economic power and presence in the region.²⁷

The expansion of Indian Navy, during recent years, especially in and around the Andaman and Nicobar Islands, has unfortunately led to adverse propaganda in Australia and Southeast Asian countries. Col. I.R. Ford, an Australian strategic specialist, wrote few years ago,

"There are concerns both within Australia and by other nations within our region, specifically Malaysia, Thailand and Indonesia about the considerable growth of India's military capability and her future intentions. These concerns relate to possible tension that could be

created in the region as India gets stronger and extends its power throughout Indian Ocean and possibly into Southeast Asia".

According to an Indonesian scholar,

India entertained "hegemonistic" Indian strategists admitted that India has motives and intentions of expanding its influence in Southeast Asia, and perhaps to fill one day, the Vacuum left by the possibility of the US withdrawal from the western pacific region."²⁸

A matter of great concern for New Delhi in the 1990 will be the development in Myanmar, a country with which India shares common land and maritime boundaries. India's Myanmar policy seems to have revolved around three important issues engaging the military junta and arresting its drift towards China securing energy, especially natural gas, and connecting to main land Southeast Asia. India, however playing important role even in persuading the military junta to move towards democratic transition and in preventing human rights violations. Despite doing all the exploration work, India lost to China when it came to receiving the supply of natural gas from the A-1 and A-3 blocks of Arakan gas field. India's infrastructural projects connecting northeast with Myanmar and other Mekong countries suffer from time-lag, incomplete project. India has not been able to develop a coherent approach to address the challenges of Myanmar.²⁹

As early as 1944, Sardar K.M. Panikkar had focused attention on the strategic significance of Burma to India. Here quota Panikkar,

"The defence of Burma in fact is the defence of India and it is India's primary concern no less than Burma's to see that its frontiers remain

inviolable. In fact, no responsibility is considered too heavy for India when it comes to the question of defending Burma".

It is necessary to recall the fact that India played a pivotal role in bolstering Burma politically and militarily in the early years of its independence. As is well known, independent Burma was beset with many problems. The assassination of Aung San was followed by revolts by communists and Karens. The security of even Rangoon was threatened by rebel focus. Indian concern was naturally sharpened with the emergence of communist China which shared common borders with India and Burma. Thanks to Nehru's initiative, the Commonwealth countries were persuaded to provide military and economic aid to Burma. Indian assistance to Burma, which encompassed military and economic assistance and also bolstering of the UN regime, was not only aimed to have friendly buffer between India and China, but also prevent destabilization of Northeast India, where the Nagas and the Mizos straddle the India-Burma border.³⁰

India has a particular concern about its border with Myanmar where separatist groups are waging decades-old independence campaigns against New Delhi. Groups such as the Manipuri People's Liberation Front (MPLF) and the Assamese United Liberation Front (ULFA) have used northwestern Burma as a safe haven since the 1970s. The porous border has also long been a hub for smuggling, drug trafficking, and insurgency, with the United Nations Drug Control Program (UNDCP) and the International Narcotic Control Board (INCB) warning that northeast India could become a major transit point for illicit drugs. There is the apprehension that insurgency anti-social activities like terrorism, drug trafficking etc. will pick up with opening up of the border trade outlets. In fact, insurgency in the North East India is the fallout of unemployment problem.³¹

It is a fact that at present the North East region of India lacks of investor friendly climate. But India will have to face the challenge keeping in mind that most of the factors contributing to such a situation are fallout of unemployment problems faced by the youths of the region. There North Eastern region of India lacks adequate infrastructure for development of its tourism sector. For this, all the states including the North Eastern Council (NEC) and the Union Ministry for Development of North Eastern Region (DONER) will have to undertake a lot of home work to harness the tourism potential of the entire region.³² India's 'Look East' Policy is equally a response to the end of the Cold War, when natural relationships based on geographical contiguity and commonality of factors could be established. The global strategic environment has also changed. It was increasingly untenable, illogical and detrimental to India's long term national interests to regard South Asia and East Asia as separate strategic and economic theatres interacting only on the margins. As frozen frontiers in Eurasia have thawed, and peace has returned to Indo-China, New transport and other economic arteries are coming up all around India. Eurasia has diversified its connectivity with the outside world, with new transport and energy corridors linking it to the rest of the world, particularly China, Myanmar, Thailand, Laos and Vietnam are being hardwired with China and inexorably sucked into China's economic whirlpool. These mushrooming linkages will create new long term political linkages and economic interdependencies among Asian region, mired in dealings with its fractious neighbours. The continuing relatively low share of its South Asian neighbours in India's global trade gives India limited economic opportunities in its immediate neighbourhood. In order to fulfill its aspirations of playing a greater regional and global role, India needs an extended political and economic strategic space beyond South Asia given the constraints to India's West, a region full of imponderables,

challenges and troubles, moreover one with a relatively small population, the east is the only direction in India's strategic neighbourhood where opportunity beckons.³³

More recently, important domestic dimensions emerged in India's Look East Policy, namely how to help the Northeast region get over the handicap of its geographical location. India's strategy envisages the development of the Northeast Regions Communication and economic links with Myanmar and other Southeast Asia countries, thereby reducing the Northeast Region's overwhelming dependence on an in helpful and uncooperative Bangladesh.³⁴

Another challenge is the relative lack of development in the human dimension compared to other aspects of the relationship. Without robust people-to-people interactions at the grassroots level, it will be difficult to develop the consciousness necessary for creating a strong and lasting bond between ASEAN and India. Addressing this requires not just developing people-to-people exchanges through traditional methods such as business exchanges, trade fairs, and media, entertainment and sports contacts as is currently enshrined in the ASEAN-India plane of action. As ASEAN Secretary General Ong Keng Yong himself has previously noted, it also means more measures like exchange programs involving youth, academics, artists and literati, initiating dialogue among civil society organizations on issues such as public health, and twinning programs involving human dimension of the foundation critical for its development in the long run.³⁵

China factor

As S.D. Muni says, the challenge for India's LEP comes from two areas (1) the rise of China ; (2) the fluid strategic triangle of India, China, US. He says, in many subtle and explicit ways, India's LEP has been driven by China's rise. China has much deeper economic engagements with India's eastern neighbours and these engagements are going to get stronger. Many of these neighbours find their engagement with China to be mutually beneficial, notwithstanding occasional reservations. India is not in a position to match this and can never provide alternative support to them.³⁶ The rise of China in the Asia in the 1990s, and its security, political, economic and diplomatic implications have emerged as the main pivot around which India has formulated its foreign policy vis-a-vis the East Asian region, and, thus, they call for detailed explication. However since India's ties with China have been dealt with elsewhere in this volume, will just point out that India has responded to an increase in China's power and influence in East Asia by resorting to a policy that involves a simultaneous covert containment and overt engagement of China. Indian political and diplomatic energies have been concentrated on resolving the border dispute with China and seeking a Chinese understanding of Indian sensitivities in its interactions in South Asia-Principally, in China's relationship with Pakistan.³⁷ But as the border issue remains unresolved till the date, coupled with the dramatic expansion of China's power and influence in South Asia and East Asia and India's own ambitions to emerge as a great power, India has also adopted a policy of balancing China. India has resorted to two common mechanisms for doing so internal balancing and external balancing. Internal balancing typically involves enhancing one's own strategic capabilities to counter the perceived threats. External balancing

involves building alliances and relationship aimed at countering the perceived threats.³⁸

India's bilateral and multilateral engagement with ASEAN states essentially is a function of her wider strategic objectives in South-East Asia and the Asia-Pacific region. ASEAN remains integral to India's overall strategic arrangement in the South-East Asian and the wider Asia-Pacific region. Undoubtedly, China is at the core of Indian assessment of the regional strategic environment and Indian diplomacy has played on the fears entertained by most of the states in the region of an economically and militarily rising Chinese power. Through a prudent and subtle assimilation of political, economic and military tactics, which avoids a direct anti-China alliance, axis or coalition, India is consolidating its position in the South-East Asian and Asia-Pacific region as a countervailing or 'balancing' power to China. Almost the states in the region are worried about the rise of China although they refrain from admitting this openly.³⁹

Most of the anti-India propaganda was international and misinterpreted. China took full advantage of this state of affairs. It pushed ahead its naval build-up in the South China Sea located on the northeast side of Southeast Asia and pleaded that its endeavors were aimed at countering Indian build-up in the Indian Ocean on the Southwest of Southeast Asia. The Chinese exercises, in fact, directed at projecting its power potential to South and Southeast Asia, indeed posed a real threat to the security system of South, and Southeast Asia, Such a build-up have been accelerated after the reported withdrawal of Russia and the United States from the Cam Ranh Bay naval base and Subic Bay naval base respectively. The Chinese are keen to fill up the vacuum with its increased presence in the South China Sea. Its naval installations at Pescadores (Pengshu), Pratas (Dongsha), Paracels (Xisha) and around the Spratlys

(Nansha) have been menacing. China has accelerated its claims of sovereignty over the entire South China Sea, which begins at the Southern border of China ends at the northern border of Indonesia. Moreover the Spratlys Islands in the South China Sea are an area of contest and confrontation. Vietnam, Malaysia, the Philippines, Taiwan and China have claims over parts of the Spratlys. As that area has the potential oil assets and is important for the security of the ASEAN region, Southeast Asian states are apprehensive about the Chinese claims and naval build-up. But that has not deterred China from pursuing its claims.⁴⁰

In March 1992, China passed a bill, entitled, "the Law of the people's Republic of China on its territorial waters and their contiguous areas, and arrogated to itself the power to use force to exercise its sovereignty over its far-flung territorial waters including the whole of South China Sea and much of the East China Sea. The law's purpose was to enable China to exercise control over the adjacent areas, and to safeguard state security as well as its maritime rights and interests. Harvey stock win has commented that under this law China could militarily seek to exclude all naval vessels seeking to proceed from the Pacific to the Indian Ocean via the South China Sea. It is estimated that about 4,000 merchant ships traverse this passage every day. China, with the support of this proposed law, could impose a surcharge on the oil tankers, which serve as Japan's energy lifeline and which pass through this sea lane.

All these developments have far-reaching implication for the security of the region, and the ASEAN countries are concerned about it. They are trying to sort out their differences over their maritime borders and 200 miles Exclusive Economic Zone (EEZ).

They are particularly concerned about the future of the Spratlys. Two of the ASEAN states, i.e. Malaysia and the Philippines, are greatly concerned about protecting their rights and ownership of the Spratlys Islands and they attach much importance to them for their integrity and security like Vietnam, they too are not impressed with the Chinese logic and claims over the entire South China Sea.⁴¹

The military regime in Burma is being strengthened by China in a big way. As Bertil Lintner has written, "The present Burmese junta which seized power on 18 September 1988 after crushing a nationwide uprising for democracy clearly saw in China a potential ally, especially when the leaders in Beijing staged a very similar massacre of pro-democracy activities in June the following Years." The Burmese army, which numbered 1, 80,000 are currently 3, 00,000 strong and may go up to half a million by the end of the century. China has provided fighter planes, patrol, boats, tanks and ammunition in addition to sophisticated communication equipments. According to Bertil Lintner, China is also evincing interest in Burma's infrastructure, including the construction of roads from Yuman frontier to Rangoon as well as work to upgrade Burma's Parts. Burma is one of the most important markets for Chinese consumer goods and China imports timber, sea food, minerals and agricultural produce. There is also a flourishing trade in narcotics from the Burmese end of the golden triangle.⁴²

Indian exceptionalism has already created problems. India needs to do something about the no nuke treaty of Southeast Asia. A comparison with China tells us why India lacks imagination. For example, the plans of action between India and ASEAN and between China and ASEAN are worlds apart. China-ASEAN plan of Action has 27 pages. India-ASEAN has any 11 pages and it reads like children's stuff. The paragraph related to Southeast Asia Nuclear Weapons Fee Zone, merely states

that India supports the Southeast Asia nuclear Free Zone and reaffirms its readiness to cite a protocol to the ASEAN no nuke treaties together with ASEAN nuclear weapons as soon as possible. India merely maintained its support for the implementation of this nuclear free zone as an effective instrument towards the promotion of international peace and security. China was the first to inform ASEAN that it was ready to accede to the SEANWFZ treaty. It was ASEAN who is trying to slow down China India has signed the treaty of Amity and cooperation in 2003 but has not yet started on the SEANWFZ. On the other hand, America signed the Treaty of Amity in 2011, it has emerged as one speaking on behalf of ASEAN, on almost anything, on freedom of navigation, freedom of internet. India as the world's largest democracy is still keeping quiet, waiting for its opportunity. It is going to wait for another twenty's years.⁴³

As ASEAN-India relations surfaced, issues started to arise as India's nuclear possession was seen as in conflict with ASEAN stand on non-proliferation of nuclear weapons. ASEAN's ten full members entered into the Southeast Asia Nuclear-Weapon-free-Zone Treaty known as the Treaty of Bangkok, which entered into force on March 1997. The nation of this treaty stemmed from the ASEAN's Declaration on Zone of peace, Freedom and Neutrality (ZOPFAN). Moreover, this treaty creates an obligation to all the member states not to develop manufacture or acquire, possess or control nuclear weapons. It is further stipulated that member states should not participate or assist in any nuclear activities including the transfer, funding, manufacturing and acquisition of nuclear weapons. This is for the evidence of member states in becoming nuclear weapon stations in the region as well as the prevention of nuclear weapon testing and dumping of radioactive wastes that could impose serious threats in the region.⁴⁴

ASEAN reiterated its call to all nuclear weapon-possessing states to perform their obligations and commitments as specified in the NPT towards the realization of the treaty's goals of general and complete disarmament. However, the fact that India is not a party to the said treaty makes its nuclear weapon activities, including testing and proliferation problematic to ASEAN. A potential conflict may then arise with these two conflicting sides on nuclear proliferation: the India's commitment to NSSP and civilian nuclear and space cooperation with the US and the ASEAN's role in enforcing NPT. ⁴⁵

Nevertheless, India's possession of nuclear weapons, while contradictory to ASEAN's traditional stand may not necessarily shake the latter's stability considering that ASEAN has been able to stabilize regional security despite the existence of closer nuclear powers such as China. Considering traditional security issues such as the conflicting territorial claims over the Kashmir Region and the issue in the Korean Peninsula, this may lead to nuclear exchanges that could impose serious threats to the neighbouring non-nuclear states. India's concern that the NPT only widens the gap between the nuclear states and the non-nuclear states and increase the potential for horrific conflict becomes somewhat evident and leaves ASEAN with no choice in this regard. ⁴⁶

Prospects

India-ASEAN relations have gradually evolved and matured over the years, corresponding with the changed nature of international politics in the post-cold war era along with New Delhi's deliberate attention towards the East and Southeast Asian countries. Over the years, India's relations with ASEAN have reached a full dialogue partnership from a sectoral one. Moreover, regular India-ASEAN summits since 2002

have substantially added to the seriousness of the ties and provided a platform for regular, sustained negotiations and deliberations. The trajectory of the relationship has been essentially encouraging with relations having diversified, covering political and security dimensions. As such, India and its relations with the ASEAN countries have a major role in shaping the future of Asia and by repercussions the future of international politics.⁴⁷ The shifting nature of power is something constant in international politics, and the 21st century is being already labeled as Asian century. But the Indian policy makers should create such a scenario where India's arrival as a major power in the international system should not be seen as a liability but as an asset by the ASEAN countries. In recognizing India's stature in regional Asian and international politics, these countries should see a reflection of their rising opportunities for their own countries in an inclusive, healthy and peaceful Asian order.⁴⁸ To make them realize their own success of India would indeed be the litmus test for present and future Indian policy –makers. There are a number of sectors in which both countries can cooperate with each other the Southeast Asian countries and India are increasingly becoming aware and conscious of the imperative of interdependence persistent efforts for economic and political engagements are bound to be supplemented by security ties.

There is significant potential for expanding mutually beneficial economic relation between ASEAN and India. Today, India is US\$ 700 billion economy that is growing at the rate of 8% and looking forward at 9% growth rate and seriously talking 10%. But the India –ASEAN trade has been much below potential. While ASEAN's share in India's foreign trade raised marginally, from around 6 per cent in 1991 to 10 per cent in 2012. India's share in ASEAN's trade was a negligible 1 per cent. In this situation, the India-ASEAN comprehensive agreement offers several alternatives. An

FTA with ASEAN will give India an opportunity to look beyond trade and to areas such as science and technology, biotechnology, tourism, and HRD etc. This enhanced trade will undoubtedly bring India closer to its target of achieving 2 per cent share in global trade.⁴⁹ This will require a systemic exploration of emerging economic opportunities between ASEAN and India-both by ASEAN, as well as by individual ASEAN countries. Acceleration of economic growth requires a substantial increase in the volume of investment in the economy, both domestic and foreign. India should make efforts to promote such investments and to create a climate conducive for investors and entrepreneurs to use the productive capacities and resources of our countries.⁵⁰ Another very important area of economic cooperation among India and ASEAN is in infrastructure development, particularly in railways, aviation and highways. India and ASEAN members are in need of massive investments in building roads, ports, railways, urban infrastructure, energy exploration, etc. India –ASEAN FTA is likely to open up a host of business opportunities and projects especially in ‘construction work’. The Malaysian businesses have particularly successful in securing contracts for roads and highways in India. India is hopeful of security contracts in Malaysia in the railway, sector, and a sector in which it has a good record in Malaysia. The Port of Singapore Authority (PSA) has been involved with the development and management of the Tuticorin Port in Tamil Nadu and the Pipavav Port in Gujarat.⁵¹

Indian requirements of capital in infrastructure are very large. The requirements of Indian airports and railways will alone amount to over \$55 billion in the next ten years. It is believed that Indian economy can absorb up to \$150 billion of foreign investment in the infrastructure sector over ten years. In the world over the fastest growing segment of trade are not goods but services. In the sphere of services,

like transport, travel, banking, insurance, technology and other fields the trade between India and ASEAN remains negligible and that there is substantial scope for increased trade by maximizing trade in services.⁵² There is therefore a large window of opportunities for ASEAN business to invest in India. India has to create the right environment in which public-private partnership can flourish, resulting not only in the efficient use of resources but also in the efficient management and running of infrastructural services. There is need for an ASEAN – India Project Development Facility (PDF) to develop regional projects that are of mutual interests or involve participation by at least one ASEAN and one Indian company. This facility would conceive and develop projects based on technologies, skills and other resources available in the region and would provide pre- investment services such as project identification, preparation of pre-feasibility and feasibility studies, suggest potential sources of project engineering, design, construction, and implementation within the region to the member governments and enterprises potentially interested for the follow up.⁵³

In order to meet increasing energy demand due to its growing economy, India has to focus on energy security as an important area of cooperation with ASEAN countries and with the larger body of the East Asia Summit. India's commercial energy demand, which makes up the dominant share in the South Asian energy demand, is projected to increase by 3.8-4.3 percent a year through 2020. India is seeking to diversify its conventional energy sources and significantly increase exploration of oil and gas in its territory. ASEAN countries, viz. Indonesia, Malaysia and Brunei, possess enough expertise in this area, which can provide considerable scope for energy cooperation. The energy sector companies from ASEAN and India could cooperation with each other in oil and gas exploration and in downstream

processing activities. India is highly dependent on imports for her energy requirements especially hydrocarbons while some ASEAN countries like Myanmar, Vietnam, Indonesia and Malaysia have rich endowments of these resources. ASEAN and India gas grid could be built by extending the ASEAN gas grid to India and thereby creating possibilities of sharing infrastructure facilities by mutually beneficial manner. Indian oil companies like ONGC and GAIL are already involved in a joint venture to explore oil and natural gas in Vietnam. Thus, the two countries are already cooperating in the energy sector, but there is definitely scope for further strengthening it.⁵⁴ Cooperation in the civilian nuclear power sector for energy is also feasible and desirable. Mineral exploration and processing is another area that could be actively explored by India and some countries in ASEAN. ASEAN and India could also cooperate in non –conventional sources of energy. In this respect, India could benefit, for instance, from Philippine experiences and expertise in exploitation of geothermal energy while ASEAN countries may look at India experiences with wind turbines and solar energy.⁵⁵

Cooperation to mitigate energy vulnerabilities is particularly important for the emerging economies of East Asia, including India and ASEAN, as they are largely dependent on a limited range of external energy sources, which expose them to vulnerabilities which could affect their socio-economic development.

For India as well as most ASEAN countries, food security is an important area of concern. There is scope for cooperation in improving productivity and in reducing wastage through application of knowledge, including biotechnology, to various components of agricultural and agro processing value Chain. More specifically, India faces persistent shortages of cooking oil, while Malaysia and Indonesia are major palm oil producers, creating opportunities for mutually beneficial cooperation; India

is a major importer of forest products, while Indonesia and Myanmar are major exporters of these products. This indicates another potential area of expansion of bilateral trade. Similarly, Thailand's expertise in food-processing industry, particularly in deep sea fishing another marine related activity represents another area wherein cooperation is likely to be fruitful. Singapore's largest supermarket operator, NTUC FairPrice, could consider using India as a procurement base for variety of food related and other products. This may assist in Singapore's goal of food security and in strengthening the supply chain for non food essential household goods.⁵⁶

Recognizing the fact that China is a key East Asian player, New Delhi should aim at bridging the perceptual gaps with Beijing on regional integration, following steps may be advisable for India to soften China's reservations-Quickly finalizing India-China free trade arrangement, addressing Beijing's concerns over India having become a part of Western alliance aiming to contain China and taking advantage of the relationship with China-Wary countries like Singapore, Thailand, Vietnam and Japan, all of which wholeheartedly perceive India's role as of crucial importance to East Asia. More the support India gets from the ASEAN, China's surrounding nations and Japan, stronger will be in the position of India to persuade China to accept India's Look East Policy without hesitation. The road to build confidence with China could be a tortuous one for India as a new assertiveness on interests, is now marking the PRC's foreign policy behaviours it is becoming sharper in the case of ties with India, for e.g. on the issues of border, the Dalai Lama and even Kashmir. Hurdles in bilateral political relations can be expected to cast a shadow on China's thinking with respect to India's approach towards East Asia integration, in other words, there may not be an immediate breakthrough in New Delhi's efforts to remove Beijing's doubts regarding Indian regional role. In a broad sense, the continuing Sino-US strategic rivalry in East

Asia will continue to be the most inhibiting element in the matter of regional integration; a heavy responsibility rests on the shoulder of all important stakeholders involved-the US, China, Japan and India, in the matter of overcoming it in the interest of regional stability and prosperity.⁵⁷

Given the emerging expertise of India in the ICT services sector discussed previously, ASEAN countries are likely to significantly benefit from cooperating in the area of information and communication technology, particularly in the development of human resources and on software programmes in the local languages of the respective ASEAN countries.

India has expressed its willingness to assist less developed ASEAN countries in enhancing their capacity in application of information technology (IT). Governmental organization and companies in Malaysia, Indonesia and Singapore have an opportunity to gain from outsourcing IT work to Indian companies. They may also consider availing of IT manpower from India. Indeed, the Info-comm. Development Authority of Singapore (IDA) has signed a MoU with India's premier IT training company, National Institute of Information Technology (NIIT) to persuade IT professionals to locate in Singapore from anywhere in the world.⁵⁸ This could create a dynamic Indian Diaspora with positive externalities for both countries. Among the lower income transition ASEAN countries such as Vietnam there are several other areas particularly these relating to agricultural research and biotechnology where the scientist from India and ASEAN could fruitfully cooperate. They could also seriously consider facilitating trade and investment in agro chemicals and fertilizers. As an example, less cumbersome registration procedures in these countries for pesticides, and related products, could be considered.⁵⁹

India could also cooperate with ASEAN in pharmaceutical and healthcare service sectors. Most of the ASEAN countries are heavily dependent on imported drugs and healthcare equipments. Indian pharmaceutical companies are internationally competitive in certain areas, particularly in generic drugs that are much cheaper than branded drugs. Given the rapidly rising health care costs in many ASEAN countries due to population and individual ageing and, sexually transmitted diseases, opportunities exist in health care activities, and in generic and other drugs including sourcing for HIV-AIDS drugs. Some Indian companies from the health and pharmaceutical sectors already have presence in some ASEAN countries but there appears to be considerable scope for further cooperation.⁶⁰

A recent decision by four major players in the global funding and healthcare, namely the Global Fund & World Bank, UNICEF, and Clinton Foundation, that they would help source and distribute generic drugs and diagnostics at the "Lowest Prices" in developing countries has implications for India-ASEAN cooperation. This is because some of India's domestic pharmaceutical companies may wish to consider negotiating with the above four institutions for procuring the generic drugs and Kits as they could realize substantial savings due to law process negotiated by these institutions with the suppliers which include Indian companies.⁶¹

Educational services are another area of potential cooperation between ASEAN and India. Two Indian School (Bhavan's Indian International School and Delhi Public School) are already operating in Singapore. The latter also has presence in Indonesia. The cooperation in this sector could span areas such as medical and life sciences as well as management and information technology. This would also be vital for India to enhance its capacity-building efforts for the newer ASEAN member. The potential network of the Indian alumni of some reputed institutions in ASEAN, VIZ.

Asian Institute of Management (AIM) based in the Philippines, National University of Singapore (NUS) and the Nanyang Technological University (NTU) could also be exploited for this purpose. Many of their members are now in responsible positions in business organizations in India, and could create an important avenue for furthering economic linkages.⁶² It is a sad commentary that even after 65 years of independence, India does not have a research institution comparable to the Institute of Southeast Asian Studies in Singapore, Cornell University in the United States and Monash University in Australia. It is imperative that the Government of India and the University Grants Commission invest more resources in the building up of Southeast Asian studies programmes, so that they could provide the much needed academic inputs into policy making. These institutions could also be the centers for academic interaction between Indian scholars and their counterparts in Southeast Asia. Mutual respect and appreciation can be fostered only by educational exchange and cultural cooperation. As Senator Fulbright once remarked, "The greatest power of educational exchange is the power to convert nations into peoples and ideologies into human aspirations."⁶³

Indian University, IIT, IIMS as well as medical colleges must launch a major drive to attract students from those countries. Recent Supreme Court decision, however, will make it difficult to reserve places for foreign students in our universities. Appropriate changes in the law may be considered to remove this impediment, since opening up of our higher education to the Southeast Asians will bring us much needed foreign exchange.⁶⁴

Of all the individual countries in ASEAN, Myanmar is the only country that shares a 1600 KM long border with India. It is thus strategically an important country in the overall ASEAN-India relationship. Myanmar could develop as a gateway to

ASEAN from India's Northeast, an area Indian wants to develop for both economic and security reasons. The foundation for closer economic relations between Myanmar and India has been laid through a series of recent bilateral visits. The main emphasis is in developing road and banking links. In February 2001, Myanmar-India friendship centre for Remotes Sensing and Data Processing was inaugurated. The center has the capabilities in weather forecasting, determination of forest cover and other land use definitions, ground water survey, and other areas.

Another possible area of cooperation between ASEAN and India is that of space technology and its applications for development purposes. India is witnessing a transition from agriculture based economy to a knowledge- based economy of information technology and IT- enabled services industry. Services account for 55 percent of India's gross domestic product (GDP), while exports from the sector were valued at US\$93.7 billion in 2009. India has sent 13 satellites in orbit, produced some of the world's best remote sensing satellites to the moon 2007.⁶⁵ It is using satellite technology to reclaim farm land, bring medical care to remote villages, and as well predict natural disaster. In view of this and India's competitive advantages in terms of cost and expertise, such increased access will be very beneficial. ASEAN economies could cooperate with India in gaining expertise in applying satellite technology for their development purposes. However, India and Thailand signed an Agreement on cooperation in Exploration and Use of Outer Space for Peaceful Purposes in 2002. Antrix Cooperation Limited, the commercial arm of ISRO, and MEASAT Global Bhd of Malaysia signed an agreement to form a Joint Venture company to pool their satellite capabilities, in a major move to develop a satellite neighbourhood for millions of broadcasting and telecommunication customers across

the wider Asia- Pacific region. Both sides need a more pragmatic approach in dealing with the services and investment negotiations under the ASEAN –India FTA.⁶⁶

In order to exploit the full potential of cooperation with the extended eastern neighbourhood, India has to improve its economic performance. The World Bank and other international economic institutions are hopeful of the Asian growth being led by Indian and Chinese economics. But for that, the pace of reform in financial and manufacturing sectors, and bureaucratic procedures has to be streamlined. Inadequate coordination between various concerned departments and ministries, like External Affairs, Commerce, Defence, Finance, etc, has cost India dearly in the past. The Economic Ministries need to develop a strategic perspective in harmony with the broader national strategic profile and interest in different regions of the world. India has to shed whatever hesitation it has on the question of expanding and upgrading transport linkages through air and road with the eastern Asian region. Then Prime Minister Vajpayee's offer during the Bali Summit of October 2003, of a unilateral 'open skies' policy to selected Southeast Asian airlines, India's proposal to have a railway line connecting India's northeast with Vietnam, and the flagging off of a car rally in December 2004 in the region, are firm indications that India is conscious of the challenges of its LEP. In April 2008, India signed the 'Kaladam Multi-Modal Transport Project' to firm to connectivity with Myanmar. Energy and information technologies are emerging as significant areas of cooperation with sense of the Southeast Asian countries. India's economic diplomacy will have to gather dynamism and evolve constructive resilience to reap desirable benefits in these areas.⁶⁷ This task cannot be accomplished by solely articulating a sound policy, but will also require concerted and focused action at the administrative as well as entrepreneurial levels. For instance, in defence productions and sales, private sector is being gradually

involved and procedures are streamlined to ensure that commitments made to the friendly countries are efficiently executed.⁶⁸

The role of Northeastern state in the Look East policy is negligible till date. So far, it seems to be a dictated policy of the central government. India's policy of strengthening its ties with eastern neighbours has been limited to counter insurgency efforts as seen in Bhutan and Myanmar.⁶⁹ The Look-East policy is expected to usher in a new era of development for the North East through network of pipelines, connectivity, communication and trade. The ASEAN- India car rally of 2003 was a notable initiative undertaken by the Indian government to emphasis on the geographic proximity between North-East India and Southeast Asia. Moreover, India has undertaken some bilateral and multilateral projects for boosting connectivity between the Northeast and Southeast Asia. The important ongoing and potential infrastructure projects in this regard are Moreh-Tamu-Kalewa Road, India-Maynmar-Thailand Trilateral highway, Trans Asian Highway, India-Myanmar rail linkages, Kaladan Multimodal project etc. It is through concentrated efforts in various thrust area that Northeast India will be able to stand not only the challenges of the Look East Policy but also to fully participate in the new milieu. Only then, Northeast can hope to be a part of the bridge connecting India and Southeast Asia. Giving the Northeastern states a direct role in this policy by taking advantage of the region's history and shared cultural ties with East and Southeast Asia can ensure a successful Look East Policy.⁷⁰ Industries in the northeastern region need to develop goods. Northeast India and Southeast Asia must grasp the skill of understanding each other's proficiencies, should pay tribute to each other's potential and must reveal greater endurance towards each other's drawbacks. Cooperative endeavors based on mutual trust and confidence will lead to enduring development and proper accomplishment of the policy.⁷¹ Both

ASEAN and India are exposed to numerous Non Traditional security risks- volatile oil markets ,high food prices, pandemics, climate change impacts, to name a few- but being exposed to risks does not necessarily imply that countries have to be vulnerable to them. Vulnerability can be mitigated through adaptive responses, of which cooperative action is a key plank. Non -traditional security threats and global common issues thus do generate a new need for networking among India and ASEAN countries, a new need for articulate these issues as foreign –domestic policy problems, centred around vulnerability, equity and access. Cooperative action will need to involve both “behind the border” cooperation such as, managing cross border risks, and “beyond the border” cooperation such as, negotiating and renegotiating international regimes ,to make them more inclusive and representative of emerging needs and interests.⁷²

Besides contributing to national income, promotion of intra-regional tourism has other beneficial spillover for trade and people to people contacts. A large number of tourists from Southeast Asia come to centers of Buddhist pilgrimage in India every year. With the rise of Indian middle class with higher purchasing power, India has also emerged as a big market for ASEAN countries as a source of tourists. More than two million Indians visited ASEAN while ASEAN tourists visiting India were only 280,000. This however has more to do with limited tourism infrastructure in India and its restrictive visa regime, than a limited desire of the people in that region to visit India. Hence cooperation in development of tourism infrastructure is required. India can benefit from ASEAN countries experience, expertise and resources in development of tourism infrastructure by encouraging ASEAN investment in the development of infrastructure.⁷³

There is considerable scope to activate India's cultural diplomacy to provide backup to its economic initiatives and strategic moves in the region. India's rich cultural heritage can ring many sympathetic cords in the region and its multi-religious, secular and its democratic ethos, as well as rich music, arts and architecture, theatre and cinema have huge responsive constituencies in all the near and extended eastern neighbours. In fact Bollywood (Cinema) and cultural exchanges, like that of the Ramayana troupes can work wonders in pursuing cultural diplomacy. Bollywood's presence is extensively evident in Southeast Asian Countries, but that is mostly commercially motivated and privately provided without only systematic and planned encouragement from the state. These areas have no conflicting edges. A carefully planned and sustained cultural diplomacy can speed up economic engagement and yield impressive results in field of people to people relations and mutual political understanding.⁷⁴ This cultural diplomacy can also be backed up by promoting cooperation in the field of education, science and technology, where India has notable assets and strengths. In many Southeast Asian countries, Indian diplomacy has not adequately reached educational and cultural establishments and ignored mobilising civil societies in pursuance of India's perceived interests. It is hoped that the projects like the revival of Nalanda University in collaboration with East Asian countries, for which Indian parliament adopted a Bill in August 2010, will fill some of this gap. Educational links can provide a lasting and powerful stimulus to regional cooperation and integration.⁷⁵ Besides these there are some other unconventional areas in which cooperation would be mutually beneficial for India and the newer ASEAN members. As an example, it is known that due to prolonged war in Cambodia and Vietnam, many persons have lost their limbs, and cannot afford and artificial are through prosthetic surgery as it is too costly. A low-cost option is the

"Jaipur foot" made in India. The Jaipur foot reportedly costs US\$30 and is as good as or even better on 28 parameters than an artificial foot that costs US\$ 9000 in the US.⁷⁶

In the current Look East Policy phase, importance to security aspects is clearly discernible. Whether with regard to the US, Japan or Southeast Asia, policy-makers appear to be convinced that an enduring bilateral relationship cannot be built unless underpinned by strategic ties. Hence, one can expect security dialogues and defence ties to remain major priorities of the Look East Policy. India's status as the largest navy in the Indian Ocean littoral is unlikely to be challenged and the development of a new command at the Andaman's is indicative of India's eastward emphasis. As far as economic links are concerned, the investment climate is far better today than in the early 1990s and figures indicate that trade is doing very well. Unlike China and Japan, there is no historical baggage to worry about either in terms of invasion or interference. India is not involved in any border or maritime boundary disputes with its Southeast Asian neighbours. In fact, India is uniquely placed to play a kind of balancing role so that Southeast Asia does not come under the influence of any one great power.⁷⁷ There is one area that can provide immense avenues for cooperation, that is, the maritime security in the region, which includes security of sea lanes, the problem of piracy, trafficking in narcotics and small arms, search and rescue, pollution in sea, disaster management, etc, where a joint multilateral effort can perhaps be undertaken along with sense of the Northeast Asian countries.⁷⁸

Despite certain problems with regard to decision-making mechanisms and bureaucratic apathy, many projects started by Southeast Asians are doing very well. After successfully building a technology park in Bangalore, Singapore is planning to build another one. Malaysia is involved in building Asia's largest natural gas container project in collaboration with a public sector company and in the construction of

highways. Interestingly, Singapore and Malaysia in particular, appear to have established good report with the leadership in investor-friendly states of South India.⁷⁹ There is a growing realization in Southeast Asia that, despite China's greater attraction, India is an expanding economy whose size is more than doubles that of all of Southeast Asian countries put together in PPP terms, and it is one of the largest emerging markets for products and services in the world. India's open political system and an independent judiciary are additional plus point. Singapore's current policy of engaging India and simultaneously avoiding excessive dependence on China is like to be the path that other will follow in the coming years, which means further deepening of India-Southeast Asia relations. Goldman Sachs and Co economists Jim O'Neill and Tushar Poddar have come up with a report on "Ten Things for India to Achieve its 2050 Potential" Some of the findings like improve governance, increase trade with neighbours, increase agricultural productivity and improve infrastructure are very much needed in this region. In order to reap the benefits of this policy and form FTA's with the economics of the east the key variables are transit arrangements, proliferation of trade routes and custom check post, easy visa regime making it possible for traders, business persons and transport operators to move in and out of the region.⁸⁰ Therefore, it requires massive investments in infrastructure construction roads railways, air transport and communications facilities. Which has largely absent, Hotels restaurants and resorts needs to be build for tourists. The Shukla commission on "Transforming the Northeast" estimated that such investment would exceed Rs. 25,000 Crores.⁸¹ As envisaged in North Eastern India vision 2020, a substantial increase in investments as well as a significant improvement in productivity is required for the Northeastern region to catch up with the rest of the country by come from the government alone. As a result private investment and loans from Asian

Development Bank and World Bank is needed. However the present political and security environment cannot attract private investors. The government needs to create a secure environment by initiating dialogue with radical elements to bring. Peace and stability in this conflict ridden region.⁸²

The Indian Diaspora, particularly in Southeast Asia, is a major bridge between their adopted countries and India. They have contributed much to their adopted countries and today have the capacity and wherewithal to promote links economic, commercial and cultural between India and ASEAN. Overseas Chinese though greater in numbers, are a major source of foreign investments in China; overseas Indians too are now beginning to invest in India. One day, in the not too distant future, they could become the best insurance for closer friendship and cooperation between India and ASEAN. The domestic spread effect of the Indian Diaspora's growing involvement with their home country could become a significant trigger for socio-economic development and growth of their original home states in India. They will also increasingly become an instrument of promoting friendship between India and their adopted countries.⁸³

The security, progress and rapid growth of India and ASEAN depend on peace and stability in our extended neighbourhood. Both, therefore, have a vested interest in promoting peace and stability. There is a unique partnership evolving between India and ASEAN, based on our shared civilizational bonds and growing strategic, political defence, economic and cultural congruence's. Both seek peace, development, disarmament, stability and are partner in trade and commerce, combating terror and crime, promoting maritime and energy security, jointly working to fight the adverse effect of climate change and above all, in nurturing our mutually enriching civilizational bonds through growing people to people contacts, educational and

cultural exchanges, tourism and jointly exploring the frontier areas of Science and Technology.⁸⁴

India-ASEAN partnership in the coming year is poised to become a major factor in the strategic landscape of the Asia-Pacific. India and ASEAN, together, with the other Asia-Pacific countries are now seeing mutual advantage and the inevitability of together building and maintaining regional peace, security and stability and in evolving a new secure regional strategic and economic architecture in our shared extended neighbourhood⁸⁵. The challenge for Indian diplomacy would be to explore further develop, sustain, manage and maintain a secure, stable, prosperous, democratic and outside interference free region in which all have an equal stake and opportunity. India in this evolving regional architecture has a pivotal place and special responsibility along with countries like Japan, South Korea, china, Australia and the South East Asian countries pillars of emerging Asia-Pacific security and stability. Economic, strategic and defence cooperation are the fulcrums of this mutually inter dependent regional security architecture. Indeed, defence and economic cooperation are the best and most enduring confidence building measures (CBMs) and an insurance against the vicissitudes of international relations. Asia-Pacific has to rediscover its unique identity and common destiny in our collect the pursuit of our region's well being that was the purport of Pandit Nehru's vision for Asia and the message of the first Asian Relations Conference in 1947 and the subsequent Bandung Conference. He saw Asia progressing and moving ahead in unity through cooperation on the basis of Panchsheela. This message, more than ever, is relevant today. ASEAN and East-Asia too now need India as a stabilizing and balancing force in the region.⁸⁶ The countries of the Asia-Pacific, notably, China, Japan, South Korea and Australia will, in their own interest, have to build upon this imperative of an overarching Pan

Asia-Pacific partnership with India and ASEAN if this space is to realize its promise and potential. India, arguably, is no longer peripheral to the Asia-Pacific and should be seen as an integral part of this new emerging architecture. The pursuit of our national and domestic interests in furthering and shaping and Look East engagement is no longer an option but an imperative for India, in partnership with the Asia-Pacific.⁸⁷.

The challenges and opportunities are aplenty for the partnership that ASEAN and India is forging. The partnership is what people in the business called” a work in progress”. It is continuous and evolving. The partnership is not an end to itself. ASEAN and India need to nurture it carefully so that the partnership could withstand the knocks and challenges of globalization and other concerns that might arise from time to time. Both ASEAN and India must display vision, courage and deftness in order to navigate the future challenges that lie ahead for the relationship and fully reap the benefits of mutual cooperation.

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