

Modi's Act East Policy and the Centrality of ASEAN

Kashif Ali*

Introduction

The Indo-Pacific concept emerged at the beginning of the twenty-first century, as the power balance began to shift from the Atlantic to the East. The conjunction of the Indian and Pacific oceans forms the Indo-Pacific. Southeast Asia is the region where the Indian and Pacific oceans meet. There are significant maritime chokepoints in the area. The Malacca Strait, which connects the Indian and Pacific oceans via the South China Sea, carries approximately 40 per cent of global trade. For China, India, Japan, and the US, the region is of paramount strategic importance. India is concerned about the security and stability in the Indian and Pacific oceans as half of its trade passes through the region. Narendra Modi officially announced the 'Act East Policy' in 2014, which has been further developed from the 'Look East Policy'. It clearly demonstrated the India's Asia-Pacific vision. India has been paying close attention to Association of Southeast Asian Nations (ASEAN) since 1990s, as the region is the geopolitical centre of the Indo-Pacific region. Increasing strategic rivalry in the region is putting the centrality of ASEAN under pressure. ASEAN tries to find a balance between major powers and tries to build relationships with other maritime nations in the Indo-Pacific that have similar goals.

Shift in Paradigm

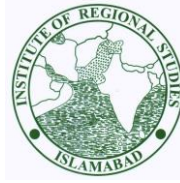
The dissolution of the Soviet Union deprived India of an ally that had consistently supported it. After the cold war ended, a unipolar world order emerged. The economic crisis of 1991 compelled Indian leaders to re-evaluate their foreign and economic policy choices. Therefore, India moved toward a more open and liberal trade regime and its diplomatic and trade relations with the US and Southeast Asia developed. Prime Minister PV

Narasimha Rao announced the economic reforms and implemented policies to rescue an almost bankrupt economy. In 1991, Rao introduced the 'Look East Policy' which paved the way for India-ASEAN relations. The objectives of the policy were very clear; it aimed at developing political relations and increasing economic interaction with the economic bloc. In 1992, India joined ASEAN as a sectoral partner, in 1996 as a dialogue partner, and in 2002 as a summit-level partner. New Delhi continued the policy, no matter whether the Indian National Congress (INC) was in power or the Bharatiya Janata Party (BJP).

Sino-Indian Rivalry

China and India are two of the largest economies in the world. China is the second largest economy and India stands at the fifth spot. The Chinese economy expanded at an average pace of 10 per cent per year between 1978 and 2010 after the reformist policies of Deng Xiaoping. In 2010, China overtook Japan to claim the title of having the second-largest economy in the world. The last ten years have seen a considerable increase in China's maritime presence in the Indian and Pacific oceans as well as the Indo-Pacific Region. The establishment of a naval base in Djibouti, the development of maritime infrastructure in littoral states (the 'String of Pearls'), the stepping up of diplomatic and commercial ties with nations in the Indian Ocean Region, the 2013 launch of the 21st century Maritime Silk Road, and the participation in anti-piracy operations in the Gulf of Aden are all examples of how Beijing has increased its presence in the region. China's rise has created new opportunities for international actors including India. New Delhi has collaborated with Beijing at the Asian Infrastructure Investment Bank (AIIB), the economic bloc of the emerging economies of Brazil, Russia, India, China,

* Mr Kashif Ali is an Intern at the Institute of Regional Studies, Islamabad. He holds a BS (Hons) degree in Political Science from Government College University, Faisalabad.



and South Africa referred to as BRICS, and the Shanghai Cooperation Organization (SCO). China's rise benefits the entire world including India. India faces challenges from China specifically in the area of bilateral security, regional security, economic relations, and trade where the deficit has been widened in favour of China. India's policy decisions under Prime Minister Modi's administration had to be reviewed due to China's emergence as a new and maybe alternative security supplier. The strategic and capacity gap between China and India has continued to develop as a result of China's military modernization and economic growth. Beijing is, thus, able to provide significant economic initiatives and military aid in the South Asian and Indian Ocean region. Beijing has gained access to the ports of Gwadar and Hambantota and developing its Maritime Silk Road across the Indo-Pacific Ocean. Moreover, the border conflict on the Line of Actual Control has become an obstacle in smooth bilateral relations between India and China. After the cold war ended, the lack of strategic rivalry in the Indian Ocean made it possible for New Delhi to not only play a big role but also make sure that the Indian Ocean was a safe place for its strategic goals. The rise of China as a new and potentially alternative security provider compelled India to reconsider its policy options under Modi's administration.¹

Modi Acts East

The current Indian Prime Minister Narendra Modi announced his 'Act East Policy' in November 2014 aiming at the development of India's relations with the Asia-Pacific region. The Act East Policy focused on enhanced connectivity, securing the Indian Ocean, managing differences with China, economically integrating with Southeast and East Asia, and developing strategic partnerships with regional powers such as Japan, South Korea, and Australia. Modi's 'Act East Policy' is a core concept of the Indo-Pacific vision. During the Shangri-La dialogue in 2018 in Singapore, Prime Minister Narendra Modi stressed the unity and centrality of ASEAN at the heart of the Indo-Pacific order. ASEAN and India together make up one-fourth of the world population and share a trade volume of over eighty

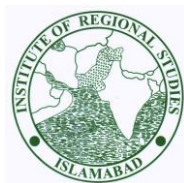
billion US dollars. Prime Minister Modi stated in his speech that India's vision for the Indo-Pacific region was of an open and free region that embraced all in the pursuit of growth and development. Modi's 2018 Shangri-La dialogue gave a deep insight into India's Indo-Pacific vision, concerns, and priorities. The speech confirmed the understanding of Modi about the region as "from shores of Africa to that of Americas."²

ASEAN's China Dilemma

China is the largest trading partner of ASEAN since 2009. China and ASEAN are close enough in terms of distance that they have been able to establish a reliable, long-term trade connection as their economies have expanded. The ASEAN-China Free Trade Area was established in 2010 following the 2002 signing of the Framework Agreement on Comprehensive Economic Cooperation between the People's Republic of China and ASEAN. As a result of these initiatives, bilateral trade has rapidly increased due to reduced tariffs and liberalized investment markets between the two sides. The value of goods traded between China and ASEAN in 2021 was \$878.2 billion, indicating a 28.1 per cent rise over the previous year. However, besides trade, China's growth in region is becoming a policy dilemma for ASEAN.

ASEAN has its issues in the South China Sea. Some of the Southeast Asian states made claims against territories in the South China Sea against China. Moreover, these states have overlapping claims. The conflict among ASEAN members hinders the region's capacity to adopt a unified stance. China has won over some of the ASEAN nations, including Cambodia and Laos, owing to its economic and military capability.

ASEAN consisted of only five Southeast Asian maritime states during the cold war era. It successfully resisted the spread of communism in the region with the help of Western states, primarily the United States and Japan. This experience demonstrates that ASEAN members can survive the growing great-power rivalry by banding together around shared interests and principles. Unlike the Soviet Union and its ideological expansionism, China



is an integral part of the global economy and security dynamic. It uses economic means to appeal to South East Asian citizens and governments.³

India-ASEAN: Challenges and Future Prospects

India and ASEAN have completed thirty years of connectivity in 2022. India is one of ASEAN's most important trading partners. Despite the political differences among political parties, the policy towards Southeast Asia continued regardless of which party held the office. All of India's governments in the last three decades have maintained the policy and concept of 'centrality of ASEAN'.⁴

Dealing with a mighty China, frequently demonstrating the capability to challenge India, as seen in the Doklam standoff and Galwan Valley, India is in search of more like-minded nations interested in cooperating to protect a regional order that favour it. ASEAN is an excellent fit in this context. ASEAN can also help India's underdeveloped north-eastern region grow quickly if linkages that allow for the movement of people and goods are established quickly. However, to do so, India needs to prioritize connectivity projects and address its uneven trade balance with ASEAN member states.⁵

Indian Minister for External Affairs S Jaishankar, the foreign secretary then, while speaking at ST Lee Distinguished Lecture of the Lee Kuan Yew School of Public Policy, Singapore, on 'India, ASEAN and Changing Geopolitics' stated:⁶

"In this changing landscape, few would dispute that the evolving India-China relationship has a direct implication for ASEAN, for the larger Asia Pacific, and perhaps even globally."

India shares certain interests in the South China Sea with ASEAN. New Delhi has a shared interest with the ASEAN states is supporting freedom of navigation, uninterrupted trade, and peaceful settlement of conflicts in the South China Sea following the international law and the UN Convention on the Law of the Sea. The MILAN naval exercises, which have been conducted in the Islands of Andaman and Nicobar since 1995, have enhanced naval connections of India with the South China Sea

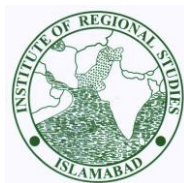
coastal states. Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam have all participated. India has joined hands with ASEAN nations in the Bay of Bengal and the South China Sea through several agreements and naval linkages. India is expanding its relations with individual ASEAN states, notably Vietnam, a key rival claimant in the South China Sea through bilateral cooperation.⁷

ASEAN and India have also held joint military exercises. In March of 2018, for example, a joint operation called Exercise Force 18 was carried out by the armed forces of several ASEAN Plus countries, including Australia, China, India, Russia, and the United States. The seven-day exercise focused on peacekeeping operations and humanitarian mine action to emphasize collaboration among ASEAN Plus members.

To continue their security cooperation, India and ASEAN have adopted the Delhi Declaration of the ASEAN-India Commemorative Summit to celebrate the 25th Anniversary of ASEAN-India Dialogue Relations on 25 January 2018, in New Delhi, which states:

"Reaffirm the importance of maintaining and promoting peace, stability, maritime safety and security, freedom of navigation and overflight in the region, and other lawful uses of the seas and unimpeded lawful maritime commerce and to promote peaceful resolutions of disputes, under universally recognized principles of international law, including the 1982 United Nations Convention on the Law of the Sea (UNCLOS), and the relevant standards and recommended practices by the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO). In this regard, we support the full and effective implementation of the Declaration on the Conduct of the Parties in the South China Sea (DOC) and look forward to an early conclusion of the Code of Conduct in the South China Sea (COC)."⁸

Senior defence officials of ASEAN states are planning an ASEAN-India maritime naval exercise to enhance security and build unity between the bloc's member states and the South Asian nation.⁹ According to the India-ASEAN Plan of Action for 2021-25, the two parties will cooperate in areas



including maritime security, counter-terrorism, peace operations, and cyber security. During military exercises with ASEAN, it was seen that the problem in Southeast Asia is a lack of anti-piracy operations and coastal security.

Throughout the years, disputes have emerged between China and ASEAN claimant members regarding the control, use, ownership, and exploitation of gas, oil, fisheries, and natural resources. India is worried about the increasing tensions in the South China Sea from where more than forty percent of its trade passes. India is interested in using the region's fossil fuel resources to fulfil its energy requirements. ASEAN wants India to play a greater role in counterbalancing in the region due to China's growing ambition in recent years. To strengthen its negotiating position with China, ASEAN must first address its internal problems and maintain support from like-minded maritime parties. These steps would go a long way in establishing a trustworthy and long-term relationship with ASEAN while also allowing India to achieve its domestic and foreign policy objectives.

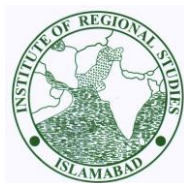
Conclusion

India has made significant investments in Southeast Asia in the areas of political integration,

economic capital, constructing convergence, and improving connectivity. Building strategic ties with ASEAN, enhancing marine integration, and preserving freedom of navigation throughout the Indo-Pacific were some of the main goals of Modi's Act East Policy. ASEAN recognized that maritime security is a top priority in its strategy for the Indo-Pacific. Along with Australia, Japan, and the US, India is the fourth member of the Quadrilateral Security Dialogue, a coalition of maritime democracies. Every participant in the conversation recognizes ASEAN's centrality, hence ASEAN participation is essential for any Indo-Pacific maritime initiative, but it is especially important for India. Despite its worldwide engagements and enthusiastic partnerships, stability and security in the Indian Ocean are a top priority for India. As a result, India has been establishing stronger maritime and defence cooperation with ASEAN nations to ensure the safety and stability of the region. This relationship has been characterized by intelligence sharing about anti-piracy cooperation, white shipping, capacity building, and regular coordinated patrols.

Notes and References

- ¹ Darshana M. Baruah, "India in the Indo-Pacific: New Delhi's Theater of Opportunity," *Carnegie Endowment for International Peace*, 30 June 2020, <https://carnegieendowment.org/2020/06/30/india-in-indo-pacific-new-delhi-s-theater-of-opportunity-pub-82205>
- ² Alyssa Ayres, "A Few Thoughts on Narendra Modi's Shangri-La Dialogue Speech," *Council on Foreign Relations*, 1 June 2018, <https://www.cfr.org/blog/few-thoughts-narendra-modis-shangri-la-dialogue-speech>
- ³ Ryosuke Hanada, "ASEAN's Role in the Indo-Pacific: Rules-based Order and Regional Integrity | Mind the Gap: Comparing Views of the Free and Open Indo-Pacific," *German Marshall Fund of the United States 2018*, no.9, Sharon Stirling, (2019): 7-12, <https://www.gmfus.org/news/mind-gap-national-views-free-and-open-indo-pacific>
- ⁴ Chietigj Bajpae, "The China factor in India's commitment to ASEAN," *Lowy Institute*, 24 January 2018, <https://www.lowyinstitute.org/the-interpretor/china-factor-india-s-commitment-asean>
- ⁵ Sriparna Pathak, "Why ASEAN matters for India," *South Asian Voices*, 7 August 2018, <https://southasianvoices.org/why-asean-matters-for-india/>
- ⁶ Dr. S. Jaishankar, "S.T. Lee Distinguished Lecture of the Lee Kuan Yew School of Public Policy, Singapore on India, ASEAN and Changing Geopolitics," *MEA*, 11 July 2017, https://mea.gov.in/Speeches-Statements.htm?dtl/28609/Speech_by_Dr_S_Jaishankar_Foreign_Secretary_to_mark_25_years_of_India_Singapore_Partnership_at_Shangri-La_Hotel_Singapore_July_11_2017



- ⁷ Nehginpao Kipgen, "India–ASEAN relations: the initiatives, successes, and challenges," *India Review* 19, no.3 (2020): 207-222, <https://doi.org/10.1080/14736489.2020.1754012>
- ⁸ Ibid
- ⁹ Ry Sochan, "ASEAN-India naval exercise planned to promote solidarity," *The Phnom Penh Post*, 18 May 2022, <https://www.phnompenhpost.com/national-politics/asean-india-naval-exercise-planned-promote-solidarity>.