

# CHINA AND THE INDO-PACIFIC IN INDIA-ASEAN TIES: PROSPECTS FOR ASEAN

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# ABSTRACT

India's trading ties with Southeast Asian nations started in ancient times, sustained during the colonial times and later rekindled in the post-Cold War era. Since India embarked on major economic reforms in 1991, economic partnership had been important in India's engagements with ASEAN. Nevertheless, the multipolar world of the 21st century had also given rise to new emerging geopolitical realities that inevitably influence the economic domain of the partnership. The main issue this article attempts to address is how in a multipolar world, China influences India's strategic partnership with ASEAN. The main objective of this endeavour is to highlight the key global dynamics in view of China's rise mainly related to the Indo-Pacific that shape India's partnership with ASEAN; and the opportunities for ASEAN in its ties with India moving forward. This is analysed from the conceptual framework of strategic hedging to highlight how the US-China competition of the post-Cold War era influences the foreign policy outlook of India, shaping India's approach towards ASEAN. The methodology employed for this analysis is a qualitative analysis of primary data obtained from official publications of government websites and portals. Analysis is undertaken chronologically and further substantiated with secondary data from scholarly works, as well as news articles. The findings reveal that since independence, China has featured strongly in India's geopolitical strategies and therefore China's strong economic footprints within ASEAN have much bearing on India's policies towards ASEAN. Nevertheless, India's strengthening partnership with the major powers of the world within the Indo-Pacific framework also has the potential for spin-off effects for ASEAN's economic as well as strategic benefits. In conclusion, the developments related to the Indo-Pacific in view of China's rise, indicate a positive outlook for India-ASEAN partnership which ASEAN could leverage on.

Keywords: ASEAN-India, RCEP, China, Indo-Pacific, regional economic integration

# INTRODUCTION

As the third largest economy in Asia after China and Japan (IMF, 2021), India is among ASEAN's most important dialogue partners in Asia. Trade and economic ties have always formed the backbone of India's ties with the region. This connection can be traced back to the 6<sup>th</sup> century when trading ties were established through the Bujang Valley entrepot. Trade ultimately gave rise to the enduring cultural links that have sustained the region's partnership with India over the years (Murphy, 2018). In modern times, in particular after the Cold War, India's multifaceted ties with ASEAN member states have also been growing on the strategic front. Among the most important developments in the post-Cold War era is the emergence of the Indo-Pacific. This paper therefore seeks to examine how in a multipolar world, China influences India's strategic partnership with ASEAN. The objectives of this analysis are to highlight the key global dynamics in view of China's rise including those related to the Indo-



Pacific that shape India's partnership with ASEAN; and the opportunities for ASEAN in its ties with India moving forward.

### LITERATURE REVIEW

In reviewing literature relevant to India's foreign policy outlook, one key aspect that emerges is that it has been marked by China in the years immediately following India's independence in 1947. China also continues to shape India's global outlook till present time. The key incident that remains at the heart of India's outlook towards China happened in the 1950s. This was when India and China disputed over the regions of Aksai Chin and North-East Frontier Agency (NEFA) now known as Arunachal Pradesh. Aksai Chin was of strategic importance to the Chinese because the main route between Xinjiang and Tibet ran through Aksai Chin and this road link was needed for China to bring troops into Tibet, which had at that time only recently come under the control of the People's Republic of China. Both countries claimed both territories, although India continued to administer NEFA while China administered Aksai Chin. Eventually China proposed legitimising the existing situation and establishing a permanent de facto boundary as a solution to the dispute. However, India's first Prime Minster, Nehru could not accept the solution provided by China and instead moved Indian troops up into Aksai Chin. This led to China attacking India (Pillalamarri, 2014). China's response was unexpected by India, who was overpowered by China's military might. China won the war but withdrew from NEFA shortly after the war but maintained its administration of Aksai Chin. The Sino-Indian war which lasted from 20 October – 21 November of 1962 left many Indians questioning the effectiveness of Nehru's nonalignment policy. Dasgupta (2013) as well as Malone & Mukherjee (2010) mainly assessed that China may not have resorted to a military response had India been aligned to a superpower.

India gained independence in 1947 after the partitioning of India and Pakistan by the British after 200 years of colonisation. It was also the start of the Cold War period. The Cold War period between the years 1947 and 1991 saw the system of the world order being defined by bipolarity. The world was dominated by the two major powers of the US and the Soviet Union. States were divided through their allegiance with the US and the Soviet Union. India was an exception. The principle of nonalignment was the main driver that steered India's foreign policy during the Cold War period. As espoused by India's first Prime Minister Jawaharlal Nehru in 1946 when setting out the template of India's foreign policy after independence, India did not intend to align itself with any specific power, but India remained open to much needed aid from all parts of the world (Nehru, 1963). More recently, India's nonalignment policy had evolved into what is known as strategic autonomy. Pant & Super (2015) in their assessment indicated that at the point of independence, non-alignment of India was based on the era's geopolitical realities and so, similarly in the 21<sup>st</sup> century, according to the realities of the time, especially in the necessity to manage ties with a rising China, India has had to adopt strategic autonomy as its foreign policy outlook. This essentially meant that India was inclined to embark on strategic partnerships with major powers. A policy guide for India's foreign and strategic policy for the 21<sup>st</sup> century by a group of experts comprising analysts and policymakers indicated that the strategic autonomy was the overarching goal of India's foreign policy especially so in the face of changing global dynamics post-Cold War and in India's global engagements in the 21<sup>st</sup> Century (Khilnanim et al., 2012). This was further substantiated by India's Minister of External Affairs S. Jaishankar, who affirmed that while India may not be a part of an alliance, India acknowledged that as a middle power there were many



opportunities in light of the evolving power dynamics between China and the US (The Hindu, 2020). As such, since the Sino-India War of 1962, China has been a key factor in India's foreign policy considerations, in particular in the degree to which India would participate in the power play of the major powers at the global front. This is why India-ASEAN ties needs further examination in light of China's rise and the dynamics of the Indo-Pacific.

# METHODOLOGY

The methodology employed for this analysis is a qualitative analysis of data obtained from primary as well as secondary data. The primary data was obtained from official publications from government portals and international organisations, while secondary data was obtained from scholarly and newspaper articles. The time-frame of this analysis is mainly India during Cold War and India in the post-Cold War which also included the era marked by the rise of the Indo-Pacific. Within this scope, only information and data that were relevant to China and ASEAN were used. For data on ASEAN, it was further narrowed down to only data and information on economic as well as political security were extracted.

Analysis was done by focusing firstly on India's ties were with the Southeast Asian nations during the tail-end of the Cold War. Then India's partnership with ASEAN post-Cold War was examined, including the assessment of the motivations for India to have established partnership with ASEAN, followed by the main milestones achieved especially in the economic as well as political security cooperation frameworks. Finally, the rise of the Indo-Pacific discourse is investigated to determine the key motivations that are related to China's rise in the multilateral partnership framework where India and ASEAN both have interest.

### **Strategic Hedging as The Conceptual Framework**

This analysis is realist in nature in that the main essence of this analysis is to better understand India's pursuit of power against the backdrop of a rising China; and how this pursuit would also benefit ASEAN. Specifically, the analysis is undertaken from the framework of strategic hedging which is an extension of the balance of power theory in international relations. The concept of strategic hedging is similar to the balance of power theory in that it also takes into account the structural impetus in a state's motivations in its foreign policy outlook towards balancing against a rising power. However, it has a more nuanced approach since it also incorporates the soft balancing approaches related to the economy, diplomacy as well as institutional cooperation, that the balance of power theory largely ignores due to its focus on hard security aspects (Tessman & Wolfe, 2011). This is appropriate for this research as India's strategic autonomy, has been observed to indicate strategic hedging on India's part that involves both balancing and engaging with the major powers of the world (Mishra, 2020). In relation to this research, strategic hedging framework explains why India does not enter into any military alliance with the US but continues its pursuit of regional power through a stronger strategic partnership with the US (Twining, 2015). This strengthening strategic partnership also includes the multifaceted multilateral partnership within the Indo-Pacific that is led by the US. Since economic ties figures prominently in India-ASEAN ties, strategic hedging also explains how India has the potential to utilise the emerging dynamics of the Indo-Pacific to advance both its economic as well as strategic goals with ASEAN while being a part of the collective that aims to balance China.



### INDIA-ASEAN RELATIONS IN THE COLD WAR ERA

During the Cold war era, India had leaned towards the Soviet Union while the non-communist developing countries in South East Asia had fostered strategic economic relations with the U.S and Japan (Limaye & Kikuchi, 2016). The interplay of power between the two superpowers created a global dichotomy where, India and ASEAN found themselves in opposing sides. Among Southeast Asian countries were also young independent nations in the 1960s facing a challenging political-security environment. This eventually led to the desire to cooperate towards peace and security for the region. ASEAN was formed in 1967 by Indonesia, Malaysia, Philippines, Singapore, and Thailand who were united against communism during the Cold War (Chia, 2013). Brunei Darussalam joined in 1984 after gaining political independence and Cambodia, Lao People's Democratic Republic (Lao PDR), Myanmar, and Viet Nam (CLMV) joined between 1995 and 1999 after the end of Cold War.

India was not able to find allies in ASEAN due to India's alignment with the Soviet Union. The non-communist regimes in Southeast Asia were with the US while the communist regimes were aligned with communist Beijing. India's relations with Southeast Asia was even more strained during Vietnam's 1978-1979 invasion of Cambodia, a move that was given diplomatic support by India and strongly rejected by all ASEAN members at that time (Blank et al., 2015). The dynamics in the relations between India and ASEAN took a positive turn eventually in the 1990s with the collapse of the Soviet Union that ended the Cold War in 1991. Much like most countries in the world, India had to review its foreign policy to strategically position itself in light of changing dynamics. Up till then, India had not articulated a distinct policy approach for Southeast Asia.

The nonalignment policy was good in the sense that it helped India maintain its relations with the two super powers of the United States and the Soviet Union, with India having assumed the role of mediator in the Korean War and the Geneva Conference in 1954. But beyond marking its distinguished position between the two superpowers, the nonalignment policy did little else in terms of India's relations with the rest of the world. India's courteous disposition towards the Southeast Asian countries with which India shared a common history and culture points to the absence of a specific framework in India's foreign policy for dealing with countries other than the two superpowers during the Cold War period. It is quoted that due to this lack of a proper strategy, India may have missed seeing the actual potential of the Southeast Asian countries and that is also the reason why India did not accept an invitation to join ASEAN in 1984 (Sikri, 2013b).

The end of the Cold War signalled the need for a fresh start in foreign relations for the majority of states in the world. In 1991, India's economy was collapsing and its foreign exchange reserves fell to US\$1 billion which was sufficient to cover imports for two weeks. India obtained loans from the Bank of England and the International Monetary Fund (IMF) to sustain the country. It was during this period, under the premiership of Narasimha Rao, the Indian Government made the decision to liberalise India's economy. Manmohan Singh who was the Finance Minister of India announced the devaluing of the rupee along with the abolishment of many bureaucratic controls over businesses such as quotas and licences. Some industries which were reserved for the public sector such as hydrocarbons, roads and ports were opened up to domestic and foreign capital (Sikri, 2013a; Thakur, 1996).

This process of opening up to the world among others made India recognise the importance of Southeast Asia to the country's national interests. Against the backdrop of increasing regionalism that was starting to create small trade blocs around the world, India saw



opportunities in ASEAN. The members of ASEAN were fast developing economies making the region a suitable ally to the economically liberalising India. This eventually culminated with the launch of the Look East Policy (LEP) in 1991 by Prime Minister Narasimha Rao's government. India's interest in ASEAN was not limited to greater opportunities for economic integration with a booming region, it was also in India's interest to discuss issues that were more security oriented such as cross-border movements from Myanmar as well as China's expanding influence in the region particularly in Myanmar. The Look East policy therefore was essentially to "develop political contacts, increase economic integration and forge security cooperation with countries of Southeast Asia" (Haokip, 2014).

### POST-COLD WAR ERA: INDIA'S LOOK EAST POLICY AND ACT EAST POLICY

Through the Look East Policy prominent strategic elements that came through were India's role as a counterbalance to China in the Asian security architecture, as well as India's association with Asian regionalism particularly through its engagement with ASEAN (Acharya, 2015). India was also seen as leveraging on the presence of the Indian diaspora in Southeast Asia to perceive the future direction of India's foreign and security policy towards ASEAN (Nathan, 2015). Phase I of the LEP was between 1991 and 2002, whereby the main focus was ASEAN. India wanted to renew its political and economic relations with ASEAN countries. This was the time of economic boom in ASEAN. Shortly after launching the LEP India became ASEAN's sectoral dialogue partner in 1992 and then went on to become a full dialogue partner in 1996. It was also in 1996 that India joined the ASEAN Regional Forum (ARF) (Goshal, 2013).

The defining moment of the ASEAN - India relations came in 2002 with the first ASEAN-India summit in Phnom Penh. At the Summit, the Heads of State/Government of the Member States of ASEAN and the Prime Minister of the Republic of India stated that "ASEAN and India committed themselves to jointly contribute to the promotion of peace, stability and development in the Asia-Pacific region and the world, and respond positively to the challenges of a dynamic regional and international environment" (ASEAN, 2002). The Summit was precipitated by a decade long dialogue relation between ASEAN and India. Owing to India's foreign relations policy of the past, the country did not hasten to get acquainted with the idea of regional association.

Phase II of LEP (2003-2012) saw the widening of scope beyond ASEAN. This was when China, Japan, South Korea, Australia and New Zealand were also included as focus areas in LEP. This enabled India to touch on wider range economic and security issues such as joint efforts to protect Sea Lanes of Communications and coordinated counter-terrorism activities. In 2012, after 20 years dialogue partnership, India and ASEAN became strategic partners and released a vision document. In 2014, at the East Asia Summit in Myanmar the Look East policy was given an upgrade to become the Act East Policy (AEP) by India's Prime Minister Narendra Modi. Through the AEP India started its multifaceted focus in India's relations with ASEAN that cover ties in security, strategic, political, counterterrorism, defense collaboration and economic matters (Sajjanhar, 2016). India's relationship with ASEAN has been clearly stated as India's pillar for its foreign policy and therefore is also the foundation of India's Act East Policy. India's cooperation and engagement with ASEAN encompasses 30 Dialogue mechanisms that covers several key and strategic sectors (MEA, 2018).



### ASEAN-India Framework Agreement on Comprehensive Economic Cooperation

In terms of economic cooperation, there are certain key milestones within the partnership that needs to be highlighted. At the 2nd ASEAN-India Summit in 2003, the Leaders signed the ASEAN-India Framework Agreement on Comprehensive Economic Cooperation which laid the foundation for the establishment of an ASEAN-Free Trade Area which includes goods, services and investment. The ASEAN-India Trade in Goods Agreement (AITIGA) came into force in 2010, the ASEAN-India Trade in Investment Agreement (AITISA) came into force in 2014 and the ASEAN-India Trade in Services Agreement (AITISA) in 2015. India is among the top ten trading partners of ASEAN (Dept of Statistics Malaysia & MATRADE, 2021). In the fiscal year 2019-20 India's trade with ASEAN totalled US\$ 86.92 billion, which constituted 11.3% of India's overall trade. FDI inflows from ASEAN accounted for 18.28% of investment flows into India since 2000 (Department of Commerce India, 2021).

### ASEAN-India Political and Security Cooperation

Although India's ties with ASEAN was mainly premised upon economy, there has been increased focus in political and security cooperation. The ASEAN Regional Forum serves as the main forum for ASEAN security dialogue. India has been actively involved in the ARF since it first joined the annual meeting in 1996. Apart from this, India along with Australia, China, Japan, New Zealand, Republic of Korea, Russia, and the United States is also part of the ASEAN Defence Ministers' Meeting (ADMM). The ADMM is the highest defence consultative and cooperative mechanism in ASEAN that convenes biannually. India has stressed that politico-security cooperation is a key and emerging pillar of India-ASEAN relations and that it places ASEAN at "the centre of its Indo-Pacific vision of Security and Growth for All in the Region". At the ASEAN-India Commemorative Summit to mark 25 years of ASEAN Leaders jointly adopted the Delhi Declaration Cooperation in the Maritime Domain was identified as the key area of cooperation under the ASEAN-India strategic partnership (Goshal, 2013). This focus on maritime cooperation had been increasing in light of the rising US-China dynamics in the region.

### India as a counterbalance to China's Influence in ASEAN

The undermining of US influence in Southeast Asia by the Trump administration that came to power in early 2017 created a leadership void that was quickly taken advantage of by China. This is mostly seen through the speech made by China's President shortly after President Trump came to power. In January 2017, President Xi Jin Ping of China delivered his keynote address at the World Economic Forum in Davos, Switzerland and it was the first time that a Chinese head of state had attended the Forum. In his address President Xi underscored China's commitment to free trade and spoke against protectionism saying that "No one will emerge as a winner in a trade war" (SCIO-PRC, 2017). This void was effectively a consequence of the US withdrawal from the Trans Pacific Partnership Agreement in January 2017 (USTR, 2017), the trade pact that brought together most of the member countries of the Asia Pacific Economic Cooperation (APEC) for what was to be a 21<sup>st</sup> century trade pact for greater regional economic integration. However, China was not a part of the US-led APEC. Instead it was a part of the ASEAN-led trade pact of Regional Economic Comprehensive Partnership Agreement (RCEP)



(ASEAN, 2016) which was largely seen as a counter to the TPP, and excluded the US. The US under the Trump administration had its main focus on 'Making America Great Again'. In keeping to the promise, he made during his presidential campaign, to ensure that jobs within the US were not lost out due to trade deals that were not favourable to the US, Trump withdrew from TPP and also started a trade war by imposing tariffs targeted at Chinese goods. This was in an attempt to address the trade deficit the US had with the country. In line with all this, Trump had been vocal in criticising the multilateral trading system espoused by the World Trade Organisation (BBC News, 2019). After a series of reciprocal tariff imposition (PIEE, 2021), both the US and China agreed to a trade deal that included measures for China to address the trade imbalance by commitment to make more purchases from the US. It also entailed certain structural reforms to China's economic and trade regime in areas such as currency and foreign exchange, technology transfer as well as intellectual property among others (USTR, 2020).

### The Challenge of China in RCEP

Although India was a part of RCEP since 2013, it withdrew in November 2019 (ASEAN, 2016) just before the agreement was finalised. The concerns India had was mainly of the huge trade deficit that the country had with China, which was more than US\$50 billion. In addition, India already had been highlighting the US\$20 billion trade deficit it had with ASEAN and had requested for a review of the ASEAN-India FTA (Marjani, 2019; MCI, 2019). The trade deficit was mainly due to the domestic industry within India that lacked manufacturing capabilities that could match products from ASEAN, China and other ASEAN dialogues partners such as Japan and Korea. There were also concerns from the farming community that feared dairy goods from Australia, New Zealand as well as Japan (The Economic Times, 2019). But mainly, the concern was the possible influx of cheap Chinese goods into its domestic market (Gaur, 2020; Saraswat et al., 2018). This caused much backlash within India, leading to the withdrawal from RCEP (MEA, 2019).

Although for India it was an important decision driven by concerns at home, it also has certain strategic consequences. With both the US and India out of the picture with regards to the major trade pacts of Comprehensive and Progressive Agreement for Trans-Pacific Partnership which is the rebranded version of TPP, and RCEP; economic policies within the Southeast Asian region will be increasingly shaped by China (Chandrasekhar, 2021). In this regard, this would serve to create further imbalances within the region with regards to China's huge economic footprints that had been growing over the years. China's economic footprints were already deeply entrenched beyond trade. Since 2013, through the Belt and Road Initiative (BRI) China's has started to position itself as the dominant power in South Asia and Southeast Asia (Ohashi, 2018). The BRI was a USD1 trillion major global-wide infrastructure endeavour that would see China effectively linking up countries from East Asia to Europe. Owing to the extent of the project and some concerns regarding the strategic nature of China's development of ports across key sea lines of communication (SLOCs) that were imperative to global trade, it is seen as China's expansion of power which the US could not match (Chatzky & McBride, 2020). This is also why, ultimately Trump's insular and protectionist policies causing the US to withdraw from TPP that espoused regional economic integration, was seen along the lines of geo-strategic importance as well. The tapering participation of the US in the region's key integration initiative created a power vacuum that a globalised China was well poised to fill.



This where RCEP became more increased in importance, supplementing China's mega regional integration initiative of the BRI.

In reacting to the US-China dynamics, ASEAN countries had pledged to work more closely with both China and India to counter the pressure of protectionism and to ensure continued growth. In line with the concept of ASEAN centrality, ASEAN had also expressed desire for India to take a leadership role in areas of commerce, connectivity and security in the region. (Chaudhury, 2017; Raslan, 2018). In alluding to important key developments, in his speech at the 32<sup>nd</sup> ASEAN Summit in April 2018, the President of Singapore, speaking as Chair for ASEAN in 2018, highlighted the fact that, the shifts in the global strategic balance including the pressures on the rules-based multilateral trading system which underpins ASEAN's growth, are also reflective of the strategic shifts within ASEAN. He credited the new opportunities that have opened up for ASEAN member states to the new powers of China and India (PMO, 2018).

Nevertheless, there exist apprehensions surrounding China's heightened involvement in ASEAN. There are concerns too, related to the high debts brought on by China's BRI. This is in light of what happened in Sri Lanka in 2017, where a Chinese firm took control (99-year lease) of a port in Hambantota after the Sri Lankan Government was unable to service its debt (Panda, 2017). So, there is increasing caution over Chinese projects with reviews having been undertaken in ASEAN countries including in Malaysia (Sipalan, 2019).

In addition to this, China's expansion of military presence in South China Sea, has also been a contentious issue for South East Asian countries. Brunei, Malaysia, the Philippines and Vietnam have on-going territorial disputes with China. After negotiations that started in 2002, China and ASEAN had made very little progress. Only in August 2018 did China and ASEAN agreed on a Single Draft South China Sea Code of Conduct Negotiating Text that will serve as the basis for the adoption of a Code of Conduct in the South China Sea (Thayer, 2018). Meanwhile China has continued with its incursions in the disputed territories of ASEAN member states, reflecting more clearly the asymmetrical relationship that ASEAN member countries have with China (Calonzo, 2021; CFR, 2021; Lim, 2021; Nguyen & Vu, 2020). Given ASEAN's territorial disputes with China in the South Shina Sea makes India a strategic partner to ASEAN and especially in relation to the rise of the Indo-Pacific discourse, which started at least as early as 2006.

### POST-COLD WAR: THE RISE OF THE INDO-PACIFIC

In July 2006, the Strategic Studies Institute of the US Army War College published a paper by Christopher J. Pehrson a lieutenant colonel in the US Air Force titled 'String of Pearls: Meeting the Challenge of China's Rising Power across the Asian Littoral'. Pehrson, used the term 'String of Pearls' previously introduced by a report commissioned by the U.S. Department of Defense in 2005 to describe China's emerging maritime strategy stretching from the Middle East to southern China that includes a naval base at the Pakistani port of Gwadar to project its power overseas and protect its oil shipments. Pehrson's paper highlighted China's motives to secure maritime trade routes and energy supply routes along vital Sea Lines of Communication (SLOCs) arguing that China's rising maritime power and geopolitical influence warranted a U.S. policy and strategy to address what was referred to as a "complex strategic situation that could determine the future direction of China's relationship with the United States" (Pehrson, 2006).



The String of Pearls strategy by China caused anxieties and in 2006, India and Japan began sharing strategic assessments. China's key strategic vulnerability was noted to be China's energy lifelines that were transiting the Indian Ocean. This was seen as an avenue for India's Navy to moderate China's behaviour and to prevent future aggressions (Kuo, 2018). An India-Japan security cooperation was also proposed to be a regional stabilising factor in light of uncertainties arising from the emerging balance of power in the Indo-Pacific region (Khurana, 2007). This gave rise to the informal strategic security alliance within the Indo-Pacific, the Quadrilateral Security Dialogue (Quad) (Chellaney, 2007; Ching, 2008).

India's role within the Indo-Pacific became most prominent when the US announced its Free and Open Indo-Pacific Strategy of the US in November 2017. It was a strategy to address the concerns related to the expanding Chinese influence in the region and the need for a counter balance. The US Department of State explained the Strategy as a vision for all nations of the Indo-Pacific to be free from coercion, free in terms of good governance; fundamental rights; transparency as well as anti-corruption while encouraging open sea lines of communication, open airways, open logistics and infrastructure, open investment and open trade. In order to realise this vision a critical feature of the strategy is India. The US has indicated that through its 'Indo-Pacific' Strategy the US recognises India's role in the Pacific, East-Asia and Southeast Asia. Thus, supporting India to assume an increasingly important role in the region and to become a more influential player in the region (U.S. Department of State, 2018).

ASEAN too adopted the 'ASEAN Outlook on the Indo-Pacific' (AOIP) in 2019. In true ASEAN language the AOIP was neutral and balanced, in that it diplomatically ensured that there were no references to strategic and military aspects of the Indo-Pacific. The main aspect of the AOIP was the ASEAN consensus regarding the need for ASEAN centrality to be effectively ensured within all Indo-Pacific assertions (ASEAN, 2019b). Analysts read the AOIP as a sign that, along with all major powers, ASEAN had admitted that the Indo-Pacific too was, an important geographic notion that needed to be included in its overview of regional partnerships similar to East Asia and Asia Pacific. As such, the emphasis on ASEAN centrality was precisely because ASEAN wanted to be the common ground that could ensure regional stability of power balance (Acharya, 2019; Singh & Tsjeng, 2020).

Since then, beyond the members of the Quad, other countries with an outlook for the Indo-Pacific include the UK, France, the EU as well as Germany (Filmer, 2020). Again the involvement of Europe is also expected to lend a sense of neutrality to the initiative although there is a need for the countries involved even as they indicate their involvement was not against China (Emmot, 2021). For the EU, China is important because Europe is also a major recipient of China's BRI spin-offs whereby trading linkages with Asia, most importantly East Asia is expected to be amplified (Grare, 2020; Pejsova, 2018). At the same time, India remains a strong partner in the continent. There are historical linkages going back to colonial times but beyond that India is also an important security partner there. More than 90% of the Exclusive Economic Zone of France in the Indian and the Pacific Oceans. Therefore for France ensuring a strong security partnership with India is of huge importance (MEA no date; Borah 2020).

The concept of Indo-Pacific has obviously garnered more attention and gained traction due to its geo-political significance. Nevertheless, what is evident is the fact that even though there is an underlying 'Chinese threat' perspective that provides the main impetus to the new geopolitical terminology, the overall conceptualization has started to become increasingly multilateral. This is because, there are important gains within the partnership. Mainly, there are many new initiatives that have emerged that aim to ensure that the contentiousness



associated with China's BRI such as lack of transparency in infrastructure project deals that can mainly be detrimental to developing countries can be addressed. In this regard initiatives such as the US' Infrastructure Transaction and Assistance Network (ITAN), Blue Dot Network (BDN) and the Build Back Better World (B3W), are key to the managing of developmental issues that the Covid-19 pandemic has exacerbated. (Gilani, 2020; P.Panda, 2020; USAID, 2019; White House, 2021).

### MAJOR FINDINGS AND SIGNIFICANCE

The major findings of this analysis are; China has played a key role in India's foreign policy since independence. The Chinese impact is also seen within India's partnership with ASEAN, in both the economic as well as the strategic domains. India's reluctance to open up its economy via RCEP was mainly due to China's overbearing economic presence within the trade pact. Nevertheless, on the strategic front, China's incursions in the Indian Ocean region and in particular in South China Sea, also influences India's strategic cooperation with ASEAN. More so over the last few years due to the rise of the Indo-Pacific. Although China is increasing its footprints in the Southeast Asian region, other major powers have included India in the various Indo-Pacific related multilateral partnerships that are gaining traction.

So, how does this translate to India-ASEAN partnership? An analyst argues that there is a need for small states, such as those within ASEAN to look at the Indo-Pacific developments as emerging opportunities that they could benefit from (Thi Ha, 2021). In this regard, it is important for ASEAN to ensure that its scope of engagement within these initiatives are retained. The Indo-Pacific region is an economically important region as 32.2 million barrels of crude oil pass through it annually. The region also contributes 40% of the global exports (Kuo, 2018). ASEAN already has strong partnerships with the developed economies within the Indo-Pacific, nevertheless, it is important to be cognizant of India's strategic importance as a major rising Asian power within these configurations, as the rescaling from the Asia Pacific to Indo-Pacific is an important indicator of the transformation of Asian regionalism from an economic -to a security- driven process to curtail Chinese power (Wilson, 2018).

### CONCLUSION

Although the partnership with ASEAN began mainly in the economic domain, India has yet to achieve the fullest potential of regional integration with ASEAN, even after 30 years of engagement. This is most evident with its withdrawal from RCEP. Nevertheless, India remains a huge market potential for ASEAN with its 1 billion population. Although badly affected by the Covid-19 pandemic which saw the country's GDP contracting by 8% in 2020, the projection for the country to bounce back remains very optimistic. In 2021, India's GDP is expected to grow by 12.5% and this is forecasted to stabilize to 6.5% by the year 2026 (IMF, 2021). These projections are made based upon the internal recalibrations that the country is making, the initiatives such as 'Self-reliant India' and 'Make In India' that all involve policies to strengthen domestic economic capabilities through important reforms. It also includes stimulus packages for the economy focusing on the vast middle class of India (Bhutani, 2021; Priya & Ghosh, 2020).

In order to tap onto India's market, ASEAN would need to utilize the review of the ASEAN-India FTA (ASEAN, 2019a) strategically. There has to be important initiatives to



address India's concerns regarding trade deficit adequately in order to retain existing access to the country's market. At the same time, ASEAN now has more opportunities to grow closer on the strategic plane with India by leveraging on the Indo-Pacific commonalities. This way there will be newer ways to foster a stronger partnership with India, that is increasing in strategic importance globally.

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