

Review of Literature on ASEAN-India

¹Dr. Madhu and ²Phurti Patel

¹Assistant Professor, Department of Political Science, SunRise University, Alwar, Rajasthan (India)

²Research Scholar, Department of Political Science, SunRise University, Alwar, Rajasthan (India)
e-mail- patelphurti@gmail.com

Abstract: ASEAN was framed as a Cold War association, and was lined up with the period since the Mid 1990s has seen a noticeable move in relations among India and the members of the Association of Southeast Asian Nations (ASEAN).¹ The thickness of financial and political collaborations has expanded, and this pattern is required to proceed as the two sides upgrade their limit and eagerness to draw in with one another, and build up foundations and components for more extensive and more profound linkages. A decent beginning has been made, however the relations will require kept supporting. In the field of monetary co-activity, the India–ASEAN relations have been seeing a relentless progress since 1991. The allowing of Sectoral Dialog Partnership (SDP) status in 1992 what's more, the Full Dialogue Partnership (FDP) status in 1995, the resulting height as an accomplice in ASEAN+1 summit in 2002 and the Invitation to East-Asia Summit in 2005 connotes the significance given by ASEAN Countries to India. At the point when the India-ASEAN cooperation started through the Look–East Policy, both had diverse yet integral reasons. From the Indian outlook, the blasting economies of Southeast Asia looked alluring for its own financial development and flourishing. India was anticipating a noteworthy FDI from these countries for its formative projects. Other than it intended to reach Asia Pacific Economic Cooperation (APEC) through ASEAN. *On 16 June 2022, India hosted the Special ASEAN-India Foreign Ministers Meeting. The occasion also marked the 30th anniversary of the establishment of dialogue relations between India and the Association of Southeast Asian Nations (ASEAN) and 10 years since the development of their strategic partnership. The leaders called for greater emphasis on trade growth, investment enhancement, defence and security, physical and digital connectivity, climate and sustainability action and greater exchanges among their citizens. At the same time, they exchanged views on developments in the region and elsewhere.* This paper argues that despite the tremendous progress made in the last few decades in forging ties between ASEAN and India, their relations are not at their optimal. The two sides have challenges, but these are surmountable. Both ASEAN and India must take proactive approaches to ensure a brighter bilateral future.

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Introduction

The arrangement of a regional relationship, is one of the most critical improvements of the post-war politics i.e. World War-II. The awful results of World War II showed the requirement for acquiring the countries the world at one stage to help all in all fathom their worldwide debates. The foundation of the Association of Southeast Asian Nations (ASEAN) on 8th August 1967 was the result of the marking of the Bangkok Declaration. The affiliation which began with only five members were in the coming years, gradually expanded to ten and since the marking of the document from its origin till the present time it has been one of the best regional collaboration association as an inter governmental substance in the Southeast Asian region, yet in the South Asian region as well. The circumstance today has landed at such a phase, that no nation on the planet can thrive by keeping her entryways shut to the outside world. Indian

international strategy in the 21st century guided by the progressions at the worldwide and territorial level, especially in Asia which is seeing the ascent of the two Asian Powers for example China and India. Driven by a solid financial exhibition developing political mindfulness a changing Asian power structure, India is looking for a bigger job for itself both in the region and the worldwide level. A blend of worldwide and household factor is characterizing the shapes of India's international strategy. With India's Look East' strategy 1991 India's relations with ASEAN and SouthEast Asian nations have extended and expanded. ASEAN is one of the effective regional associations. The present examination has been undertaken to comprehend, break down and survey the developing linkages among India and the ASEAN. There are various verifiable, Social, political and financial

components which have assumed a significant job in nearer relations between the two

The Association of Southeast Asian Nations (ASEAN) and India complete three decades of diplomatic relations this year. Beginning with India's 'Look East' policy in the early 1990s, India-ASEAN ties have progressed from a sectoral dialogue partnership in 1992 to dialogue and summit-level partnerships in 1996 and 2002 respectively. In 2012, commemorating two decades of relations, India and ASEAN elevated their ties to a strategic partnership.

India and the ASEAN members' bilateral diplomatic engagements go back to the post-World War Two era. Notably, India supported the independence of Indonesia and Myanmar and was a prominent participant at the 1955 Bandung Conference, supporting the Non-Alignment Movement. India was also among the first countries to formally recognise a newly independent Singapore and establish diplomatic relations with it – just 15 days after Singapore became independent in August 1965.

After ASEAN was formed in 1967, India first informally supported it and then more definitely after 1973. However, India's recognition of the Vietnamese-backed Kampuchean regime in 1980 drove a wedge between Delhi and ASEAN, which lasted till the government initiated the 'Act East' policy to further engage Southeast Asia.

The relationship between ASEAN and India is a very important one. It is a relationship between the 1.35 billion people of India and the 650 million people of ASEAN. It is a relationship between two vibrant economies and is relatively free of problems. There is, therefore, a high degree of comfort and trust in the relationship. However, the truth is that the relationship is far below its potential. ASEAN is underperforming in India and vice-versa. The ASEAN-India relationship is a pale shadow of the ASEAN-China relationship.

Areas of Convergence

India and ASEAN are important economic partners. Before the outbreak of the COVID-19 pandemic in early 2020, ASEAN was growing at about 5.7 per cent per annum. Similarly, India was growing at about 6.5 per cent per annum during that period. According to a State Bank of India report, India is expected to grow at about 9.5 per cent in 2021-22.[1] ASEAN is the world's fifth largest economy and could become the fourth largest by 2030. India could be the world's third largest economy, after China and the United States (US), by 2050. Presently, the US\$3.2 trillion (S\$4.4 trillion) ASEAN economy is slightly larger than the Indian economy (US\$2.9 trillion) [S\$4 trillion].

India and ASEAN have a free trade agreement. India is one of ASEAN's top trading and investment

partners. In the decade since signing the agreement, bilateral trade has grown exponentially and reached over US\$79 billion (S\$110 billion) in 2020-21.[2]

Investment is another important area of engagement. India's foreign direct investment (FDI) in ASEAN has been growing. In 2020, it reached US\$2.12 billion (S\$2.9 billion), up from US\$850 million (S\$1.1 billion) in 2015.[3] ASEAN's investment (mostly from Singapore) has also been growing. In 2021-22, Singapore invested US\$15.9 billion (S\$22.1 billion) in India, placing it in second place behind Mauritius.[4] There are nearly 9,000 registered Indian companies in Singapore, and they explore business opportunities across markets in the region.

India and ASEAN also cooperate closely on political and security matters, both at the country-to-country and multilateral levels. Bilaterally, India has signed 'strategic partnerships' with four ASEAN countries, namely, Indonesia, Malaysia, Singapore and Vietnam. At the multilateral level, India is a member of multiple ASEAN-led fora, including the East Asia Summit, the ASEAN Regional Forum, and the ASEAN Defence Ministers Meeting.

Maritime cooperation is a key plank of security relations between the two sides. India's flagship MILAN naval exercise, started in the 1990s, includes several ASEAN members. India also conducts bilateral coordinated patrols with several ASEAN countries, as well as exercises such as the Singapore-India Maritime Exercise, which completed 25 years in 2018. In 2019, it also participated in a new unilateral exercise with Singapore and Thailand. India and Singapore have also signed army, navy and air force agreements.

The movement of people, especially in tourism, is a high-potential area. In the pre COVID-19 period, the number of Indian tourists to ASEAN steadily grew over time and was over five million in 2019. In the same year, over nine million tourists from ASEAN visited India, an increase of about five per cent over the previous year.

While connectivity between India and ASEAN is longstanding, they need to promote greater connectivity on land, at sea, in the air and in cyberspace.

In 2004, India and ASEAN held the first ASEAN-India car rally. A group of enthusiastic drivers set off from North-East India and drove through Myanmar, Thailand, Laos, Vietnam, Cambodia, Malaysia and Singapore and, by ferry, to the Indonesian island of Batam. The successful car rally reminds us that India is connected to Southeast Asia through Northeast India. India is already promoting this land corridor which will also bring investment and development to North-East India.

In addition to military maritime cooperation, it is in the interest of both sides to augment their maritime infrastructure and enhance the shipping links between them. In addition, India is keen to enhance maritime cooperation with ASEAN. At the ASEAN-India Commemorative Summit to celebrate the 25th anniversary of ties in 2018, India's Prime Minister Narendra Modi put forward several proposals for ASEAN's consideration.

The air connections between India and ASEAN have also grown exponentially. In 2019, there were about 2,500 passenger and freight movements from the ASEAN countries to India while slightly more than 2,100 passenger and freight movements took place from India to the ASEAN region. In 2019, a new flight connection began between Bangkok and Guwahati in Assam. However, there are no direct flights between India and some ASEAN countries. ASEAN would like to conclude the ASEAN-India Air Transport Agreement expeditiously. This will boost tourism and enable Indian and ASEAN airlines to seize opportunities with new and emerging markets.

The cultural connections between India and Southeast Asia are also deep and broad. Hinduism and Buddhism came to Southeast Asia from India. The Indian languages, Sanskrit and Pali, have influenced several of the region's scripts. Indian literature, court rituals, food and fashion have been assimilated into the region's culture. Angkor Wat, Bagan, Borobudur and Prambanan were inspired by Hinduism and Buddhism. India's influence, however, lives on in contemporary Southeast Asia. For example, the national carrier of Indonesia is called Garuda, a legendary bird found in Hindu, Buddhist and Jain mythology. Garuda is the vehicle of the Hindu God, Vishnu. To add, the great Indian epic, Ramayana, is read and performed in all the ASEAN countries.

Both India and ASEAN can take pride in their shared heritage and the way in which cultural commonalities have helped bridge relations at the official and people-to-people levels. Having said that, much work still needs to be done in raising knowledge and cultural awareness on both sides.

Areas of Differences

Like all close partners, India and ASEAN differ – in terms of perspectives, intentions or actions – on several bilateral, regional and international issues. It is important for ASEAN and India to continue engaging each other to avoid any misunderstanding on these matters, or better still, to address them in a mutually beneficial manner.

The Regional Comprehensive Economic Partnership appears to be a key issue of divergence between India and ASEAN due to the latter's decision to withdraw from the trading bloc after eight years of negotiations.

India withdrew for two reasons. It feared that the RCEP would worsen its trade deficit with China. New Delhi felt that India had opened its market to Chinese exports, but Beijing did not reciprocate. The second concern was that trade in services should be liberalised in tandem with trade in goods.

During the launch of the publication, India On Our Minds, in Singapore in December 2020, Singapore's Prime Minister Lee Hsien Loong, expressed his hope that India would revisit the merits of joining the RCEP, adding that the door would always be open to India. We hope for movement in New Delhi in this regard. India's leaders should remember that trade is strategy.

Geopolitically, China poses a geo-political puzzle for ASEAN and is reason for divergence between New Delhi and several ASEAN countries. India's recent border issues with China have highlighted that the two large neighbours will likely have a more confrontational relationship going ahead. In Southeast Asia, while some countries like Cambodia and the Philippines have courted Chinese investment and geopolitical support, countries such as Vietnam have opposed it in certain political-security spaces such as the South China Sea.

As with the US and China, the ASEAN states will need to seek to balance and pursue their interests in the developing India-China dynamic. The proximity of India and China to ASEAN further adds to the mix on account of their views and actions concerning serious regional geopolitical upheavals, such as the recent Myanmar military coup.

The ASEAN-India dynamics have been further complicated by the emergence of the Quadrilateral Security Initiative (the Quad), with India embracing it in its strategic lexicon. ASEAN is not comfortable with the rise of the Quad, comprising the US, Japan, Australia and India, as a significant security institution in the region. It also does not like the idea of the Quad being viewed as a threat to ASEAN's centrality as well as ganging up against China. ASEAN does not wish to be entangled in a possible power transition taking place in the Indo-Pacific region.

Review of literature

NathJha and Salim(2015) had delineated the image of regional collaboration for improvement of exchange between India and ASEAN. This was an exact investigation, and exploratory inquire about systems were utilized in this paper. The examination depended on secondary information, gathered from various diaries, articles and sites. The measurable instruments like mean, rate change, connection and so on were utilized for information examination. Anil Varma (2015) this paper showed the example of India's exchange with ASEAN Nations during the time of

2010 – 11 to 2014-15. The expanding exchange example was found among India and ASEAN, and it was recommended by the author that India should attempt to upgrade its relations with ASEAN nations. Rjenendran & Veerasekaran (2011) had talked about the East Asian Community (EAC), it went to make a age for ASEAN+3 a yearly exchange with China, Japan and South Korea. Out of that came the East Asia Summit that acquired three additional partners to India, Australia and New Zealand the proposition to frame an EAC had clearly been roused by the European Union, which had taken such a great amount of longer to advance and solidify, and was maybe however to iron out some essential contrasts. Neelamagam & Arunachalam. (2011) had introduced the look at ASEAN, its points and Purposes, arrangement and understanding. The primary focal point of the examination was to introduce the improvement In ASEAN-India relations, with section of time the ties between these two powerful partners got more grounded than previously. The investigation displayed the ASEAN-India relations in various areas, like political and security relations, trade and speculation relations and so on the collaboration between India and ASEAN was grown decidedly. Vasantha (2011) had examined the effect of ASEAN – India FTA in products on some chose Sectors of the Indian economy. The fundamental profile of ASEAN and India showed that both were the dynamic economies of the world. The system understanding among India and ASEAN was Reported in 2003 and a piece of it the ASEAN-India FTA in products was been actualized on First January 2010. The timetable of levy responsibilities of this understanding was in the blink of an eye introduced in this paper. Based on these, a few sectors of India were given in which India had Chance to get advantages of this most anticipated understanding

There have been number of studies in the literature that have employed index of revealed comparative advantage to examine the comparative advantage for various economies. This section presents a select review of such studies in the literature. Balassa (1977) analysed the pattern of comparative advantage for industrial countries for the period 1953-1971. They found the evidence for existence of an association between the size and diversification of exports. Further, their findings suggest that first the export diversification increases with increase in technological development and then decrease with further increase in technological development. Richardson and Zhang (1999) used the Balassa RCA index to examine and interpret comparative advantage in US across time, trading partners and regions at different level of commodity classifications. They found these patterns

of comparative advantage for US to be different across different parts of the world. Some of the reasons which they found for these differences are geographical proximity of the trading partners and influence of per-capita income (specially in case of manufacturers). Ferto & Hubbard (2002) examines the competitiveness of Hungarian agriculture in relation to the EU for the period 1992 to 1998 using indices of Revealed comparative advantage. Their findings suggest that Hungary has revealed comparative advantages for eleven of the 22 aggregated product groups: live animals; meat; cereals; vegetables and fruit; sugar; beverages; oilseeds; cork and wood; and animal and vegetable materials, oils and fats. Further, it also suggests that Hungary's markets are unlikely to become less distorted with membership of the EU, at least in the medium term. Batra & Khan (2005) performed a systematic comparative evaluation of the similarities of the pattern of revealed comparative advantage for India and China for the years 2000 and 2003. They calculated RCA for all the ninety-seven chapters of the Harmonized System (HS - 1996) classification as well as at the more disaggregated six-digit level for both the countries using their exports data. Their analysis suggests that sectors that rank among the top ten according to the value of the index of RCA are not necessarily able to retain their position when ranked according to comparative advantage at the more disaggregated 6-digit level. Further, their findings also suggest that both the countries enjoy comparative advantage in Manufactured goods chiefly classified by material. Akhtar et al (2008) analysed the performance of footwear industry of Pakistan at two-digit as well as four-digit level and compared it with that of China and India. The study period is from 1996 to 2006. Their findings suggest that there has been shift in the comparative advantage in Pakistan from disadvantage to comparative advantage over the study period. Their findings also suggest that India and China have comparative advantage in the foot-wear industry since 1990 but it is decreasing since 2001. Startiene & Remeikiene (2014) examined the competitiveness of the Lithuanian industrial products in global markets using Revealed Comparative Advantage index and Revealed symmetric comparative advantage index during the period of 2007–2011. Their findings from the RCA and RSCA values indicates that the Lithuanian food, chemicals, wood and textile manufactures captures the strongest competitive positions in global markets. Laosutsan et al (2017) explored the economic impacts of trade liberalization and improved connectivity on Thailand exports of 23 vegetable product groups to the ASEAN member states (AMSS) using the Revealed Comparative Advantage and Revealed Symmetric

Comparative Advantage indexes for the period 2009-2013. Their results suggest that most ASEAN countries are in either the dog or question mark quadrant of the BCG matrix implying that the exports of vegetables experience a dual-low dilemma in which both the market share and the market growth are low. Veeramani & Anum (2018) analyse Indo-ASEAN Trade patterns for the period from 2012 to 2017. They examined the reasons for the increase in trade deficit between India and ASEAN for the past few years. Their findings suggest that India requires more liberal and appropriate trade policy with ASEAN nations in order to take advantage of India's comparative advantage in products like Pharmaceuticals, Textiles, Agricultural Products, etc. Further, their study also indicates that RCEP can act as an important contributor to India's Act East Policy and hence needs to be analysed carefully.

Conclusion:

India's relations with Southeast Asia date back a thousand years. There are many cultural, religious and people-to-people linkages between India and the ASEAN countries. Trade and investment ties have also grown since the opening of the Indian economy in the early 1990s. Relations are good but not optimal. There is little doubt that the ASEAN-India relationship will grow from strength to strength. However, efforts are needed on both sides in this respect. Mr Hernaikh Singh is a Deputy Director at the Institute of South Asian Studies (ISAS), an autonomous research institute at the National University of Singapore (NUS). He can be contacted at isashes@nus.edu.sg. He is co-editing the book, ASEAN-India: Tryst with Destiny?, with Singapore's Ambassador-at Large, Professor Tommy Koh, and Ms Moe Thuzar, an ISEAS-Yusof Ishak Institute Fellow and co-coordinator of the ISEAS Myanmar Studies Programme. The publication will be launched in October 2022. The author bears full responsibility for the facts cited and opinions expressed in this paper.

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