

## ASEAN

### Why in News?

The 56th Foreign Ministers Meeting (FMM) of the Association of Southeast Asian Nations (ASEAN), the post-ministerial conferences and other related regional meetings, held in Jakarta, Indonesia in mid-July, 2023, are the best barometer to check on the Southeast Asia's latest dynamics.

- An elaborate institutional architecture created by ASEAN has become an inclusive platform that draws nations from near and far, as also all major players (the United States, China, India, Japan and Russia) engaged in shaping the strategic contestation in a vast region stretching from east Africa to the South Pacific.

### ASEAN, a persistence with dialogue, on a trodden path

If Southeast Asia is the heart of the Indo-Pacific, the 56th Foreign Ministers Meeting (FMM) of the Association of Southeast Asian Nations (ASEAN), the post-ministerial conferences and other related regional meetings, held in Jakarta, Indonesia in mid-July, 2023, are the best barometer to check on the region's latest dynamics. An elaborate institutional architecture created by ASEAN has become an inclusive platform that draws nations from near and far, as also all major players (the United States, China, India, Japan and Russia) engaged in shaping the strategic contestation in a vast region stretching from east Africa to the South Pacific.

#### Vision and challenges

An in-depth study of various outcome documents, particularly the joint communiqué of the FMM, is indicative of ASEAN's brave attempts to navigate through transformative changes in the present decade: the impact of the COVID-19 pandemic, economic slowdown, the Ukraine war, climate change, and, above all, the Cold War-type confrontation between the United States and China. As the current chair, Indonesia has portrayed ASEAN as "the Epicentrum of Growth". It is a well-chiselled vision with three inter-related dimensions: creating a political community that ensures regional peace and a just, democratic and harmonious environment; an economic community focused on achieving a well-integrated and connected regional economy within the global economic system; and a socio-cultural community to enhance the quality of life of ASEAN's citizens as well as sustainable development of the region.

Addressing fellow Foreign Ministers on July 11, Retno Marsudi, the Minister for Foreign Affairs of Indonesia and chair, argued that ASEAN's ability to manage regional and global dynamics depended on two critical ingredients that promote its unity and centrality. First, it should maintain its credibility by adhering to the ASEAN Charter, and second, it should stay in the driver's seat while navigating regional dynamics. Laudable as these goals are, they are becoming



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less achievable. ASEAN's internal differences on issues such as Myanmar keep surfacing in public. Its desire to lead the region and shape its agenda stands jeopardised by the strained relationship between the U.S. and China.

China enjoys close political and economic relations with the ASEAN states, and at least three of them, i.e., Laos, Cambodia and Myanmar, are its virtual dependencies. While the Philippines has become more assertive of late in its claims in the South China Sea, the central players, Indonesia, Malaysia, Singapore and Thailand, are all favourably disposed towards Beijing. This explains why none of them raises its voice against China's delaying tactics in negotiating an enforceable code of conduct concerning the South China Sea. For many years, ASEAN and China have called for "an early conclusion of an effective and substantive" code of conduct; they did it this year too, but are content to leave the matter there. No indication of a timeline is given. It is hard to find a similar example of diplomatic doublespeak.

ASEAN also watches helplessly the acrimonious debate between the U.S. and Chinese governments, despite Washington's recent attempts to revive constructive discussions through high-level visits. The Chinese argument is that the U.S. is solely responsible for poor relations because it steadily refuses to accept and accommodate itself to China's 'peaceful rise.' The U.S., on the other hand, is no longer willing to turn a blind eye to Chinese aggressiveness and coercion in the Indo-Pacific and beyond. The latest manifestation of this thinking appeared in North Atlantic Treaty Organization's Vilnius summit communiqué which stated, "The People's Republic of China's stated ambitions and coercive policies challenge our interests, security and values."

Anxious over "the intensifying geopolitical tensions in the region," ASEAN prefers to promote the ASEAN Outlook on the Indo-Pacific (AOIP). Its four identified areas (maritime cooperation, connectivity, UN Sustainable Development Goals 2030 and economic cooperation) make much sense to the region.

Predictably though, despite ASEAN partners reaffirming support for the AOIP, its actual implementation remains a worry.

ASEAN reiterated its centrality, but it appears vulnerable when the grouping is unable to forge unity on a most sensitive issue, the Myanmar situation, which has led ASEAN to bar a member-state (Myanmar) from all its political-level discussions. In the run-up to the FMM, Thailand, defying ASEAN's official policy, ran its own dialogue with the military government which permitted the Thai Deputy Prime Minister and Foreign Minister to have a meeting with Daw Aung San Suu Kyi, much to the discomfiture of Indonesia, the ASEAN chair. The split in ranks was acknowledged in the joint communiqué. This disunity could not be concealed by a routine reaffirmation of the Five-Point Consensus (SPC) forged in April 2021. Without unity, ASEAN centrality loses much of its credibility.

#### India's role

The significance of the ASEAN meetings to India is apparent when viewed in the context of External Affairs Minister S. Jaishankar preferring to represent India at the post-ministerial conference and other regional dialogues, instead of accompanying the Prime Minister on his visits to France and the United Arab Emirates earlier in July. He pointedly referred to the importance of a "strong and unified" ASEAN in the emerging dynamic of the Indo-Pacific, and highlighted the convergence between the AOIP and India's Indo-Pacific Oceans Initiative. To build on the comprehensive strategic partnership between India and ASEAN, he suggested that the two sides work in "newer areas such as cyber, financial and maritime security domains."

Though it appeared that ASEAN did not make much progress, and no new ground was broken, its persistence with dialogue, internally and externally, prevents geopolitical temperatures from rising. The next ASEAN summit will be held in Jakarta in September 2023. Hopefully, this will bring greater clarity on the way to tackle challenges confronting the region.

### What is ASEAN?

The Association of Southeast Asian Nations is a regional organization established to promote political and social stability amid rising tensions among the Asia-Pacific's post-colonial states.

- The motto of ASEAN is "One Vision, One Identity, One Community."
- 8th August is observed as ASEAN Day.
- ASEAN Secretariat is located in Indonesia, Jakarta.

### Recent Developments

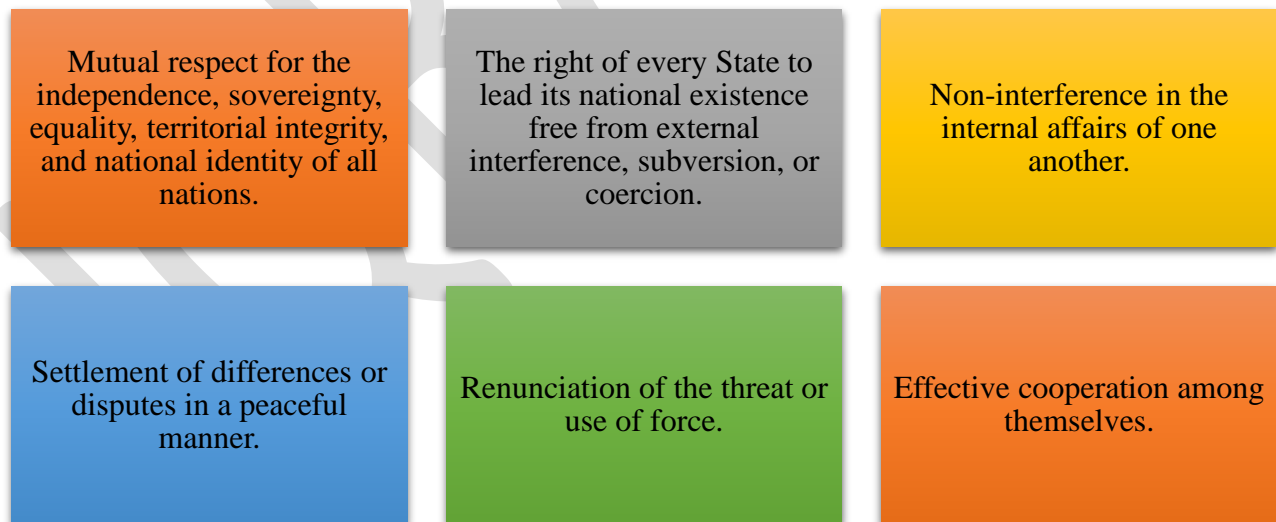
- The 24th ASEAN-India Senior Official's Meeting (SOM) was hosted in Delhi.
- India and ASEAN celebrated the 30th anniversary of their Dialogue Relations.
- In the 2nd ASEAN Digital Ministers' (ADGMIN) Meeting with India, the two sides finalized the India-ASEAN Digital work plan 2022 for future collaboration in the field.

## Background of ASEAN

Event Year	Event Description
1967	ASEAN was established with the signing of the ASEAN Declaration (Bangkok Declaration) by its founding fathers. Founding Fathers of ASEAN are: Indonesia, Malaysia, Philippines, Singapore, and Thailand.
1990s	Membership doubled after the changing conditions in the region following the end of the Vietnam War in 1975 and the Cold War in 1991. Addition of Brunei (1984), Vietnam (1995), Laos, and Myanmar (1997), and Cambodia (1999).
1995	Members signed a deal to create a nuclear-free zone in Southeast Asia.
1997	Adoption of ASEAN Vision 2020.
2003	Bali Concord II for the establishment of an ASEAN Community.
2007	Cebu Declaration, to accelerate the establishment of ASEAN Community by 2015.
2008	ASEAN Charter comes into force and becomes a legally binding agreement.
2015	Launch of ASEAN Community. ASEAN Community is comprised of three pillars: <ul style="list-style-type: none"> <li>• ASEAN Political-Security Community</li> <li>• ASEAN Economic Community</li> <li>• ASEAN Socio-Cultural Community</li> </ul>

## Fundamental Principles of ASEAN:

The fundamental principles of ASEAN are outlined in the Treaty of Amity and Cooperation in Southeast Asia (TAC) of 1976 and include the following:



## Vision and challenges

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decade: the impact of the COVID-19 pandemic, economic slowdown, the Ukraine war, climate change, and, above all, the Cold War-type confrontation between the United States and China.

- As the current chair, Indonesia has portrayed ASEAN as “the Epicentrum of Growth”.
- It is a well-chiselled vision with three inter-related dimensions:
  - Creating a political community that ensures regional peace and a just, Democratic and harmonious environment;
  - An economic community focused on achieving a well-integrated and connected regional economy within the global economic system;
  - A socio-cultural community to enhance the quality of life of ASEAN’s citizens as well as sustainable development of the region.
- Addressing fellow Foreign Ministers on July 11, Retno Marsudi, the Minister for Foreign Affairs of Indonesia and chair, argued that ASEAN’s ability to manage regional and global dynamics depended on two critical ingredients that promote its unity and centrality.
  - First, it should maintain its credibility by adhering to the ASEAN Charter, and
  - Second, it should stay in the driver’s seat while navigating regional dynamics.

Laudable as these goals are, they are becoming less achievable. ASEAN’s internal differences on issues such as Myanmar keep surfacing in public.

- Its desire to lead the region and shape its agenda stands jeopardised by the strained relationship between the U.S. and China.
- China enjoys close political and economic relations with the ASEAN states, and at least three of them, i.e., Laos, Cambodia and Myanmar, are its virtual dependencies.
- While the Philippines has become more assertive of late in its claims in the South China Sea, the central players, Indonesia, Malaysia, Singapore and Thailand, are all favourably disposed towards Beijing.
- This explains why none of them raises its voice against China’s delaying tactics in negotiating an enforceable code of conduct concerning the South China Sea.
- For many years, ASEAN and China have called for “an early conclusion of an effective and substantive” code of conduct; they did it this year too, but are content to leave the matter there.
  - No indication of a timeline is given. It is hard to find a similar example of diplomatic doublespeak.
- ASEAN also watches helplessly the acrimonious debate between the U.S. and Chinese governments, despite Washington’s recent attempts to revive constructive discussions through high-level visits.
- The Chinese argument is that the U.S. is solely responsible for poor relations because it steadily refuses to accept and accommodate itself to China’s ‘peaceful rise.’
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- Anxious over “the intensifying geopolitical tensions in the region,” ASEAN prefers to promote the ASEAN Outlook on the Indo-Pacific (AOIP).
- Its four identified areas (maritime cooperation, connectivity, UN Sustainable Development Goals 2030 and economic cooperation) make much sense to the region.
- Predictably though, despite ASEAN partners reaffirming support for the AOIP, its actual implementation remains a worry.
- ASEAN reiterated its centrality, but it appears vulnerable when the grouping is unable to forge unity on a most sensitive issue, the Myanmar situation, which has led ASEAN to bar a member-state (Myanmar) from all its political-level discussions.
- In the run-up to the FMM, Thailand, defying ASEAN’s official policy, ran its own dialogue with the military government which permitted the Thai Deputy Prime Minister and Foreign Minister to have a meeting with Daw Aung San Suu Kyi, much to the discomfiture of Indonesia, the ASEAN chair.
- The split in ranks was acknowledged in the joint communiqué. This disunity could not be concealed by a routine reaffirmation of the Five-Point Consensus (5PC) forged in April 2021. Without unity, ASEAN centrality loses much of its credibility.

## Institutional Mechanism of ASEAN

Aspect	Description
<b>Chairmanship</b>	The chairmanship of ASEAN rotates annually among the Member States, following the alphabetical order of their English names.
<b>ASEAN Summit</b>	The ASEAN Summit is the supreme policy-making body of ASEAN. It holds the highest level of authority and sets the direction for ASEAN policies and objectives. According to the Charter, the Summit convenes twice a year.
<b>ASEAN Ministerial Councils</b>	The Charter established four essential Ministerial bodies to support the ASEAN Summit: <ol style="list-style-type: none"> <li>1. ASEAN Coordinating Council (ACC)</li> <li>2. ASEAN Political-Security Community Council</li> <li>3. ASEAN Economic Community Council, and</li> <li>4. ASEAN Socio-Cultural Community Council.</li> </ol>
<b>Decision Making</b>	The primary mode of decision-making in ASEAN is consultation and consensus. The Charter also enshrines the principle of ASEAN-X, which allows for flexible participation. If all member states agree, a formula for flexible participation can be used, allowing those members ready to proceed while others may take more time for implementation, using a flexible timeline.

## India-ASEAN Relations: A Background Overview

- In 1992, India's Look-East Policy strengthened its ties with ASEAN by capitalizing on historical and cultural connections with the region.

- In 2003, India entered a Free Trade Agreement (FTA) in goods with ASEAN, leading to bilateral trade valued at around USD 76 Billion.
- The Act East Policy, launched in 2014, brought new energy to India-ASEAN relations.

## India's Relationship with ASEAN over the Years:

### Political:

- India's political ties with ASEAN have been friendly and cooperative.
- Both sides share similar views on regional and global issues, emphasizing a rules-based international order, territorial integrity, sovereignty, and economic growth and development.
- India actively participates in various regional forums and initiatives with ASEAN, including the ASEAN Regional Forum (ARF), ASEAN Defence Ministers' Meeting + (ADMM+), and the East Asia Summit (EAS).
- In 2012, India and ASEAN elevated their relationship to a Strategic Partnership, marking a significant milestone in their bilateral ties.
- Recent years have witnessed increased cooperation in areas such as trade, investment, energy, infrastructure, and people-to-people contacts, fuelled by India's Act East Policy, which aims to strengthen engagement with ASEAN and other regional countries.

### Economic:

- ASEAN holds a significant position as one of India's largest trading partners.
- Bilateral investments have been substantial, with ASEAN accounting for a significant percentage of investment flows into India since 2000.
- The ASEAN-India Agreements on Trade in Service and Investments were implemented in 2015.
- India has Comprehensive Economic Cooperation Agreements (CECA) with various ASEAN countries, leading to concessional trade and increased investments.
- The ASEAN India-Business Council (AIBC) established in 2003 facilitates networking and idea sharing among key private sector players from India and ASEAN countries.

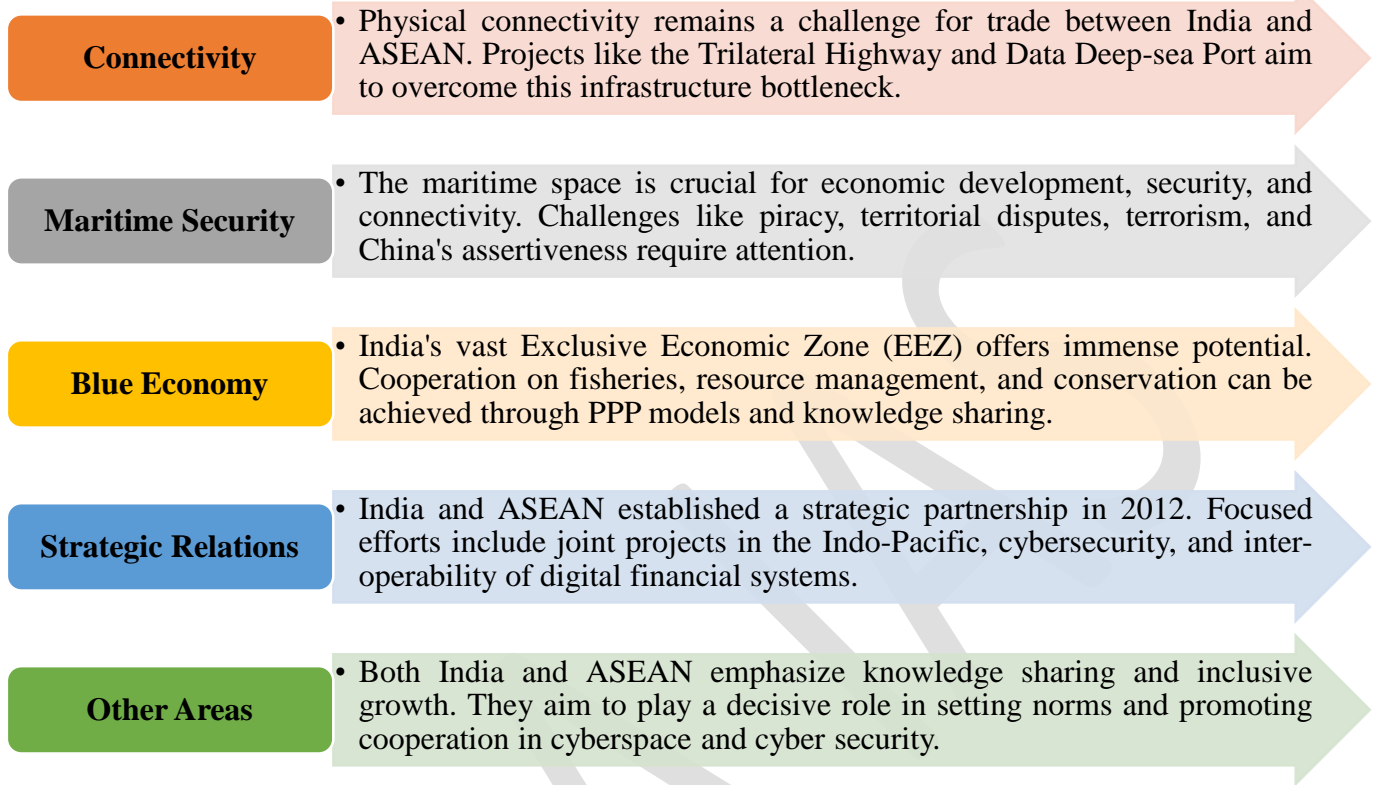
### Security and Defence:

- India conducts joint naval and military exercises with most ASEAN countries, fostering security cooperation.
- The maiden Asean-India Maritime Exercise took place in 2023.
- The Watershed Military Exercise was held in 2016.
- The partnership between ASEAN and India aids in countering terrorism, violent extremism, and transnational crimes through the implementation of ASEAN Plan of Action in Combating Transnational Crime (2016-2025).

### Tourism and People-to-People Contact:

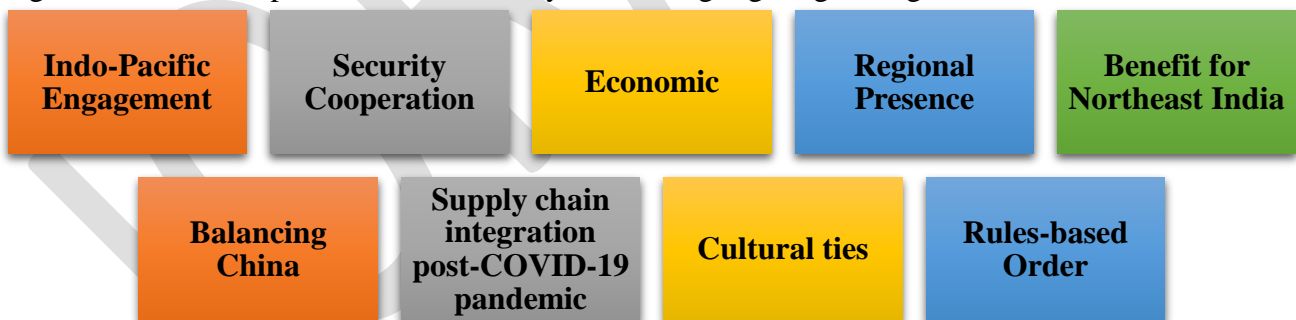
- India is the first Dialogue Partner to sign an MoU on Strengthening Tourism Cooperation with ASEAN, enhancing tourism and people-to-people interactions.

## Five Key Focus Areas for India and ASEAN



## Why is ASEAN important for India?

ASEAN holds immense importance for India, covering various dimensions such as political, economic, strategic, and cultural aspects. Some of the key reasons highlighting the significance of ASEAN for India:



- Indo-Pacific Engagement:** ASEAN plays a crucial role in India's "Act East" policy and its efforts in the Indo-Pacific region.
- Security Cooperation:** Building strong diplomatic ties with ASEAN countries is vital for both economic and security reasons for India.
- Economic:** India ranks among the top trading and investment partners for ASEAN. The favorable business environment in ASEAN countries attracts Indian businesses for investments and trade, offering a promising market opportunity for Indian companies.
- Regional Presence:** Collaborating with ASEAN nations allows India to enhance its presence and influence in the region.

- **Benefit for Northeast India:** Connectivity projects with ASEAN focus on the economic growth of Northeast India, benefiting the north-eastern states.
- **Balancing China:** Strengthening trade ties with ASEAN nations serves as a counterbalance to China's influence in the region, promoting India's economic growth and development.
- **Supply chain integration post-COVID-19 pandemic:** ASEAN and India are adapting to the evolving supply chains in the region and collaborating to improve trade facilitation.
- **Cultural ties:** India and ASEAN countries share profound cultural and historical bonds. Examples of this connection include the spread of Hinduism and Buddhism from India to Southeast Asia and the influence of Indian languages on the region's scripts.
- **Rules-based Order:** ASEAN holds a significant position in the rules-based security architecture of the Indo-Pacific, contributing to a stable and prosperous region.

## Issues and Challenges in India-ASEAN Relations:

While India and ASEAN have achieved significant progress in their bilateral relationship, several issues and challenges still impede their cooperation.



- **Trade Imbalances:** India's trade deficit with ASEAN has been increasing over the years, raising concerns about the benefits of the ASEAN-India Free Trade Agreement. In 2021-22, imports from ASEAN amounted to \$68 billion, while India's exports were \$42 billion.
- **Nature of Engagement:** India tends to engage with ASEAN countries more on a bilateral basis rather than through a multilateral approach, which could hinder deeper regional integration.
- **Competing Regional Agreements:** India's involvement in other regional agreements like the RCEP and the Comprehensive Progressive Agreement for Trans-Pacific Partnership (CPTPP) may divert attention and resources from the ASEAN-India relationship.
- **Chinese Presence:** The presence of other regional powers like China may limit ASEAN's ability to fully utilize India's potential for regional stability and economic cooperation.
- **Limited Connectivity:** Despite efforts to enhance connectivity, physical and digital links between India and ASEAN countries remain constrained, impacting trade, investment, and people-to-people connections.

## Way Forward/ Steps to Improve India-ASEAN Relations



- **Expanding QUAD:** The QUAD concept can be expanded to include ASEAN countries, creating a QUAD+ arrangement for stronger cooperation.
- **Enhancing Maritime Security:** India can fill the gap in maritime security in the Indo-Pacific region by becoming a significant military partner for ASEAN countries, especially in light of their limited military ties with China due to maritime disputes.

- **Strengthening Cultural Connections:** Both India and ASEAN can encourage tourism and cultural exchange by creatively branding and promoting travel between the two regions.
- **Improving Connectivity:** By enhancing land, air, and sea linkages, people-to-people interactions will increase, while also boosting business, investment, and tourism.
- **Collaborating in Forums:** India and ASEAN countries can work together in international and regional forums like the United Nations, East Asia Summit, and ASEAN Regional Forum to promote their common interests and goals.