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Warmly welcome India into EAS

Asean members reluctant to accept India as a member will miss the chance to forge a strong, inclusive Asian community

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ASEAN has outlined three criteria as necessary conditions for attaining membership of the newly created East Asian Summit (EAS). First, the candidate country must have substantive relations with Asean. Second, it must be a full dialogue partner with Asean. Third, it must be a signatory to Asean's Treaty of Amity and Cooperation (TAC).

In addition to the three North Asian countries - China, Japan and South Korea (which together with Asean constitute the Asean Plus Three or APT framework) - India too has been invited to the inaugural EAS that will be held in Kuala Lumpur in December. While New Zealand is expected to be invited as well once it signs the TAC (which it is willing to do), the inclusion of Australia in the EAS has hit a roadblock because of the reluctance of the John Howard government to make Australia a signatory to the TAC.

But there are signs that the issue will be resolved in the near future so that Australia can join India and the APT countries to make the EAS a formidable alliance of like-minded countries. Membership of the inaugural EAS is to be formalised during the Asean ministerial meeting in Vientiane in July.

India's invitation to join the EAS has also not been without controversy. After decades of neglect, India has shown a strong desire to integrate and interact more intensively with Asean and the larger East Asia bloc since the early 1990s. To this end, former prime minister PV Narasimha Rao initiated the so-called 'Look East' policy in 1991, an initiative that was pursued energetically by subsequent governments regardless of their political affiliations.

However, India's overtures were initially spurned by some Asean members who tended to view India with some hostility and even a degree of scorn. There is a historical context to part of Asean's initial reluctance to engage India.

Older leaders of many of Asean's initial members (Indonesia, Malaysia, the Philippines, Singapore and Thailand) still recall that they had requested India in the 1960s to be a founding member but India declined. Asean countries viewed this as a snub, and India and Asean became estranged in the 1970s and 1980s.

Ideological differences and the divisions brought about by the Cold War as well as differing growth strategies (India's import substitution and Asean's export orientation) kept these two regions apart despite their geographical proximity and cultural affinity.

Indian economic clout

Asean has only recently started to adjust its views, in light of India's economic emergence on the world stage. In the post-Cold War world, the process of more intensive engagement in Indo-

Asean relations began with India becoming a sectoral dialogue partner of Asean in 1992, a full dialogue partner in 1995, and a member of the Asean Regional Forum (ARF) in 1996.

However, India had to wait for a decade since the launch of its 'Look East' policy to have its first summit with Asean. It was at the second Asean-India summit that the two parties agreed to start talks on a free trade agreement (FTA) by 2011. Meanwhile, India has also negotiated an FTA with Thailand and is close to completing a far more comprehensive trade agreement with Singapore.

These agreements should facilitate Indo-Asean merchandise trade flows, which have increased significantly from US\$5.8 billion in 1996-97 to US\$13.2 billion in 2003-04, though this is nowhere close to its potential. Investment and tourist flows between India and Asean have also increased markedly, and India is becoming increasingly linked to Asean's production networks, especially in the more knowledge services parts of the value-added chain.

Other areas of economic cooperation in science and technology, information technology (IT), human resource development (HRD), and transport and infrastructure have also intensified.

While cross-border linkages in these areas are not always easy to quantify, they are no less important than the more quantifiable aspects of economic interactions.

India's 'Look East' policy has not been limited to just Asean countries. In fact, East Asia (APT countries) has recently replaced the European Union as India's largest trading partner (the United States is the third largest).

Within East Asia, China-India bilateral trade has arguably been the biggest growth story in Asia in recent times. Merchandise trade with China has increased dramatically from US\$1.4 billion in 1996-97 to US\$13.6 billion in 2004-05. These relations have been given a fillip with the recent landmark visit to India by Chinese Premier Wen Jiabao early last month.

There are also hopeful signs that the visit by Japan's Prime Minister Junichiro Koizumi late last month might trigger an 'India fever' in Japan akin to what Senior Minister Goh Chok Tong managed to achieve in Singapore with his visits to India.

Japan's trade and FDI ties with India have been rather minimal despite India being Japan's largest ODA recipient (a large part of which is being used to fund much-needed big-ticket infrastructural projects). Both countries appear keen on moving from an ODA-based relationship to a more durable trade and FDI-based one.

Given their shared values (in democracy, human rights and rule of law), as well as overlapping strategic objectives (including securing a permanent seat on the United Nations Security Council, as well as ensuring broad-based and collective - as opposed to hegemonic - leadership in a pan-Asian community), Japan and India seem like natural allies.

This is particularly so in view of the fact that their relations are not afflicted by historical baggage of conflict. There seems to be increasing recognition of this and a newfound commitment by both countries to translate the untapped potential into reality.

Returning to Indo-Asean relations, it is important to note that despite the convergence of interests and broadening and deepening of ties between India and Asean, there are indications of some divisions among Asean members as to whether India should be made a full-fledged member

of a larger Asian alliance.

Indeed, despite the new closeness between India and Asean, it has not gone unnoticed in India that Asean still remains far more focused on its North Asian neighbours and Australia, and - with the possible exception of Singapore - India is rarely mentioned in speeches and background papers by policy makers and academics in the region (the change has also only been somewhat recent in Singapore).

So while India has been belatedly inducted into the Asean+3 integration framework, and some countries like Indonesia and Singapore are strong advocates of India's inclusion in the EAS, it has been reported that some other Asean members (Malaysia most obviously) have remained stubbornly reluctant to embrace India as part of the inner core of a larger and inclusive Asian alliance.

This is despite:

- the enormous economic potential of the emerging Asian giant (both in terms of short and medium-term reform-induced growth, as well as long-term growth because of favourable dynamics);
- the enormous complementarities that exist between Asean and India; and
- the sound geostrategic reasons to align more closely with India.

The US is increasingly viewing India as a strategic partner in the evolving regional economic, political and security arrangements in Asia, and is keen to work with India to turn it into 'a major global power in the 21st century'.

In view of this, the rest of Asean would do well to follow Indonesia and Singapore's lead in shedding any negative perceptions and welcoming India along with Australia and New Zealand wholeheartedly into the East Asian fold as full-fledged members of equal standing who will be involved in shaping the new regional architecture.

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