



# INDIA-US INSIGHT

*"Advancing the Strategic Potential of India-US Relations, Accelerating India's Economic Development"*

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## Advancing India-US-ASEAN Cooperation: A Report on the "Emerging Asia Conference" New Delhi, February 19, 2013

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With the sustained growth of several emerging economies in Asia, the world is witnessing a power shift. Unsurprisingly, the US National Intelligence Council's latest assessment of global trends concludes that by 2030, "diffusion of power will restore Asia's weight in the global economy to a level not seen since 1750."

However, this structural shift in global power relations has yet to be buttressed by shared normative frameworks and regional architecture in Asia.



It is broadly within this context that the historic India-ASEAN Commemorative Summit was organized in New Delhi in December 2012. The Vision Statement of the Summit underlined the necessity of a stable and a peaceful regional environment, ASEAN's centrality in the evolving regional architecture, and enhanced India-ASEAN cooperation for maritime security, freedom of navigation, and the peaceful settlement of disputes in accordance with international law.

A few weeks after this Summit, senior policy makers and leading experts from India, the US, and ASEAN came together in New Delhi to discuss India's Look East Policy, the US "Pivot" and the evolving regional architecture in Asia. The event, *Emerging Asia – Track 1.5 Conference*, held on February 19, 2013, was a collaborative effort of the ICRIER-Wadhvani US Chair, its counterpart the CSIS-Wadhvani India Chair and the CSIS Sumitro (Southeast Asia) Chair, with participation and support from the Indian Ministry of External Affairs and the US Department of State. Participants stressed the need for all stakeholders with shared interests in the region to identify areas of convergence and explore the possibility of enhanced collaboration between India, the US and ASEAN.

### Chair's Column

#### Growing India-US Convergences in Asia are missing an APEC Link

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The ICRIER-Wadhvani US Chair organized its first international conference under the broad theme of "Emerging Asia" in New Delhi on February 19, 2013. We have been both rewarded and encouraged by the experience and would like to thank our partners at the CSIS-Wadhvani India Chair, the CSIS Sumitro Chair, the US State Department and India's Ministry of External Affairs for contributing to the success of the conference.

India's Look East Policy (LEP) has recently been renewed and upgraded through a strategic partnership with ASEAN announced at the India-ASEAN Commemorative Summit held in New Delhi in December 2012. Given its geographical location and civilisational relationship with Southeast Asia, India is now well poised to play a pivotal role in the region. Myanmar's democratic opening has also significantly improved prospects for India-ASEAN connectivity.

Meanwhile, as a new foreign policy team led by Secretary of State John Kerry takes charge, there are clear indications that the United States remains committed to its "rebalancing" towards the Asia-

## India's Look East Policy

India has strong historical and cultural links with Southeast Asia and its geographic location gives it a unique advantage in reaching out to the countries in the Indo-Pacific. As Pandit Jawaharlal Nehru observed at the Asian Relations Conference in March 1947: "India is so situated that she is the pivot of Western, Southern and Southeast Asia."

India's Look East Policy (LEP), initiated in 1992, has resulted in increased economic engagement with the region, with India's trade with ASEAN growing 41 % in 2012 to reach \$ 79.4 billion. As a consequence of this growing economic interdependence, India is seen as a leading stakeholder in evolving regional frameworks such as the East Asia Summit (EAS). Moreover, there is also growing appreciation of India's capacity to emerge as a long-term net security provider in Southeast Asia. As some participants observed, India neither has an option of exiting from the region nor does its increasing role generate anxiety among regional nations. As a consequence, there have been demand signals for greater Indian engagement in the Indo-Pacific and India's call for "open, balanced, inclusive and transparent regional architecture" has resonance in many countries of the region.

However, there are also some concerns about India's "capacity" and "will" to pursue opportunities in Southeast Asia. Participants noted that speeding up India's economic integration and regional connectivity with Southeast Asia can boost its role in the Indo-Pacific.

## The US Pivot



The significance of the US "pivot" or "rebalance" received considerable attention of the participants and it was argued that the US pivot is not something entirely new, as the US has demonstrated long standing commitment to the region. More recently, President Barack Obama, America's first 'Pacific' President, while speaking in the Australian Parliament in November 2011, stated that "the United States is a Pacific power, and we are here to stay," adding, "let there be no doubt: in the Asia-Pacific in the 21st century, the United States of America is all in." Participants discussed the shift in America's Asia-Pacific policy from G-2 to "pivot" and the possible impact of personnel changes in the Obama administration's second term, with the US experts expressing the view that the rebalance towards Asia would continue in the future without significant shifts.

Pacific. The US-ASEAN partnership has also been upgraded to a strategic level and strengthened by the announcement of an annual leaders' summit as well as a new US-ASEAN Expanded Economic Engagement (E3) initiative.

Our New Delhi Conference brought together senior officials, strategists, economists, military and regional integration experts to discuss India's "Look East Policy" and America's "pivot" towards Asia in a Track 1.5 format. The Conference was action oriented, with participants identifying areas where India, ASEAN and the US can work together in shaping the region's evolving security architecture and economic integration.

This issue of *India-US Insight* focuses on the deliberations of the Conference and complements a separate assessment of the CSIS-Wadhvani India Chair in its *US-India Insight* for March 2013.

As the ICRIER-Wadhvani US Chair continues to work on a policy report on India's role in shaping Indo-Pacific architecture, it is significant that recent policy statements have highlighted growing convergences between India and the US. India's support for ASEAN "centrality" in evolving regional architecture is matched by the US endorsement of ASEAN's "indispensable" role. Similarly, India's preference for "open, balanced, inclusive and transparent regional architecture" and emphasis on maritime security, freedom of navigation and the peaceful settlement of disputes in accordance with international law echoes President Obama's assertion that "the overarching objective of the United States in the region is to sustain a stable

## Regional Architecture

While welcoming the US-ASEAN Expanded Economic Engagement (E3) Initiative, participants called for a greater isomorphic fit between the US security and economic policies in the region. It was pointed out that in contrast to the role envisaged by the US for the EAS, its trade policy does not envision ASEAN centrality in the evolving regional economic architecture. In this context, participants referred to the possible impact that the Trans-Pacific Partnership (TPP) may have on the ASEAN led Regional Comprehensive Economic Programme (RCEP). They called for the TPP to follow an open accession approach so as to facilitate convergence between the RCEP and the TPP in the long-run. It was suggested that the US approach towards regional economic frameworks should be more inclusive, the US should factor in India's place in regional economic integration and India should be invited to become a member of APEC.

## Strengthening and Expanding Multilateral Frameworks

Participants identified the East Asia Summit Forum (EAS) as the principal forum with a potential to address various security challenges in the region. The ongoing dialogue between India and the US on East Asia was evaluated favorably and the need to increase the intensity of such interactions was articulated. Indian participants suggested that the India-US-Japan trilateral dialogue can usefully expand its agenda by including ASEAN issues. The need for greater coordination between India and the US on matters pertaining to ASEAN fora was also discussed. It was widely agreed that such cooperation frameworks would contribute to greater peace and stability in the region.

## Maritime Security and HADR

Given the fact that the sea lanes of the Indo-Pacific constitute the economic and energy lifelines of the world's most vibrant economies, participants called for greater collaboration between India, the US and the ASEAN on maritime security issues ranging from counter-piracy to energy security. Reflecting on the several existing maritime territorial disputes in the region, participants were of the view that freedom of navigation and the peaceful settlement of such disputes in accordance with international law was critical. For instance, India's mercantile trade has registered significant growth in the recent past. As of 2011, 41% of GDP, 77% of trade by value and 90% of India's trade by volume is a consequence of maritime commerce. Participants also noted that 80 per cent of the world's energy trade flows and around \$ 3.5 trillion of

security environment and a regional order rooted in economic openness, peaceful resolution of disputes, and respect for universal rights and freedoms.”

Within the past month, National Security Adviser Tom Donilon has reaffirmed India's regional role in the following terms: “The United States has made it clear at every turn that we don't just accept India's rise, we fervently support it.”... “US and Indian interests peacefully converge in the Asia Pacific, where India has much to give and much to gain. Southeast Asia begins in Northeast India, and we welcome India's efforts to “Look East” from supporting reforms in Burma to trilateral cooperation with Japan to promoting maritime security.”

On his part, Deputy Secretary of Defence Ashton Carter has described India as a “key part of our rebalance, and, more broadly, an emerging power that we believe will help determine the broader security and prosperity of the 21st century. Our security interests with India converge on maritime security and broader regional issues, including India's Look East policy.”

Coming as these statements do at the start of President Obama's second term, they augur well for progressing India-US strategic and security cooperation in the years ahead. The missing link – at least thus far – in US policy is India's glaring absence from regional processes of Asia-Pacific economic integration. Active US support for India's membership of APEC at this year's APEC Summit to be hosted by Indonesia can be an important step forward to remedy this gap.

Hemant Krishan Singh  
ICRIER-Wadhvani US Chair

intra-regional trade is conducted in the Indian Ocean region. Therefore, it was imperative for India to collaborate closely with Indonesia and Australia in strengthening IOR-ARC open regionalism. Participants suggested that specific areas of cooperation be identified from the Bay of Bengal to the South China Sea, and were of the view that the US should ratify UNCLOS as this would strengthen the international framework for the settlement of maritime disputes.

Taking into account recent natural disasters and the increasing vulnerability of growing urban populations, participants also emphasized the need for an Indo-Pacific HADR framework. Such a framework should establish structures for civilian-military interface, region-wide domain expertise, experience of interoperability and capacity building for disaster response.

### Connectivity

There was unanimity that increasing physical and institutional connectivity between India and Southeast Asia would go a long way in facilitating enhanced economic relations in the region. In this context, it was noted that Myanmar plays a vital role as India's "land bridge" to Southeast Asia. Myanmar's progress towards democracy has opened up prospects for enhanced engagement with India and other partners. There was considerable discussion on ERIA's Comprehensive Asian Development Plan (CADP-2) and other proposals aimed at increasing connectivity infrastructure such as the India-Myanmar-Thailand Trilateral Highway and the Dawei deep sea port. The need for India to prioritize project implementation in Myanmar was strongly articulated.

### Multi-Sectoral and Multi-Stakeholder Processes

Participants observed that collaboration between India, the US and ASEAN should be a multi-sectoral and multi-stakeholder process. Along with bilateral, multilateral and inter-governmental cooperation, greater interaction between civil society groups and also greater involvement of the private sector in various initiatives should be promoted.

### Institutionalizing Future Interactions

Participants agreed to try and convert the Emerging Asia Conference into an annual "Indo-Pacific Forum," as a track 1.5 platform to discuss security and economic issues in the broader East Asian Region (ASEAN plus Eight). The need to include greater representation of research institutions/think-tanks and other representatives from ASEAN in future conferences was also endorsed.

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