



Delhi Policy Group

Advancing India's Rise as a Leading Power



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Cover Image:

Foreign Ministers of ASEAN member countries along with the Secretary-General of ASEAN, Dr. Kao Kim Hourn, at the 56th ASEAN Foreign Ministers' Meeting in Jakarta on July 11, 2023. (Source: [ASEAN News/Official Website](#))

External Affairs Minister of India, Dr. S. Jaishankar participates in the ASEAN-India Foreign Ministers' Meeting (AI FMM) in Jakarta on July 13, 2023. (Source: [ASEAN News/Official Website](#))

PM Narendra Modi of India, along with US President Joe Biden and Japan PM Fumio Kishida at the launch of the Indo-Pacific Economic Framework for Prosperity (IPEF) in Tokyo, Japan on May 23, 2023. (Source: [US Embassy and Consulates in India/Official Website](#))

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India's Act East Policy: the Power of Progress

by

Prabir De

The ASEAN-India Comprehensive Strategic Partnership is anchored at a new level of trust and friendship. Three recently held events in July 2023 have strengthened India's engagement with ASEAN: (i) The ASEAN-India Foreign Ministers' Meeting (AI FMM) and related meetings such as the 13th EAS Foreign Ministers' Meeting (EAS FMM) and the 30th ASEAN Regional Forum (ARF) held in 12-15 July, 2023 in Jakarta; (ii) The 12th Mekong-Ganga Cooperation Foreign Ministers' Meeting (MGC FMM) was held in a hybrid format on, 16 July, 2023 in Bangkok; and (iii) The BIMSTEC Foreign Ministers' Retreat was held on 17 July 2023 in Bangkok. Dr S. Jaishankar, External Affairs Minister (EAM) of India co-chaired the AI FMM and MGC FMM and also led the discussions in other meetings. EAM was accompanied by Secretary (East) in the MEA in all the three meetings and also joined by the Indian Ambassador to the ASEAN in the AI-FMM. These inter-related ministerial meetings from ASEAN to MGC to BIMSTEC have generated important outcomes that are going to strengthen relations between India and ASEAN. The outcomes of these meetings are the result of the joint actions of these key participants, and will pave the way for a vibrant and dynamic Act East Policy (AEP). Let us briefly discuss some of them¹.

First, the AI FMM turned out to be productive, and was the first FM-level meeting after the inaugural ASEAN-India Maritime Exercise, held in May 2023. Both the ASEAN and Indian sides discussed and agreed to give greater attention to four areas, namely, digital economy, fintech, food security and maritime security. The ASEAN-India Plan of Action (POA) for the period 2021-2025 underlines the importance of collaboration in the areas of the digital economy, fintech and food security, and the discussions in these areas resulted in well-thought through decisions. These are the areas which are equally relevant in the Indo-Pacific. The AI FMM adopted the Annex to the ASEAN-India Plan of Action 2021-2025, and encouraged India to intensify its collaboration with ASEAN across the spectrum of the ASEAN Community pillars. As the next step, corresponding sectoral meetings and interactions are required to drive the new agenda and identify projects for implementation. Both ASEAN and India have agreed to organize the first 'ASEAN-India Millet Festival' to raise awareness about millets among ASEAN Member States (AMS). Nonetheless, ASEAN and India can deliver much more in the areas of green

¹ Based on several secondary documents as highlighted in the Endnotes.

economy, blue economy, supply chain resilience, energy and health, among others.

Second, India and ASEAN have been collaborating in the Indo-Pacific. There is a synergy between India's Indo-Pacific Oceans Initiative (IPOI) and the 'ASEAN Outlook on the Indo-Pacific' (AOIP). Besides, India firmly supports ASEAN centrality. Both ASEAN and India had issued a joint statement on the AOIP in 2021. However, we are yet to witness AOIP/IPOI projects being implemented by the partners. The Indo-Pacific also dominated the discussions at the 13th EAS FMM. EAM underscored the contributions made by the QUAD. The Indo-Pacific and the EAS appear to be inter-related as both reinforce each other. ASEAN's involvement is the key to success of both AOIP and Indo-Pacific Oceans Initiative. Indonesia, being the current chair of ASEAN, has been trying to drive the AOIP, and has also reactivated the 'ASEAN Indo-Pacific Infrastructure Forum' (AIPIF). This is indeed a welcome step.

Third, India raised a strong voice in opposing terrorism at the 30th ARF. The EAM underlined that India has been responding to global challenges and promoting global cooperation and de-legitimization to counter terrorism. On terrorism, EAM emphasized that ARF members must adopt a uniform, unified and zero tolerance approach, which includes dismantling sanctuaries and financing networks, countering terrorism in all its forms and manifestations, including cross border terrorism.

Fourth, the MGC has been in place since 2000 and this is a unique arrangement between the Mekong sub-region and India, which have strong civilizational links with each other. The MGC countries have adopted the Joint Statement of the 12th MGC FMM with its two Annexes, The first Annex is the 'Concept Paper for the revitalization of the MGC Lead Country Mechanism' in ten areas of cooperation of the MGC. Also adopted was the 'Concept Paper on the Establishment of the MGC Business Council'. These two Annexes were developed based on Thailand's proposal at the 11th MGC FMM in 2021. These measures are certainly going to add further momentum to the MGC. Besides, the MGC FMM expressed support for Thailand's "READY" approach where the R stands for Resilience, E for Environmental Sustainability, A for Adaptation and D for Diversification of Economies, and Y for the MGC Year of Exchange in 2025 on the occasion of the 25th anniversary of the establishment of MGC.

Fifth, the BIMSTEC Foreign Ministers' Retreat was held in Bangkok on 17th July 2023. The Retreat was well attended as all seven BIMSTEC members were represented. This was the first time such a well-thought out interaction was held in BIMSTEC. The retreat turned out to be highly productive in terms of

promoting an exchange of ideas in an informal setting. The free flow of discussions helped refine the agenda of the forthcoming BIMSTEC Summit to be held in Bangkok on 30 November 2023. With the Charter in place, the Ministers agreed to hold a Retreat on a regular basis, preferably in the first quarter of each year.

Sixth, another important development was that the BIMSTEC Foreign Ministers considered establishing a digital payment system and a digital trade settlement system, as well as the strengthening of cooperation in cyber security and the prevention of transnational crimes. In BIMSTEC, the rupee is becoming a regional reserve currency for the purpose of trade transactions and agreeing to a regional digital payment system will pave the way for higher trade and investment.

Taken together, all the aforementioned outcomes are going to reshape India's Act East Policy and take India's partnership with Southeast Asian countries to greater heights.

Endnotes

1. ASEAN-India Foreign Ministers Meeting, Indian Mission to ASEAN, Jakarta, available at <https://www.indmissionasean.gov.in/pages/MjY>
2. Chairman's Statement of The ASEAN Post Ministerial Conference (PMC) 10+1 Sessions with The Dialogue Partners and Trilateral Meetings, available at <https://asean.org/chairmans-statement-of-the-asean-post-ministerial-conference-pmc-101-sessions-with-the-dialogue-partners-and-trilateral-meetings>
3. Special Edition: Visit of Dr. S. Jaishankar, Hon'ble External Affairs Minister to Jakarta, Indonesia (12-15 July, 2023), Indian Mission to ASEAN, Jakarta, available at https://www.indmissionasean.gov.in/pdf/Visi_indonesia_18jul.pdf
4. Several Tweets by External Affairs Minister of India
5. Author's own conversation with members of the ANDC.

Outcomes of the 56th ASEAN Foreign Ministers' Meeting and the 13th EAS Foreign Ministers Meeting

by

Anshita Shukla

In an increasingly fraught geopolitical neighbourhood, the necessity for the Association of Southeast Asian Nations (ASEAN) to stand together has become more acute than ever. As the Myanmar crisis unfolded, the two central pillars of ASEAN - consensus building and non-interference - effectively ruled out the possibility of a swift and effective response to mitigate the regional challenge. Questions on the grouping's institutional effectiveness, lack of cohesiveness, ASEAN centrality, and efficacy in delivering outcomes have multiplied especially, at a time of raging great power competition. As Cambodia passed the mantle of the ASEAN chairmanship to Indonesia, it was speculated that the heavy weight of the region would be able to counter the growing criticisms of the regional bloc.

Under Indonesia's chairmanship, the 56th ASEAN Foreign Ministers Meeting (AMM), was convened from July 11-12 in Jakarta. Contrary to the focus of the AMM last year on "ASEAN A.C.T.: Addressing Challenges Together," at a time when ASEAN was recovering from the Covid-19 pandemic, the theme for this year is "ASEAN Matters: Epicentrum of Growth". The thirty-one-page-long AMM Joint Communiqué highlights the various critical issues and deliverables discussed by the ASEAN foreign ministers².

A crucial distinguishing feature of this year's Joint Communiqué is the emphasis on mainstreaming the implementation of the 'ASEAN Outlook on the Indo-Pacific' (AOIP). The foreign ministers established the ASEAN-Indo-Pacific Forum: which was tasked with the implementation of AOIP with a focus on "infrastructure, creative economy, youth, digital development for realizing SDGs, and an ASEAN Business and Investment Summit" scheduled to convene on September 5-6, 2023, in Jakarta. To further enable cooperation on AOIP with Dialogue Partners, ASEAN will be adopting Joint Statements on AOIP with the United States, New Zealand, the Republic of Korea, and China, respectively. The upcoming ASEAN-Indo-Pacific Workshop on the 'Use of Technology for Sustainable Aquaculture' (October 5-6, 2023) and the EAS Workshop on 'Developing Coastal Economy' will facilitate initial concrete implementations of the AOIP. Debuting in the Joint Communiqué is the intent to establish cooperation between ASEAN and the Indian Ocean Rim Association (IORA), and between ASEAN and the Pacific Islands Forum (PIF). This is to be finalised at the 43rd ASEAN Summit.

The topical issue of concern for ASEAN is the ongoing political and humanitarian crisis in Myanmar. The Foreign Ministers reaffirmed their united position on the Five-Point Consensus (5PC) as the central guiding reference point to address the crisis.

² Joint Communiqué of The 56th ASEAN Foreign Ministers' Meeting, [ASEAN](#), July 13, 2023

While condemning the escalation of violence in the country, the Communique called for the facilitation of humanitarian assistance to 1.1 million 'Internally Displaced Persons' (IDPs) identified in the 'Joint Need Assessment (JNA) Report' of the AHA Centre. The Ministers supported Indonesia's efforts towards engaging in dialogue with all relevant stakeholders to push for the implementation of 5PC. The statement referenced the recent Myanmar talks hosted by Thailand, which a number of ASEAN Member States "viewed as a positive development".

As tensions rose in the South China Sea, the ASEAN Foreign Ministers reiterated their commitment to uphold the principles of the 1982 UNCLOS for the peaceful resolution of disputes. However, the Joint Communique notes the concerns of some Ministers on the "land reclamations activities, serious incidents in the area, including actions that put the safety of all persons at risk, damage to the marine environment, all of which has eroded trust and confidence and increased tensions which in turn may undermine peace, security, and stability in the region". A key priority under Indonesia's chairmanship has been accelerating negotiations for a "substantive, effective and actionable code of conduct", as stated by Indonesian Foreign Minister Retno Marsudi³. Following the 56th ASEAN Foreign Ministers Meeting, the 'Guidelines for Accelerating the Early Conclusion of an Effective and Substantive Code of Conduct in the South China Sea' were adopted at the PMC Plus One Session with China on July 13, 2023⁴.

The bloc aims to establish and engage with a wider range of partners to enhance ASEAN unity and centrality. The ASEAN- Japan Comprehensive Strategic Partnership (CSP) is scheduled to be launched in September 2023 at the 26th ASEAN-Japan Summit. The request for a CSP with the Republic of Korea is being considered. In addition, South Africa has been accepted as a Sectoral Dialogue Partner of ASEAN and Morocco's sectoral dialogue partnership with ASEAN has been agreed to in principle. On the side lines of the AMM, Saudi Arabia became the 51st country to accede to the Treaty of Amity and Cooperation in Southeast Asia (TAC)⁵.

The leaders reinstated support for ASEAN member states' candidature in regional and international organisations. To that end, the joint communique reiterated ASEAN's support for the Philippines to become a Non-Permanent Member of the UN Security Council (UNSC) for the year 2027- 2028 as well as Indonesia and Thailand to become the Members of the UN Human Rights Council for the years 2024-2026 and 2025-2027.

³ Indonesia ready to host negotiations on South China Sea code of conduct: Foreign minister Retno Marsudi, [Channel News Asia](#), February 4, 2023

⁴ ASEAN-China Agree on Guidelines to Accelerate Negotiations for the Code of Conduct in the South China Sea, [ASEAN 2023 Indonesia](#), July 13, 2023

⁵ Saudi Arabia signs instrument of accession to Treaty of Amity and Cooperation in Southeast Asia, [ASEAN News](#), July 12, 2023

This AMM joint statement serves as a precursor to the following agreements scheduled to be concluded during the 43rd ASEAN Summit:

- ASEAN Human Rights Dialogue and the ASEAN Leader's Declaration on the ASEAN Human Rights Dialogue
- ASEAN Leaders' Statement to Develop the ASEAN Digital Economy Framework Agreement
- ASEAN Leaders' Declaration on Strengthening Food Security and Nutrition in Response to Crises
- ASEAN Blue Economy Framework
- ASEAN Leaders Declaration on Gender Equality and Family Development
- ASEAN Leaders Declaration on Strengthening Disability-Inclusive Development for a Resilient and Prosperous ASEAN Community
- Development of a joint action plan on 'One Health' and the establishment of a 'One Health network.'

The AMM was followed by the 13th East Asia Summit (EAS) Foreign Ministers' Meeting convened on July 14 in Jakarta⁶. The meeting adopted the EAS Plan of Action (2024-2028) aimed at strengthening "the relevance, coherence, and effectiveness of the EAS as the Leaders-led forum for promoting peace, stability, and economic prosperity in the region". The Plan of Action included the AOIP, in first such reference in an EAS document. The meeting encouraged efforts to mainstream and implement AOIP through concrete projects and activities.

The Ministers laid great emphasis on addressing climate change and achieving sustainable economic recovery. To that end, the meeting discussed the establishment of the 'ASEAN Centre for Climate Change' and enhancing energy cooperation through the 'Asia Zero Emission Community (AZEC)' initiative. Leaders extended support for Japan's 'Asia Energy Transition Initiative (AETI)' aimed at facilitating Asia's transformation to zero net emissions.

The Summit statement echoed various concerns and opinions on regional developments expressed in the AMM Joint Communiqué. On the recent developments on the Korean Peninsula, the Ministers underscored the need to address issues of "humanitarian concerns of the international community, including the immediate resolution of the abductions and detainees issues."

⁶ Chairman's Statement of The 13th East Asia Summit (EAS) Foreign Ministers' Meeting, [ASEAN](#), July 15, 2023

While on the Ukraine conflict, the Foreign Ministers discussed ways to mitigate the economic and financial impacts of the war on ASEAN.

The AMM and EAS Foreign Minister's Meetings have sketched out various deliverables in areas of- regional cooperation including ASEAN connectivity, digital economy, environment conservation, addressing the global health crisis and pandemic preparedness, AOIP and food security, to be implemented in the upcoming 43rd ASEAN Summit. However, the joint communiques have exposed divergent opinions amongst member countries on certain issues. ASEAN under Indonesia's chairmanship aims to lead the region's sustainable economic growth. It is yet to be seen how Indonesia will lead in achieving ASEAN cohesiveness and the preservation of its centrality in the regional architecture.

The Global South, Southeast Asia and the economic consequences of great power contestation in the region

by
Biren Nanda

The **Global South** is a term that broadly comprises countries in the regions of Africa, Latin America and the Caribbean, Asia (without Israel, Japan, and South Korea), and Oceania (without Australia and New Zealand). It includes marginalized economies, large emerging economies and developing countries. These countries may have progressed in the era of globalization, but many remain excluded from any role in global political and financial governance.

ASEAN countries like others from the global south all aspire to and desire an equitable global order. Globalization has generated prosperity for millions across the region. However, the benefits of globalization have not been distributed in an equitable manner. The GFC of 2007/8 brought to the fore issues of political and financial governance, which have yet to be addressed in full measure.

The tensions between the United States and China threaten global value chains and have the potential for disruption as some supply chains are moved out of China. The disruption in value chains will inevitably undermine the prosperity of regional countries. With the outbreak of the Covid-19 pandemic, supply chain resilience emerged as a policy priority of all countries. The issue of supply chains has also raised the profile of emerging economies that offer possible alternatives to China as production platforms for multinational firms. All major emerging economies are attempting to take advantage of this new focus on supply chain resilience, while (to varying degrees) balancing the economic security risks posed by China's rise. The challenge is to craft trade, investment, and technology policies in ways that promote mutual economic security and enhance international economic "rules and norms".

On May 23, 2022, the Biden administration launched its first major trade initiative: the Indo-Pacific Economic Framework (IPEF). The IPEF is billed as an effort to expand U.S. economic leadership in the Indo-Pacific region and is the economic counterpart of the QUAD. This was also the objective of the Trans-Pacific Partnership (TPP), a trade deal that was negotiated during the Obama administration. However, President Donald Trump withdrew from the TPP in 2017, and the Biden administration has made clear that it does not intend to

reenter that trade pact, which is now renamed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, or CPTPP.

The defining nature of strategic developments since the GFC of 2007-08 is a rising China challenging the “rules based order” in the South and East China Seas and along the India China border and coercive maneuvering by the PLA Navy off the coast of Taiwan – all part of a broader effort to supplant the United States as the preeminent power in Asia. As a consequence, ASEAN unity on Chinese claims on the Spratlys and Paracels in the South China Sea has been broken since 2012. These trends were exacerbated after the COVID crisis that broke out in November 2019.

The new Asian Geopolitics is markedly different from that which existed during the cold war. Then during the fight against communism the US extended its security umbrella and allowed ASEAN members to focus on economic growth and domestic stability. Now China has displaced Japan as Asia’s largest economy and China’s GDP is 5 times that of ASEAN. ASEAN’s capacity to offer a combined response to this new geopolitics is under challenge. Membership expansion from the original five states has made reconciling national positions difficult. The US and China were engaged in a struggle to control the narrative around COVID 19 and the heightened naval and strategic competition in the South China Sea¹.

Southeast Asian countries which have been heavily dependent on China for infrastructure and other development needs – Cambodia and Laos – are likely to become even more leveraged to Chinese influence over time. Even the larger Southeast Asian countries have been significant recipients of Chinese medical aid² and loans for infrastructure development. These countries may appear to be pushing back against Chinese assertions but their actions always remain within bounds of managing their relationship with their most powerful neighbor. Chinese BRI loans, given on usurious terms for projects that are not bankable, are leading some countries in Asia into a debt trap.

Southeast Asian countries do not want to be in a position of having to choose between China, their major trading partner and the United States which has been their major security partner in the region. Singapore Prime Minister Lee Hsein Loong in an article published in the Foreign Affairs issue of June 2020, writes that despite China’s growing military strength, it would be unable to assume the United States’ security role in Asia. Lee added that Asia Pacific Countries do not wish to be forced to choose between the United States and China and that they wanted to cultivate good relations with both. Countries like Singapore and Vietnam are trying to strike a delicate balance between the US

and China by trying to tip toe around the US-China rivalry which is really about who will become the dominant power in Asia.

Vietnam, ASEAN's 2020 Chair, tried and failed to forge a consensus approach in dealing with a more assertive post COVID China. It would appear that Vietnam and some maritime members of ASEAN wish to push a collective approach against China's territorial assertions. However, mainland ASEAN countries fear the punitive economic costs China may impose as a consequence of the pursuit of this approach. As a result some ASEAN members like Vietnam are now seeking to advance their strategic autonomy by enhancing cooperation with middle powers in the Indo-Pacific³.

Through the theme of its ASEAN Chairmanship: "ASEAN Matters: Epicentrum of Growth", Indonesia is determined to continue and strengthen ASEAN's relevance in responding to regional and global challenges, as well as in strengthening ASEAN's position as the focal point for regional economic growth.

The India- ASEAN Dialogue Partnership has progressed steadily over the years and promises more equitable outcomes for India and ASEAN in the future. Significant achievements of the Partnership include closer political and security cooperation particularly through dialogue within the ASEAN centric regional architecture, cooperation in maritime security, counter-terrorism, HADR; trade liberalization through the ASEAN-India FTA in goods and services, cooperation in the area of human resource development and through steadily growing people to people links and connectivity.

ASEAN's consensual approach leaves it ill equipped to lead in the task of forging a regional strategy. The ASEAN therefore requires reform and renewal to enable it to serve as the third pole in the new geopolitics of Southeast Asia. Reform alone can give ASEAN the capacity and authority to mitigate the consequences of the strategic contest between China and the US. Failure to do so would mean surrendering the future of the region to the geopolitical interests of extra-regional powers.

It is possible to discern the continuation of a number of trends. **First**, China's assertive behavior in the South China Sea will likely continue over time. **Second** the sheer asymmetry in size between China and ASEAN economies gives China immense leverage that can and will be used for economic coercion in the future. Judging by past experience it will neither be a level playing field, nor an equitable global order. **Third**, the United States must frame the narrative around realizing the goal of a "Free and Open Indo-Pacific" rather than the objective of "containing China". **Fourth**, the ability of the United States and its

partners to offer an alternative to the BRI will be a key factor in influencing outcomes which will determine which country will be the preeminent power in Asia.

¹ Ford Lindsey W and Gewirtz Julian (2020. June 18) China's Post-Coronavirus Aggression Is Reshaping Asia. Foreign Policy.
<https://foreignpolicy.com/2020/06/18/china-india-aggression-asia-alliances/>

² Tamara Esther N S (2020. August 31) US, China Virus Aid: Who Gives More To SEA? ASEAN POST. <https://theaseanpost.com/article/us-china-virus-aid-who-gives-more-sea>

³ Ambassador Chau Phan Sahn (2019. November 4) Vietnam plans a major outreach in India: Ambassador Chau. The Tribune.
<https://www.tribuneindia.com/news/archive/nation/vietnam-plans-a-major-outreach-in-india-ambassador-chau-856258>



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