



Delhi Policy Group

Advancing India's Rise as a Leading Power



EAST ASIA EXPLORER DECEMBER 2023

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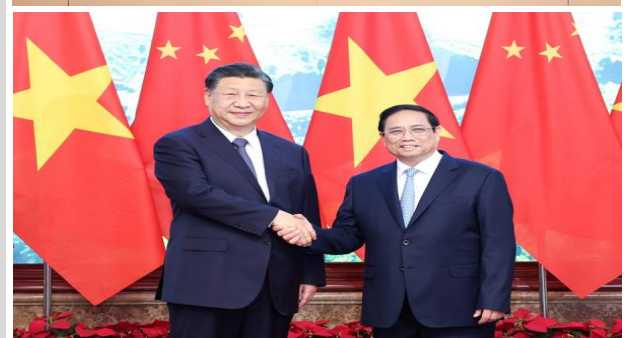
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Cover Image:

Prime Minister Kishida along with ASEAN leaders at the Commemorative Summit for the 50th Year of ASEAN-Japan Friendship and Cooperation in Tokyo on December 17, 2023. (Source: [Prime Minister's Office of Japan](#))

Chinese President Xi Jinping with Vietnamese Prime Minister Pham Minh Chinh at the seat of the Vietnamese government in Hanoi on December 13, 2023. (Source: [Ministry of Foreign Affairs of People's Republic of China](#))

DPRK Strategic Forces' 'Toughest Retaliation Will and Overwhelming Strength Launch Drill' of ICBM Hwasongpho-18 conducted on December 18, 2023. (Source: [KCNA](#))

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Xi Jinping Stresses 'Shared Future' In His Recent Visit to Vietnam

by

Pradeep Taneja

On 12-13 December, Xi Jinping paid a state visit to Vietnam – his third since coming to power but first in six years – aimed at strengthening bilateral ties, even as Vietnam has been upgrading its relations with other powers as a hedge against China's growing influence and assertiveness in the region. Vietnam is the only country that both the United States' President Joe Biden and Xi have visited in 2023, underlying the strategic importance of the Southeast Asian country for the two strategic competitors in the Indo-Pacific region.

Earlier, during Biden's visit to Vietnam in September, the US and Vietnam had agreed to elevate their relationship to a comprehensive strategic partnership, a status that Vietnam had only shared with Russia, China and India until December 2022, when it upgraded its relations with the Republic of Korea to the same level. This was followed by a decision in early December 2023 to raise the partnership with Japan to the same level. The relations with Australia and Singapore may also be similarly upgraded soon.

Before his arrival in Vietnam, the Chinese leader penned an [article](#) for the Vietnamese Communist Party organ, Nhan Dan, in which he repeated the phrase "shared future" about 17 times. By elevating security relations with other significant powers in a quick succession, Vietnam has sought to send a clear signal to China that while it wants cordial and mutually beneficial relations with its largest trading partner, it will not allow itself to become a modern-day tributary state whose future is tied to the apron strings of China.

Xi attempted to portray China's rise as following the "logic of history", signalling to his hosts against challenging that logic by aligning with rival powers to contain China. A key message that Xi tried to convey was that China's economic and military modernisation was good for Vietnam and Asia as a whole. But Asian countries could only benefit from this by "jointly acting" and promoting the "Asian values of peace, cooperation, inclusiveness and integration" to build an Asian community with a shared future – a vital element of his much-touted plan for "building a community with a shared future for the mankind."

Returning to his favourite theme of Asia for Asians that he first propounded in 2012, Xi said "Asia's future is in the hands of no one but Asians". Without mentioning the United States by name, he accused it of "hegemonism, unilateralism and protectionism", which were threatening peace and development in the region and creating instability and uncertainty.

Xi also emphasised the need for China and Vietnam to work together to "fend off" risks and challenges to their one-party "socialist" system at a time when "changes on a scale unseen in a century" are happening that threaten their political and governance systems. In fact, this is one area where the Chinese and Vietnamese communist parties share much in common. In spite of growing ties with the United States, the Vietnamese leaders remain suspicious of their American counterparts' acceptance of their social and political system. Like their Chinese comrades, Vietnamese leaders also fear the so-called colour revolutions supported by Western governments that could potentially threaten their monopoly on power.

The ties between the two Communist Parties remain strong, reinforced by their shared reliance on ideological gymnastics to build and popularise narratives that justify the one-party "socialist" system despite relying on capitalist modes of production to deliver rising economic prosperity to their peoples, on which the legitimacy of their regimes increasingly rests. This is why Xi Jinping received a much warmer welcome than President Biden. Xi's visit was also covered much more extensively by Vietnam's state-owned print and electronic media than the Biden visit.

The much-awaited visit by the Chinese leader yielded positive results for both sides. Vietnam agreed to synergise its major infrastructure initiatives with China's Belt and Road Initiative, of which Vietnam is already a member. Thirty-six [agreements were signed](#) between the two countries, including one on joint patrols in the Gulf of Tonkin, a railway development across the China-Vietnam border, telecommunications, information technology and digital transformation.

The territorial dispute between the two countries in the South China Sea, which has periodically provoked strong anti-China sentiments in Vietnam, did not figure prominently in the public statements and media commentary during the visit. This was probably part of a deliberate effort to maintain a positive environment. However, Xi Jinping did stress the need to properly manage "differences on maritime issues" and to look for mutually acceptable solutions.

But China is unlikely to have been impressed by a rare stand-alone [statement](#) by the ASEAN Foreign Ministers on Maintaining and Promoting Stability in the Maritime Sphere in Southeast Asia issued on 30 December, which said they “follow with concern the recent developments in the South China Sea”, referring to the incidents between China and the Philippines. Vietnam is a key player in ASEAN discussions on maritime disputes with China and would have actively contributed to the drafting of the joint statement.

Trilateral Cooperation between India, Korea and ASEAN

by

Prabir De

The Association of Southeast Asian Nations (ASEAN) has become the world's largest economic powerhouse. Established in 1967 in Bangkok, integration over time has made ASEAN the world's most populous economic bloc. ASEAN has completed its 43rd Summit in 2023 under the chairmanship of Indonesia. The Summit argued that an ASEAN that matters is deeply relevant for its people, the Indo-Pacific region, and the world. Leaders reaffirmed the Southeast Asia Region as a centre of growth; an epicentrum of growth.

ASEAN has truly become the world's most dynamic rules-based open region that promotes comprehensive relations within and beyond. India and Korea are two prominent dialogue partners of ASEAN that have deep-rooted socio-cultural and economic relations with Southeast Asian countries. India shares both land and maritime borders with the ASEAN member states and they are also civilisational partners.

With a combined population of about 650 million, ASEAN presents a regional GDP of about US\$ 3.8 trillion for the year 2022. Growing at an annual average of 5 per cent per annum, ASEAN has become the new hope for the reconstruction of the global economy in the post-COVID-19 era. The beauty of ASEAN is that the ten ASEAN member states vary greatly by income and development levels. On one hand, it has Myanmar and Cambodia, which are among the poorest countries, while, on the other, it has Singapore and Brunei, which are among the wealthiest nations. The variations in income, wealth and development generate interests among member states in the regional bloc to stay together and benefit from growth in the regional neighbourhood. Any partner country for that matter, therefore, gains when ASEAN itself has been growing on a continuous basis transforming into an attractive market. More importantly, ASEAN occupies an excellent strategic location; it is surrounded by two great oceans of the world – the Pacific and Indian. Therefore, besides economic interests, strategic strengths have always attracted external partners to forge partnerships with the ASEAN. Today, 10 member states of ASEAN have over 10 dialogue (external) partners including Korea and India.

Under the overarching 'Act East Policy' of India and the 'New Southern Policy' of Korea, this article reviews the current economic engagements of Korea and India in the ASEAN and presents an overview of the next round of collaboration between them.

ASEAN: A Common Connector between Korea and India

The ASEAN is a region where Korea's New Southern Policy Plus (NSPP) meets with India's Act East Policy (AEP) – both are benign initiatives to strengthen the country's economic and strategic engagements with their immediate and extended neighborhood. While the Korean government unveiled the 'New Southern Policy Plus' in 2020, the Indian government introduced the 'Act East Policy' (AEP) in 2014, which is an updated version of the 'Look East Policy'. While India's AEP is aimed to strengthen partnership for development with the neighbours in the east, NSP aims to do the same for Korea's Southern neighbours. ASEAN is the common region where NSP and AEP intersect.

Under the AEP, India's relations with ASEAN have witnessed a phenomenal rise in recent years. Table 1 briefly presents the broad contours of engagements with ASEAN. Both Korea and India undertook ASEAN-specific COVID-19 measures and offered medicines, health-related gears, and medical consultations. India even provided vaccines to some of the ASEAN countries such as Myanmar. However, there were differences as well. For example, Korea is a member of RCEP and India has withdrawn from it. On the other hand, India is one of the leading countries in the Indo-Pacific and has come out with the 'Indo-Pacific Oceans Initiative' (IPOI), whereas Korea issued its 'Indo-Pacific strategy' in December 2022. At the same time, Korea is a partner of the China-led BRI, but India did not join the BRI. Both Korea and India are members of the IPEF. What follows is that both have similarities in approach and, at the same time, they show complementarities and collaboration opportunities.

Table 1: Engaging with ASEAN: Korea and India

	Korea	India
ASEAN's Dialogue Partner since	1989	1992
Annual Summit	Yes	Yes
Major focus as on 2021	3Ps (People, Peace, Prosperity)	3Cs (Culture, Connectivity, Commerce)
FTA with ASEAN in goods, Services and investments	Yes	Yes
Connectivity programme (physical and people to people)	Yes	Yes
Investments driven by	Private sector	Private sector
Plan of Action (PoA) with ASEAN	Yes	Yes
Special funding (e.g. ASEAN+ fund)	Yes	Yes
Special measures (e.g. pandemic-related)	Yes	Yes

RCEP member	Yes	No
Indo-Pacific vision	Yes	Yes
BRI member	Yes	No
IPEF member	Yes	Yes

Source: Author's own based on secondary sources

Korea is the 5th largest trading partner of ASEAN and India is the 11th largest. Both Korea and India are also FTA partners of ASEAN. The ASEAN-Korea Trade in Goods Agreement entered into force in June 2007, the ASEAN-Korea Trade in Services Agreement entered into force in May 2009, and the ASEAN-Korea Investment Agreement entered into force in June 2009.

In the case of India, the ASEAN-India Trade in Goods Agreement entered into force in January 2010, whereas the ASEAN-India Services and Investment Agreements came into force in 2019. The FTAs have facilitated the rise of bilateral trade between Korea and ASEAN as well as India and ASEAN. Korea's trade with ASEAN has expanded from US\$ 97.29 billion in 2010 to US\$ 109.43 billion in 2019 and then increased to US\$ 143.96 even during the time of the pandemic. On the other, India's trade with ASEAN increased from US\$ 52.70 billion in 2010 to US\$ 80.06 billion in 2019 but declined to US\$ 73.61 billion in 2020. In 2022, both Korea and India have witnessed a peak in bilateral trade with ASEAN. Another interesting observation is that Korea has maintained its trade surplus with ASEAN between 2010 and 2020, whereas India's trade deficit with ASEAN has expanded in the same period.

The composition of ASEAN-Korea trade is, however, structurally different from that between ASEAN and India. Korea's trade with ASEAN in 2019 in major products clearly shows ASEAN and Korea have relatively deeper trade integration in seven products, out of the top 10 items, whereas India's trade integration with ASEAN is relatively thin, where only three, out of the top 10 products, show deeper integration. The trade between Korea and ASEAN also indicates growing value chain linkages between them, particularly in (i) electrical machinery, apparatus and appliances, n.e.s., and electrical parts thereof (including non-electrical counterparts of household type, n.e.s.) and (ii) telecommunications and sound recording and reproducing apparatus and equipment. Korea depends on ASEAN for the import of office machines and automatic data processing (e.g. mobile phones and/or parts and components); articles of apparel and clothing (e.g. men's and women's shirts), etc. Korea being a country with high technology, the bilateral trade between ASEAN and Korea may transform into intensive trade in technological goods and related services and also investments. Only 11.44 per cent of Korea's global trade is conducted with ASEAN, thereby suggesting high bilateral trade potential. Nonetheless, to facilitate trade, ASEAN and Korea may take steps to remove trade barriers,

particularly those which are not consistent with WTO such as the non-tariff measures (NTMs). A rise in trade between ASEAN and Korea may spur trade of their respective partners falling into backward linkages of the value chains.

On the other hand, India's trade with ASEAN has multiplied rapidly particularly during 2010 to 2022. In ASEAN, Indonesia, Singapore and Vietnam are India's major trade partners. At a disaggregated commodity level, India's export to ASEAN is found to be more diverse than India's imports. Overall, between ASEAN and India, mineral products such as petroleum products are the most traded items, where India has been importing crude petroleum from some of the ASEAN countries for refining the petroleum and exports of petroleum products back to ASEAN countries. Similarly, India's active participation in value chains such as in automobile, pharmaceuticals and machineries has helped to retain these products as India's top exports to ASEAN. On the other hand, India's imports of electrical products and vegetable oil have grown significantly in post-FTA. In short, the FTA between ASEAN and India has facilitated not only regional value chains but also regional investments.

Owing to the expansion of trade, FDI inflow to ASEAN has also grown. About 1/4th of ASEAN's FDI during 2013-2019 came from China, Japan, India and Korea. During the period 2013-2019, ASEAN received US\$ 33.91 billion FDI from Korea and US\$ 9.50 billion from India. Other major investors in ASEAN are Japan, China and intra-ASEAN investors such as Singapore, Thailand, Malaysia, and the Philippines. While 28.28 per cent of Korean FDI in ASEAN has gone into the manufacturing sector, ASEAN has received FDI from India more into the services sector (over 60 per cent of Indian FDI into ASEAN).

Korea's FDI in India and ASEAN has reshaped the global value chains, undoubtedly. Samsung's world's largest mobile phone manufacturing facility is located in Noida, India. Like ASEAN, Korean companies like Hyundai, Samsung, Kia and LG have also become popular brands in India. Similarly, these are the major companies investing in ASEAN, particularly in Vietnam.

The foregoing analysis indicates that the bilateral trade relations between India and ASEAN economies have seen a significant expansion. The signing of the ASEAN-India FTA has expanded the trade potential and scope of increasing India's exports to ASEAN countries considering the inherent advantages of the Indian industry in certain sectors. Similarly, Korea's FTA with ASEAN has had a similar impact. On the other hand, a healthy trade has encouraged a promising FDI inflow, which we have found to be the case with ASEAN.

ASEAN and India are presently reviewing the bilateral FTA. The opportunity is that the global share of bilateral trade has not gone up, more particularly for Korea with the ASEAN, thus leaving enough scope for further expansion of trade between them. Investment flows between them have also remained robust. While Korea and ASEAN have relatively dense value chain linkages, the same is yet to happen between ASEAN and India.

Enhanced Partnership with ASEAN

India has upgraded its relations to the strategic partnership level with Indonesia, Vietnam, Malaysia, Japan, Korea, Australia, Singapore and ASEAN and forged close ties with all countries in the Asia-Pacific region. Further, apart from the ASEAN, the ASEAN Regional Forum (ARF) and the East Asia Summit (EAS), India has also been actively engaged in regional fora such as BIMSTEC, ACD, MGC and IORA.

Northeast India has been a priority in India's AEP. AEP provides an interface between Northeast India and the ASEAN region. Some of the major projects include the Kaladan Multi-modal Transit Transport Project, the India-Myanmar-Thailand Trilateral Highway Project and its extension to Cambodia, Lao PDR and Vietnam, etc. Korea may be invited to join some of the connectivity projects between India and ASEAN. Korea, India and ASEAN can join hands in infrastructure development projects in ASEAN as well as in Northeast India.

Under the AEP, Northeast India has the potential to become a major investment destination. Other areas of cooperation are health, tourism, agriculture allied sectors, connectivity, environment, etc. In agriculture and allied sectors, there are vast opportunities in trade with live-stock, horticulture, fishery, agro-processing sectors or natural resource areas. For example, bamboo can create a value chain in the region for Northeastern states of India. Neighbouring countries also have cultural affinities with the Northeast States of India. Bamboo shoots have high potential that can create a sustainable value chain by developing a bamboo network between ASEAN, Korea and Northeast India.

To conclude, engaging with Korea and ASEAN for the development of Northeast India would be highly rewarding in terms of the development of value chains, connectivity and technology. This would also reinforce India's cultural connect with Korea for Northeast Indian states where Korean TV serials, K-Pop, K-Drama etc. are equally popular. In a way, the Korean cultural wave has been spreading in India's Northeast since the late 1990s. K-pop and Korean drama had their biggest breakthrough in India amid the pandemic.

What more can Korea and India do together for the ASEAN under the AEP and NSP? Both countries can undertake joint connectivity and agriculture projects in CLMV; public health; restoration of heritage in Southeast Asia; tripartite travel and tourism, particularly in the areas of cultural heritage; and digital linkages, to mention a few. Besides, both can offer unique trade facilitation solutions in customs, logistics and e-commerce. To start with, Korea and India may agree to join ASEAN's Customs Transit System (ACTS). ACTS allows single transit across all ASEAN countries with a single Customs declaration. Another project could be restoring cultural heritage in Cambodia, Vietnam, Lao PDR and Myanmar. It would be a perfect match when the ASEAN-Korea-India (AKI) trilateral provides further momentum to global trade and growth through shared value chains and faster delivery in the post-COVID-19 period.

Among East Asian and Southeast Asian countries, Korea's recovery from the pandemic-led recession was the fastest. The Korean President called India "a central pillar of the Republic of Korea's (ROK) new southern policy." Both leaders have realised the importance of the synergy between India's 'Act East Policy' and Korea's 'Southward Policy', and have decided to explore a tripartite partnership for development such as in ASEAN or Bangladesh. This innovative idea offers new prospects for India-Korea-ASEAN cooperation in many areas.

Following the ASEAN-Korea partnership, a great opportunity to scale up the ASEAN-India engagements is the development of value chains. Current engagement in value chains between ASEAN and India is not substantial; about US\$ 5.8 billion was the total trade in parts and components between them in 2018. India should put the country's vibrant private sector as a high-speed engine to the ASEAN-India relations.

In the post-pandemic era, restoring connectivity and resilience of supply chains will be the key to economic integration. The 'Supply Chain Resilience Initiative' (SCRI) will add to the development of the economic corridor between ASEAN and India. It may also facilitate investments as well as spur growth in the region.

Finally, regional cooperation, be it economic or non-economic, will be the key to promoting economic stability, competitiveness, growth and integration in the region. Today, it is possible for countries to decide the route to reach a destination when multiple economic lines are open. Scale, quality and trade costs will sustain these initiatives.

Next Round of Collaboration: Indo-Pacific

The Indo-Pacific has been in the limelight for quite some time now. It is a multipolar region, contributing more than half of the world's GDP and population. India and Korea should look forward to working together with the ASEAN. Under the NSP, Korea has announced India as a key partner for cooperation. To explore new markets and economic opportunities, Korea and India have been collaborating in areas ranging from maritime security, terrorism, and cultural ties to the most important aspect of trade. India's 'Act East' is now envisaged as 'Act Indo-Pacific'. In the post-pandemic period, the 'Indo-Pacific initiative' may gain new momentum, and, therefore, the trilateral partnership between India, Korea and ASEAN is seen as the key pillar of the Indo-Pacific initiative. All of them have announced their respective visions for the Indo-Pacific. However, this will depend on how the three coordinate their activities and design a common programme to drive the Indo-Pacific in collaboration with other partners.

Korea has an important role in fostering Indo-Pacific integration. Korea has a strong, diversified and internationally highly competitive industrial and manufacturing base. Given Korea's prowess in digital technology and transportation, Korea's participation in the Indo-Pacific may lead to strengthening digital connectivity and also open new changes and business opportunities for the development of related technology. As technology becomes key to today's regional integration, Korean companies with cutting-edge technology will drive digital connectivity in a bigger way.

The Indo-Pacific is likely to be a game changer for the world economy. What could be the next steps for Korea? There could be three types of activities: first, Korea scales up Indo-Pacific activities; second, Korea continues to work closely with ASEAN and EAS on Indo-Pacific matters and be guided by other members; and third, Korea promotes the Track II engagements on Indo-Pacific.

Concluding Remarks

To conclude, both Korea and India have made phenomenal progress in integrating with ASEAN over time. However, the potential of the partnership is yet to be fully unlocked. Korea and India may have a joint vision to add new momentum to the bilateral partnership as well as the Indo-Pacific. This highlights the need for collaboration between the two countries under their respective AEP and NSP Plus. In the pursuit of the new southward strategy, Korea and India may further engage with ASEAN, thereby scaling up the partnership to another higher level. Given India's presence in the Indian Ocean and Korea in the Pacific Ocean, maritime cooperation is going to drive regional

integration. India and Korea's partnership with the ASEAN is likely to reshape the Indo-Pacific integration process.

The Strategic Drivers behind India's "Act East Policy"

by
Biren Nanda

In analyzing and identifying key Strategic Drivers behind India's 'Act East Policy', it is useful to address some pertinent questions related to the theme of this article: First, what are the unique characteristics of the current situation in Asia? Second, what is the background to current relations between India and Southeast Asia? Third, what were the enabling factors behind India's Look East Policy? Fourth, what is the strategic significance of the coming together of ten ASEAN countries and India in the Dialogue Partnership? Fifth, what has been the progress of India's Dialogue Partnership with ASEAN? Sixth, how do we distinguish the Modi Government's 'Act East Policy' from its predecessor the 'Look East Policy' adopted in 1991?

First, what are the unique characteristics of the current situation in Asia?

Looking at the longer-term perspective, India's 'Look East Policy' was made possible by global structural changes that occurred after the end of the Cold War. Not only had the Cold War ended, but an extraordinary inter-dependence among leading states of the international order was in the making. The intensity and inter-penetration of the global processes soon became of an altogether different order. This affected fundamental choices.

Three factors had stood in the way of these processes until a few years ago. First, the Cold War and its ensuing political polarization was a great divide. Second, the weakness of post-colonial economies prevented them from playing an adequate role. Third, the disruption of natural connectivity and the artificial compartmentalization of regions during the colonial era also built barriers. India, for example, was separated from Southeast Asia, West Asia and Central Asia – all regions with which it has had deep historical connections. What could be described as "the natural unity of the Indian Ocean region" was disrupted and is still to be fully restored.

Today, there is a broader appreciation that what unites the key players is more than what divides them. Policymakers were beginning to understand that inter-dependence and competition could co-exist. This had profound consequences for foreign policy formulation. Indian policymakers began to see relationships less in terms of zero-sum games. The search was on for constant leveraging and maximum flexibility. Progress in one relationship could lead to significant improvements in others. We were willing to engage

more because there are thresholds below which relationships could not afford to fall. This allowed broader engagement and isolation of differences where they existed. The confidence to moderate problems could grow if the natural tendency was to search for commonalities. All of this naturally required a change of mindsets. The old balance of power approach had to give way to a greater acceptance of multi-polarity, not only globally but in Asia as well.

Asia is in the middle of a historic transformation. Asia's prosperity has knitted the region together through networks of production, trade, and finance, creating an increasingly interdependent continent. Regional cooperation (including integration) is critical for Asia's march toward prosperity.

Building Asia's regionalism will require collective leadership that recognizes the multi-polarity among its participants. Asia's major economic powers – despite their differences and antagonisms – including India, Japan and China, are playing an important role in shaping Asia's role in the global economy.

The economic dynamism for which the region is now renowned was made possible by the turn away from conflict. Contrary to expectations, however, in spite of its prosperity, the situation in the region, in the period since the global financial crisis of 2007-08, has become more uncertain, as historical animosity, mistrust and territorial disputes resurface. This antagonism has been fuelled by increasingly aggressive territorial assertions, growing defense budgets and an often-strident nationalism.

The United States and China are presently engaged in a contest for a long-term effort to reshape global order¹. This struggle co-exists with a vast amount of still mutually beneficial trade and other economic activity. But the world [this] represents is also one of partial de-coupling and fragmentation², of national economic sovereignty, "trusted" supply lines and divided technology realms. The net result is a complex new duality of simultaneous competition and interdependence, with higher degrees of risk.

Asia's wealth has made its long-extant flash points and geopolitical fissures increasingly militarized and risk-prone. It has also made these points of global importance. Despite its potential for dominating the global economy, Asia is presently transitioning through a difficult period. There has been a pushback against globalization since the global financial crisis. This is in no small measure due to the fact that the benefits of globalization have accrued largely

¹ Maude, Richard (February 9, 2022) How to understand the Quad - a short guide for Australian business. Asia Society

<https://asiasociety.org/australia/how-understand-quad-short-guide-australian-business>

to the rich and affluent sections of society. Tensions between China and the United States also threaten to undermine the prosperity of Asian countries.

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 has 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".

The ASEAN has placed itself at the center of the Regional Security Architecture in East Asia. Cooperation between India and China within ASEAN-centric institutions can be an important stabilizing element in an increasingly disturbed region.

Second, what is the background to current relations between India and Southeast Asia?

India has had two millennia of close cultural and commercial links with Southeast Asia. These living links are to be seen in common elements in our language, arts, religion, handicrafts and our common architectural heritage. These links came about over a long period of time through trade rather than armed conflict and the expansion of territory.

In the modern era after India became independent in 1947, these links were revived and strengthened as countries of Southeast Asia emerged from colonial rule. Starting from the 1940s to the 1950, India, China and Indonesia together laid the foundation of the Afro-Asian movement. However, soon dark clouds cast a shadow on Afro-Asian Unity. During the Cold War era, the world was divided into camps and this somewhat limited the flexibility and potential for building closer links between India and Southeast Asian countries, which were a part of the US alliance system.

Geo-politically, India reaches well beyond South Asia, which is essentially a geographical concept. We share one of the longest land borders in the world with a non-South Asian country – China. Central Asia is part of our immediate neighborhood. We share land and maritime borders with three South East

Asian countries – Myanmar, Indonesia and Thailand. We have a land border of some one thousand six hundred kilometers with ASEAN through Myanmar. The Andaman and Nicobar Islands of India are just over a hundred kilometers from Indonesia. Our exclusive economic zone spans waters from the Persian Gulf to the Straits of Malacca. India straddles vital sea lanes and oil routes between the Gulf and Japan.

We are aware that the challenges that preoccupy the international community can adversely impact the process of Asian reintegration. The global economic crisis has thrown us challenges of constricting export markets and slowing inward foreign investment flows. The process of Asian integration has however gathered momentum and has enabled our economies to sustain their growth rates at a time of economic problems in Europe and North America

The Indian Ocean region is crucial to India's geopolitical interests and its economic and energy security. The region's salience will only increase in the coming years as the weight of global activity shifts towards Asia. India has in the past, assumed chairmanship of the Indian Ocean Rim Association for Regional Cooperation (2011-13), which brings together 23 littoral states of the Indian Ocean Rim. We have placed emphasis on the need for building functional relationships between the Navies and Coast Guards of the Member States to enhance cooperation and security in the region. We have also called upon Member States to address issues of transport infrastructure and connectivity, which hamper growth of intra-regional trade and investment. During India's chairmanship of IORA, six priority areas including Maritime security disaster management, trade and investment facilitation, fisheries, academic and S&T cooperation and Tourism and cultural exchanges were identified. In our view, the road map for the IOR should be inclusive and comprehensive bringing together Governments, civil society and business and reflecting common regional interests. We have called for a special emphasis on job creation, capacity building and skilling of youth, sustained efforts to promote developmental, energy and food security needs and connectivity to facilitate greater trade and investment.

Third, what were the enabling factors behind India's Look East Policy?

In 1991, the year the cold war ended, India adopted a program of economic reforms, and announced her 'Look East Policy', which sought greater engagement and integration with Southeast Asia. India's converging interests with Southeast Asian countries were the major driver behind India's 'Look East Policy'. The warming of India-US ties particularly after the conclusion of the India-US civil nuclear cooperation agreement in 2005 also contributed to

closer relations with the countries in the region.

Fourth, what is the strategic significance of the coming together of ten ASEAN countries and India in the Dialogue Partnership?

The imperative of bringing in India, to balance the overwhelming weight of China, in regional affairs, has been a significant strand of strategic thinking amongst some ASEAN countries. It was no surprise therefore, that way back in 2005, on the eve of India's participation in the inaugural East Asia Summit, Singapore Senior Minister Goh Chok Tong had spoken of India and China as two wings of a 'mega jumbo jet' whose fuselage was the ASEAN¹

"I like to think of new Asia as a mega jumbo jet that is being constructed. Northeast Asia, comprising China, Japan, and South Korea, forms one wing with a powerful engine. India, the second wing, will also have a powerful engine. The Southeast Asian countries form the fuselage. Even if we lack a powerful engine for growth among the 10 countries, we will be lifted by the two wings."

The importance ASEAN nations have begun to attach to relations with India is reflective of their collective search for ways to balance China's aggressive behavior and territorial assertions in the South China Sea. Southeast Asian countries regard ties with India as critical for maintaining their strategic autonomy, and balance of power in the region. Another attraction for the ASEAN was India's growing importance as a source of investment and trade.

Fifth, what has been the progress of India's Dialogue Partnership with ASEAN?

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; and 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.

Today India is a member of the ASEAN Regional Forum, a summit partner with the ASEAN and a member of the East Asia Summit. Our "Act East" policy is being strengthened by regional economic integration through special trade and investment arrangements such as the India-ASEAN Free Trade Area, the India-Singapore Comprehensive Economic Cooperation Agreement, the India-

Thailand FTA, and the India-Malaysia FTA and through the many other cooperative projects that we pursuing as part of our Dialogue Partnership with the ASEAN. We have an open mind in regard to cooperative efforts and are willing to examine the merits of participation if they are in consonance with our objectives and values.

India and ASEAN have increasingly convergent views on the situation in the South China Sea. Both India and ASEAN recognize the benefits of having the South China Sea as a sea of peace, stability, friendship, prosperity, and cooperation. The ASEAN-India "Joint Statement on Cooperation on the 'ASEAN Outlook on the Indo-Pacific' for Peace, Stability and Prosperity in the Region", is based on the common elements between the 'ASEAN Outlook on the Indo-Pacific (AOIP)' and India's 'Indo-Pacific Initiative (IPOI)'. Leaders of India and ASEAN have also welcomed the adoption of the 'ASEAN-India Joint Statement on Maritime Cooperation'² as a means to explore and promote maritime cooperation between ASEAN and India.

India has strengthened bilateral defense and security cooperation with Vietnam, Malaysia, Philippines, Singapore, and Indonesia at a time when these countries are seeing rising tensions and territorial disputes with China. India's bilateral defense cooperation with individual ASEAN countries has been institutionalized through the signing of bilateral Defense Cooperation Agreements or MOUs. Three forms of cooperation have gained momentum – cooperation between Navies, the maintenance and supply of equipment and assistance for training.

Sixth, how do we distinguish the Modi Government's 'Act East Policy' from its predecessor the 'Look East Policy' adopted in 1991?

India's 'Act East Policy' adopted by the Modi Government since 2014 is more intense and larger in geographical scope than its predecessor. It now includes Japan, Australia, South Korea, and New Zealand. It focuses on political and security cooperation, connectivity, commerce and culture and it is pursued across a range of platforms apart from the ASEAN and the EAS including the MGC, BIMSTEC and IORA.

Rising Tensions in the Korean Peninsula

by
Jayantika Rao T.V.

The security environment in Northeast Asia has been fraught with tension and, in the past year, has been further destabilised due to the equivocal actions of the regional actors. For nearly 73 years, the United States has been committed to ensuring the security of the Korean Peninsula to support its treaty ally, South Korea and deter any aggression from North Korea. Despite the occasional provocations, the efficacy of deterrence has remained high, and the risk of large-scale conflict has remained low. Nonetheless, deteriorating relations between North Korea and the US and South Korea has made the Korean Peninsula even more dangerous than before.

Recent Developments

Threats from North Korea

Recent developments, particularly in North Korea's space, missile and nuclear programs have severely impacted the current situation. In early 2023, the North Korean leader Kim Jong-un, explicitly stated that the country would 'exponentially' increase the size of its nuclear arsenal and develop new intercontinental ballistic missiles (ICBM)³. Kim Jong-un remained true to his statement, with the latest testing conducted on December 17. The Hwasong-18 travelled 1000 km (620 miles) before splashing down in the East Sea (also known as the Sea of Japan). Following the testing, Japan's Ministry of Defence revealed that based on the flight's trajectory, "the ICBM-class ballistic missile launched could have a range of over 15,000 km (depending on the weight of the warhead), in which case the entire United States would be within its range"⁴.

Pyongyang's long- and short-range missiles have not been the only elements in the scaled-up power projection of the DPRK. On November 22, the state-run Korean Central News Agency (KCNA) reported that North Korea had successfully launched its reconnaissance satellite 'Malligyong-1'.⁵ This was the

³ Sang-ho, Song. "N. Korean leader calls for 'exponential' increase in nuclear arsenal." Yonhap News Agency (January 1, 2023). Accessed from, <https://en.yna.co.kr/view/AEN20230101001053325>

⁴ "Extraordinary press conference by Parliamentary Vice-Minister of Defense Miyake". Ministry of Defence – Japan. (December 18, 2023). Accessed from, https://www.mod.go.jp/j/press/kisha/2023/1218a_r.html

⁵ Minji, Lee. "N. Korea says it successfully placed spy satellite into orbit, will launch more". Yonhap News Agency. (November 22, 2023). Accessed from, <https://en.yna.co.kr/view/AEN20231121010055315>

third attempt in 2023, with the previous attempts in May and August having failed. While many have speculated that Russia has provided upgraded military technology that led to its recent success, it's unlikely that the new technology could have been incorporated and checked in the relatively short time between the Kim Jung-un's meeting with Russian President Vladimir Putin in September and the November launch. However, there is some basis for the speculation, as North Korean leader Kim Jung-un met with Russian President Vladimir Putin at Vostochny Cosmodrome, Russia's most modern space rocket launch site, where Putin claimed that they met because "the DPRK leader shows a keen interest in rocket technology".⁶ This growing military cooperation has raised concerns especially in the United States, with US Secretary of State Antony Blinken stating that "the US, South Korea and other countries will continue their efforts to 'identify, expose, and counter' Russian-North Korean military transactions"⁷.

The recent strategies employed by North Korea were analysed in a report published by the United States Intelligence Community June 2023. The report stated that North Korea uses threats especially nuclear threats to achieve its national interests to maintain "escalation control" and "minimise the risk of regime-threatening retaliation".⁸ In essence, the assumption is that North Korea's overtly bold missile and satellite launches are a smokescreen to undermine South Korea and more specifically the United States. However, while Kim Jong-un will attempt to use conventional means to deter the United States and South Korea, he will not hesitate to use its nuclear weapons to deter especially if he believes his regime is in peril.

Trilateral Coordination as a Response?

North Korea's growing assertiveness, especially its missile tests, has been used as the pretext to accelerate coordination between the United States, South Korea and Japan. Following Hwasong-18's launch on December 17, the trilateral grouping (the United States, South Korea and Japan) announced on December 19 that they have activated "a real-time DPRK missile warning data sharing mechanism and jointly established a multi-year trilateral exercise plan"⁹. This mechanism will enable the countries to share information and

⁶ Roth, Andrew. "Vostochny cosmodrome: the remote Russian spaceport hosting Kim and Putin". The Guardian. (September 13, 2023). Accessed from, <https://www.theguardian.com/>

⁷ Ching, Nike and William Gallo. "Blinken Slams 'Growing, Dangerous' Russia-North Korea Military Ties". VOA News. (November 9, 2023). Accessed from, <https://www.voanews.com/>

⁸ United States Intelligence Community. "North Korea: Scenarios for Leveraging Nuclear Weapons Through 2030". National Intelligence Estimate. De-classified June 15, 2023. Accessed from, <https://www.dni.gov/files/ODNI/>

⁹ "United States-Japan-Republic of Korea Trilateral Ministerial Joint Press Statement". US Department of State. (December 19, 2023). Accessed from, <https://www.defense.gov/News/>

coordinate their responses in real time in case of an actual military provocation from North Korea. Additionally, the group decided to jointly establish a 'multi-year trilateral exercise' to enhance their readiness and preparedness for potential security threats posed by North Korea. While exercises have been conducted in the past, the new commitment will regularise the exercises starting 2024.

In this context, the United States, South Korea, and Japan have strengthened their ties and institutionalised their cooperation at the Camp David Summit in August 2023, which was intended to be a positive development for security on the Korean Peninsula. Nonetheless, as the Joint Statement of Camp David stated, the cooperation extends beyond security cooperation to include commitments towards providing public goods in the Indo-Pacific.

Conclusion

Geopolitical realities have driven Northeast Asia to adopt a Cold War mentality, as regional actors seek to maintain their national interests by strengthening their allies. While some may claim that the negative consequence of the Camp David Summit was the growing cooperation between Russia and North Korea, the reality is that this cooperation has always had an autonomous momentum of its own and was mutually beneficial for the two countries. Russia's need for ammunition and North Korea's need for military technology have made the cooperation inevitable, regardless of the US-ROK-Japan cooperation. Similarly, while the main factor for collaboration among the United States, South Korea and Japan is based on the increasingly fraught geopolitical neighbourhood, the trilateral cooperation has been able to advance only after South Korea and Japan were able to make breakthroughs in repairing their bilateral relationship this year. With more political space to discuss and navigate cooperation, the trilateral can deliver on its promise of furthering a 'new era of trilateral security cooperation'.

However, the fact remains that the deteriorating situation in the Korean Peninsula is to be blamed on all involved actors. The growing US-ROK-Japan cooperation has led Kim Jung-un to openly accuse the United States of creating an 'Asian NATO' with Kim Jung-un quoting US and South Korean statements which tend to state "the end of the regime" as a reason for the need to advance allied military capabilities. At the same time, the US-ROK-Japan trilateral cooperation has reacted to Kim Jung-un's narrative of confrontation to gain support for their military cooperation.

Japan and ASEAN Commemorate 50 Years of Friendship and Cooperation

by
Anshita Shukla

After five decades of peaceful coexistence and mutually beneficial partnership, Japan and ASEAN marked the 50th anniversary of their relations with a commemorative summit held in Tokyo on December 17, 2023. The partnership has witnessed and withstood the fast-changing power balance in the international geopolitical landscape over the past decades, but now must deal with intensifying great power rivalry and rising instability in the Indo-Pacific. This dynamic shift in the security environment of Asia is inducing changes in the engagement between ASEAN and Japan, which is expanding from economic and development cooperation to include security assistance.

Japan and ASEAN had upgraded their relations to a Comprehensive Strategic Partnership in September 2023 at the 26th ASEAN-Japan Summit held in Jakarta. The Commemorative Summit adopted two documents- a joint statement and an 18-page, 130-point implementation plan. Three broad areas of cooperation have been listed in the two documents:

- Heart-to-Heart Partners across generations
- Partners for Co-creation of Economy and Society of the Future
- Partners for Peace and Stability

The comprehensive plan, laid out by the two documents, covers a range of areas such as energy and critical minerals, people-to-people relations, climate change, economy, and outer space. The documents reiterate the commitment of Japan and ASEAN to ensure and strengthen a free and open international order based on the rule of law. A critical outcome of the summit is the launch of new efforts in Public-Private Partnership like the Asia Zero Emission Community (AZEC) platform, the ASEAN-Japan Co-Creation Initiative for the Next-Generation Automotive Industry, and boosting private investment for strengthening connectivity, climate change measures, and support for MSMEs & start-ups¹⁰.

Japan's positive outreach to Southeast Asia was further illustrated by the bilateral meetings convened on the side-lines of the summit. Japan and Malaysia elevated their relations to a Comprehensive Strategic Partnership and

¹⁰ Outcomes of the 50th Year of ASEAN-Japan Friendship and Cooperation/ the Commemorative Summit, [MOFA Japan](#), December 20, 2023.

signed a security assistance deal which includes a 400-million-yen (\$2.8 million) grant to boost Malaysia's maritime security and transfer of rescue boats, supplies and warning and surveillance equipment¹¹. The Prime Minister of Japan, Fumio Kishida, and Indonesia's President Jokowi Widodo, agreed on the removal of trade barriers. Japan has extended its support to Indonesia's maritime capabilities by providing a 9-billion-yen (\$63 million) patrol vessel to Indonesia's coastguard¹². With Cambodia, Japan agreed to establish Defence Senior Official's Talks to strengthen cooperation on the security front. To bolster cooperation in maritime safety capacity building, Japan and the Philippines signed a Memorandum of Cooperation between the coast guards of the two countries. President Marcos and Prime Minister Kishida welcomed cooperation under Japan's Official Security Assistance (OSA) and expressed their willingness to expedite the early conclusion of the negotiations on the Reciprocal Access Agreement (RAA).

Historically, Japan's engagement with Southeast Asia has been centred around the Fukuda Doctrine. To help placate concerns of the post-colonial region regarding the erstwhile imperial power, the doctrine declared Japan's intent to never assume the role of a military power again, to strive towards building a relationship of mutual trust and confidence with ASEAN, and for the two sides to be equal partners¹³. Since the institution of this relationship, the inflow of development aid and FDI from Japan helped rebuild the economies of the region in the aftermath of the Asian Financial Crisis of 1997. The two sides have since established cooperation in areas of trade and investment, human resource development, combatting international terrorism and organised crime, and cultural and people-to-people exchanges. In 2022, Japan was the second largest source of Foreign Direct Investment (FDI) for ASEAN, contributing US\$27.2 billion¹⁴. Japan's pre-pandemic infrastructure commitments to the region are valued at \$367 billion – far larger than China's \$255 billion¹⁵.

An intent to shift focus in Japan's engagement with ASEAN from predominantly economic to security cooperation is well reflected by the outcomes of the recent commemorative summit. This stems from the common challenge Japan and ASEAN face from China's rising assertiveness of maritime

¹¹ Japan and Malaysia sign \$2.8 mln maritime security assistance deal, [Reuters](#), December 16, 2023.

¹² Indonesia and Japan Forge Closer Economic Ties by Removing Trade Barriers, [International Trade Council](#), December 16, 2023.

¹³ Fukuda Doctrine, [ASJA International](#), March 2012.

¹⁴ Navigating Global Complexities: Strengthening ASEAN-Japan Collaboration, [Economic Research Institute for ASEAN and East Asia](#), December 18, 2023.

¹⁵ China No Match for Japan in Southeast Asia Infrastructure Race, [Bloomberg](#), June 23, 2019.

claims in the region. The incursion by two Chinese maritime patrol boats into Japan's territorial waters in the East China Sea on December 9, 2023, is the latest in the rising number of incidents over the contested Senkaku islands. Similar incidents have been reported by ASEAN countries in the South China Sea (SCS), more than 85% of which is claimed by China. The SCS is a critical trade passage for Japan, carrying 80% of Japan's energy imports¹⁶. Beijing's 'grey zone' tactics in South China and the East China Sea threaten the openness of these sea lines of communication.

The region stands further destabilised by North Korea's intensifying nuclear programme, the emerging China-Russia nexus, and ASEAN's inability to navigate the Myanmar crisis. The threat perception of Japan as a US ally is exacerbated by scepticism regarding the United States' commitment to uphold stability in the Indo-Pacific. Regionally, the focus on security cooperation by Japan with ASEAN countries is aimed at building regional capacity to deter China's aggression and attempts at domination. Domestically, Japan has pledged to double its defence spending as a percentage of GDP and is developing its defence industry under the 'realist diplomacy' of the Kishida administration¹⁷. While Tokyo will continue to be restricted in its military posture by its constitution, security cooperation will allow Japan to develop a robust partnership with ASEAN.

In a strained climate of geopolitical relations, the economic interdependence of ASEAN and Japan on China further complicates the landscape. The gap between the economies of ASEAN and Japan has been partially bridged, with ASEAN's combined GDP estimated to surpass Japan's by 2030¹⁸. China's trade with the Southeast Asian region at \$722bn, has already surpassed that of \$269bn of Japan¹⁹. The largest trading partner for both ASEAN and Japan is China. Japan ranks as the fourth-largest source of Foreign Direct Investment (FDI) to China with US\$4.6 billion. Japan and ASEAN must carefully tread the fine line of deterring unilateral assertions by China while safeguarding their economic interests.

As the theatre of great power competition intensifies in the Indo-Pacific, Japan must continue to remain a 'reliable partner' to the region to enable ASEAN countries to hedge against risks inherent in navigating Asia's evolving geopolitical landscape. The shift away from Shinzo Abe's construct of 'free and

¹⁶ South China Sea perspectives: Japan, [Parliament of Australia](#), October 7, 2022.

¹⁷ Japan's new golden age in Southeast Asia, [The Interpreter](#), November 14, 2023.

¹⁸ ASEAN GDP to exceed Japan's by 2030: IHS Markit economist, [NIKKEI Asia](#), September 23, 2016.

¹⁹ Japan is a cuddlier friend to South-East Asia than America or China, [The Economist](#), December 14, 2023.

open Indo-Pacific' to Fumio Kishida's 'free and open international order' reflects a reprioritization of Japan's foreign policy towards the West, away from Asia. This move could be detrimental to Japan-ASEAN relations, the strength of which lies in Japan's consistent and long-term engagement with the region. The Kishida administration's commitment to engage with and maintain focus on the Indo-Pacific will be the crucial determinant for the future of this partnership.

¹ Keynote address by Senior Minister Goh Chok Tong of the Republic of Singapore at the Singapore Conference, London, 15 March 2005

² September 7, 2023. ASEAN-India Joint Statement on Maritime Cooperation. ASEAN.org <https://asean.org/asean-india-joint-statement-on-maritime-cooperation/>



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