

**INDIA'S RELATIONS WITH SINGAPORE: A STUDY OF ITS
ECONOMIC DIMENSION**

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CERTIFICATE

This is to certify that the dissertation entitled “India’s Relations with Singapore: A Study of Its Economic Dimension” submitted by **LalhmingSangi** for the award of the degree of **MASTER OF PHILOSOPHY**, is a research work, done under my supervision and guidance. The dissertation, submitted by her has not formed the basis for the award to the scholar for any degree or any other similar title and it has not yet been submitted as a dissertation or thesis in any University. I also certify that the dissertation represents objective study and independent work of the scholar.

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DECLARATION

I, LalhmingSangi, do hereby declare that I am the sole author of this dissertation entitled, “**INDIA’S RELATIONS WITH SINGAPORE: A STUDY OF ITS ECONOMIC DIMENSION,**” submitted to Mizoram University for the award of the degree of **MASTER OF PHILOSOPHY**. And, that neither part of this dissertation nor the whole of the dissertation has been submitted for the award of a degree to any University or Institutions.

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ABBREVIATIONS

ACD	-	Asia Cooperation Dialogue
ADMM	-	ASEAN Defence Minister's Meeting
AIFTA	-	ASEAN-India Free Trade Area
ARF	-	ASEAN Regional Forum
ASA	-	Association of South-East Asia
ASEAN	-	Association of Southeast Asian Nation
BIMSTEC	-	Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Corporation
CECA	-	Comprehensive Economic Cooperation Agreement
EAS	-	East Asia Summit
FDI	-	Foreign Direct Investment
FTA	-	Free Trade Agreement
GATS	-	General Agreement on Trade in Services
IORA	-	Indian Ocean Rim Association
MAPHILINDO	-	Malaysia Philippines Indonesia
MCA	-	Malayan Chinese Association

MEA	-	Ministry of External Affairs
MGC	-	Mekong Ganga Cooperation
PAP	-	People's Action Party
POA	-	Plan of Action
RCEP	-	Regional Comprehensive Economic Partnership
ROK	-	Republic of Korea
SEATO	-	Southeast Asia Treaty Organization
UMNO	-	United Malays National Organization

Chapter I

1.1. Introduction

The significance of Southeast Asian countries on India's foreign policy has its roots in ancient times. The people of India and Southeast Asian countries have shared common traits in terms of culture and trade. Even during the colonial period, both India and Southeast Asia has shared a common feeling of brotherhood in their struggles against Imperialism. So, when India attained her independence, one of her chief objective in her foreign policy was to fight against Imperialism so as to help the countries of Southeast Asia in their struggle for independence. So, initially India's relationships with the Southeast Asia have started in a very cordial relation. But with the onset of the Cold War spreading its influences across the Southeast Asian countries the relations took on a negative turn as India began to rely more and more on the Soviet Union. Besides India's stand on the Vietnam issue contradicts the Southeast Asian countries thereby contributing to the decline in the relations.

ASEAN was setup in 1967 and the founding fathers include all the ten countries of Southeast Asia. ASEAN member are Indonesia, Singapore, Philippines, Malaysia, Brunei, Thailand, Cambodia, Lao PDR, Myanmar and Vietnam.¹ The South East Asian countries are diverse with varied phases of growth with Singapore at the head and Myanmar as a least developed country. The combined trade of India and ASEAN from export and import has reach up to \$81.33 billion in 2017-18.²

ASEAN is one of the most successful regional organisations that promote harmony and stability in the region. Though India takes interest in Southeast Asia since early 1950's which was reciprocated positively by some of the ASEAN member states particularly

¹ Vishal Sarin. (2019). *25 Years of India-ASEAN Economic Co-operation*.(New Delhi: New Century Publication). p. 42

²Department of Commerce, Government of India. Accessed on 1.3.2019

Singapore. However, during the 1960's & 1970's their perception about India began to change dramatically as India was moving closer towards the Soviet Union. This was considered as detrimental for the ASEAN states as they were dependent on the Western countries for their survival in their fight against the Communist movement in their respective countries. Besides, Indonesia as a de facto leader of the association held that her leadership will be jeopardized with the inclusion of India.³

The end of Cold War and the demise of the Soviet Union left India with no powerful ally and with it the leverages that its relationship with the Soviet Union had provided was gone. Therefore India was left with no other options but to look towards the Southeast Asia to fill the space left by the Soviet Union. As Southeast Asia began to register rapid growth in the 1990's, India on the other hand was on the brink of a financial breakdown. Therefore, India felt the need to increase substantially its trade and economic relations with them.

The introduction of India's 'Look East Policy' in 1992 took a step forward in the path of improving India's relation with ASEAN countries. Since then, it has formed the basis of India's Southeast Asian foreign policy with Singapore at a vitalpoint. India's 'Look East Policy' highlighted the significance of India's economic relations with Singapore and the rest of Southeast Asia.

India gradually began to develop closer relations with ASEAN when it moved from a Sectoral Dialogue Partner in 1992 and towards a Full Dialogue Partner in 1995.⁴ This marked a significant progress in economic ties and India's conclusion to liberalise its economy has involved Singapore in building a multidimensional bilateral equation with India and

³Asis Kumar Mazumdar. (1982). *South-East Asia In Indian Foreign Policy: A Study Of India's Relations With South-East Asian Countries From 1962-82*. (Calcutta: NayoPrakash Publication). p. 175

⁴Sanjay Kumar. (2013). *India-Thailand Bilateral Relation*. (New Delhi: Mohit Publications). p. 165

economic cooperation became the backbone of the bilateral engagement between India and Singapore.⁵ Thus, it was in the beginning of 1990's that marked a real breakthrough in India-Singapore economic cooperation while Singapore's economy was floating with constant power. India confused and constrained by its serious emerging strategic structure of the Post-Cold War world was groping for new initiatives. Singapore's advanced level of development has made it the natural leader of ASEAN as Singapore play an important role in providing leadership, technology and infrastructure of ASEAN. Therefore, Singapore serves as a connection among ASEAN as well as other economies in general and with India in particular.

India's relations with Singapore developed vis-à-vis the growing relations with ASEAN. Singapore signifies India's most developed as well as comprehensive security partnership in Southeast Asia. India's relation with Singapore contributes into every facet of commitment and Singapore is India's largest trade partner in ASEAN. In fact, the signing of Comprehensive Economic Cooperation Agreement with Singapore had enable India to play a proactive role in ASEAN. In this regard, it can be rightly pointed out that Singapore is one of the foremost players by making sure that India is included in the ASEAN dialogue mechanisms including the annual ASEAN-India Summit, ARF, EAS and the APEC-Working Group.⁶

1.2. Review of Literature

In a book *Emerging Asia Challenges for India and Singapore* edited by Vohra (2003) deals with India-Singapore bilateral issues, security concerns in South East Asia and the growing perceptions of Singapore. It highlights a close historical connection between India

⁵N.N.Vohra. (2003). *Emerging Asia Challenges for India and Singapore*. (New Delhi: Manohar Publishers). p. 35

⁶Jonah Blank, Jennifer D.P. Moroney, Angel Rabasa, Bonny Lin. (2015). *Look East, Cross Black Waters: India's Interest in Southeast Asia*. (United States: Rand Corporation). p. 85

and Singapore and how the economic factors have stood for bilateral cooperation which resulted in the growing relationship prompted by diplomacy, domestic obligations and the changing observations of economic nationalism. Thus, Chapter three points out that the bilateral relation of India–Singapore has reached a positive stage and the restructuring of Indian economy have brought new opportunities for the two countries to forge a closer relation.

India and ASEAN Foreign Policy Dimensions for the 21st Century edited by Reddy (2005) contains sixteen articles mostly deals with India-ASEAN relations under the LEP. India enjoys advantage of better opportunities to serve its economic interests and enables to have meaningful exchanges with Southeast Asia, East Asia and non- regional states of consequences to Asia. Through its ‘Look East Policy’, India has sought to expand its trade and investment relations with ASEAN through bilateral, sub-regional and regional cooperation.

Economic Liberalization And India’s Foreign Policy by Kim (2006) briefly discussed about the significance of economy as the main foreign policy of India after the end of the Cold War. India’s liberalization of economy has forge India in developing closer relation with big power and small countries. India strengthens its relations with United States, United Kingdom, Germany, European Union and France. India’s “Look East Policy” has enabled faster economies ties with the developed countries. Thus, bilateral trade relations have improved steadily since the liberalization of economy.

In Latif book (2007), *“Between Rising Powers China, Singapore and India”* examines the dynamic power of India and China and emphasize Singapore engagement with the rising power of Asia in political, economic and security. The author indeed highlights the logical approach of Singapore in playing closer ties with India and China in trade relation.

This has strengthened ASEAN and expands bilateral cooperation between India and China with Singapore as an individual entity in the Asian concerns.

Severino book (2008), "*ASEAN*" discusses about the formation of ASEAN from its historical background and its ground realities of the organization by highlighting the objectives and purposes. The author briefly mention the challenges and shortcomings it had faced during the initial years of ASEAN whereby he briefly highlights the positive results of the organization as regional initiatives. In the book, ASEAN engagement and its rising power as an organisation were also mentioned. Lastly, the author point out the successful framework ASEAN has built over the past decades and its future outlook that is yet to achieve in the changing global politics.

A book *India's Strategic Interest in Southeast Asia and Singapore* (2009) by Mun examines India's foreign policy towards Southeast Asia from Nehru period and its paradigm shift of its non-alignment policy. Here, the author engages on the important role played by Singapore in Southeast Asia for India's entry in ASEAN. Singapore stood for India since the Cold War period and this instance ultimately led India engaged in the regional undertakings.

India-Thailand Bilateral Relations edited by Kumar (2013) points out the importance of India and Thailand economic perspectives by examining the common views on various regional and global issues of concerns. Under this book, India- ASEAN issues, partnership, challenges and opportunities were discussed in four chapters. The political and economic cooperation were fast progressing since it became a full dialogue partner.

Does the Elephant Dance? Contemporary Indian Foreign Policy(2014) by Malone discusses about contemporary Indian foreign policy towards neighbours and big power like China, USA, West Asia, Europe, Russia, Southeast Asia and East Asia. The author briefly mentions the important role played by the giant power in the global politics. Thus, Chapter 9

of the book “India’s East and Southeast Asia Policy: Catching Up” deals with the strong historical ties between India and the East since ancient times and this strong bond made a feeling of brotherhood between them which eventually made a possible partner as bilateral and at the multilateral level which India has achieved in the present context.

Khosla’s book (2014) *How Neighbours Converge The Politics and Economics of Regionalism* examine the historical background of ASEAN and its role as the major player for economic prosperity in the Asia-Pacific. The author highlights the important role played by ASEAN, SAARC and European Union and its expansionism in the global era. With the establishment of ASEAN as a regional organization in Southeast Asia supported a zone of peace. ASEAN obligation in regional cooperation has widened its role as a peacemaker not only in Asia but also in other developed countries.

Sharma’s book (2015) *Dynamics of Cooperation between India-ASEAN since 2000* highlights strategic relation of India-ASEAN from India’s ‘LEP’ to political security, socio-cultural synergies, economic involvement and impact of India-ASEAN relations upon China. The various phases of India’s ‘Look East Policy’ give rise in positive engagement of India and ASEAN in such a way that it provides peace and security in the region to accelerate further bilateral economic assistance among India and ASEAN.

Looking East Since 1947 India’s Southeast Asia (2016) Policy by Subhadeep Bhattacharya discusses India’s philosophical connection with Southeast Asian countries since the Nehru period. It contains the deep historical link with the East since the pre independence era. The author examines the interesting role played by Southeast Asia in their emerging link with India through LEP.

India's Eastward Engagement from Antiquity to Act East Policy by Muni and Mishra (2019) highlights the significance of Southeast Asia as India and Southeast Asia share a long historical traits which eventually connect them in terms of culture, religion, trade and administration. The author discusses the Chapter from the civilizational period of India where religion serves as an important connection between India and Southeast Asia and the East Asia through the propagation of Hinduism and Buddhism. The significance of early trade relation has further led to increase in religious influence in the Southeast Asia. The author briefly discusses India's foreign policy from Nehru period to the Post Nehru context. It briefly exposes India's wide assignment through the East and emphasizes future prospect of India in its commitment with the East.

Yong and Mun (January-March, 2009), "The Evolution of India-ASEAN Relations" in *Indian Review* highlights the historical connection between India and ASEAN and the British colonization has strengthened their relations. The Indo-ASEAN relations could not evolve at an earlier stage as India's interest was seen as incompatible with the Southeast Asian countries.

India's 'Look East' Policy: The Strategic Dimension (February, 2011) by Muni in *Institute of South Asian Studies* highlights the development of India's LEP which origin back to the 12th and 13th century with India's active and wide-ranging relations with the East. The author mentions the significant role played by India since the pre-colonial period where Hinduism and Buddhism has been spread to Southeast Asia and East Asia by traders. This marked a significant path for the closer unification with the East in strengthening economic relation. Thus, the author briefly mentions the different waves of 'Look East Policy' and

shares the strategic role played by India in developing diverse relation with the East in achieving the current deep relation with Southeast Asia and to the whole of East Asia.

“ASEAN-India Relations: Future Directions”, by Muni and Mun (May, 2012) in *Institute of South Asian Studies* throws light on India’s engagement with the East and its urge for regional integration. Southeast and the Pacific region has been one of the main focuses of India’s foreign policy. So, with the liberalization of Indian economy and its successive partnership with the ASEAN intensely expand its relation in other organization such as BIMSTEC and MGC and India’s interest was deeply valued by them.

Hao (January, 2018), “Growing ASEAN-India Ties: Economic Opportunities for India and Singapore” in *Institute of Southeast Asian Studies* highlights a wide range of cooperation possibilities under India-ASEAN relations and economic integration and how Singapore could play role in boosting bilateral trade and security relationships with India with perspective from India-ASEAN economic cooperation along the existing India-Singapore CECA. A transition from LEP to the AEP is seen as a reflection to boost foreign trade in goods and manufactured goods. India-Singapore CECA could allow both countries to focus on trade in services and bilateral investments in order to capitalise on their maximum potentials.

Borah (March, 2018), “What Next for ASEAN-India Ties” in *Institute of Southeast Asian Studies* discusses the warm growing bond among India and ASEAN and 25th years of ties has marked considerably development between India and ASEAN India’s ‘Act East Policy’ and Regional Comprehensive Economic Partnership (RCEP) play a crucial role in increasing relation between India and Southeast Asian nations.

Bhattacharya (July-September, 2018), “India’s Foreign Policy In The Twenty-First Century” in *World Affairs* discusses the challenges faced by India in the contemporary world

as India has been disturbed by Pakistan and China as the two had fought a war with India in 1962 and 1965. However, the end of Cold War left a great impact upon India in playing a major role in Asia which makes transformative changes in its economic and security engagement with its neighbours. In the changing global scenario, India saw the reality of international politics and the tasks posed by globalization has compelled India to interfere in the regional organization like ASEAN.

Cheok and Chen (2019), “Assessing ASEAN’s Relevance Have the Right Questions Been Asked?” in *Journal of Southeast Asian Economies* briefly considers significance of ASEAN and has expanded its partnership across the world. The rising China has significant impact upon the growing relation in ASEAN. Due to this, ASEAN and China’s relations require invigorated and the China-ASEAN Free Trade Agreement (CAFTA). These free trade agreements led to reduction of tariffs and China’s relations with ASEAN progress steadily as China lead the FDI flows and become the trading place of the world.

1.3. Statement of the Problem

India and Singapore has ancient and deep rooted relations in terms of strong commercial, cultural people contacts. In fact, cultural and economic connectivity between the two countries has its warm reflections on the two sides. Since independence, India stood for Singapore on its fight against Imperialism. In spite of Cold War, Singapore remains friendly playing a buffer role in trying to bring India towards other Southeast Asian countries. So, when ASEAN was formed Singapore joined with no intention of gaining beneficiary. On the

other hand, it was necessary for Singapore to join ASEAN to improve bilateral relations to other countries so as to increase trade relations in ASEAN. ASEAN apparatus was comprehended as a way of improving trade and developing the Singaporean concept of concerned economic stake. Singapore during her early years in ASEAN has observed that there was a difference in growth and development between Singapore and its ASEAN colleagues and emphasis was laid not only on commerce but also in educational and professional services. Thus, the dilemma of competition and co-operation within the ASEAN became increasingly complex. In spite of this, Singapore with its high technology, capital intensive industries has played a significant part in the economic enlargement of ASEAN countries.

Moreover, the end of Cold War and the demise of Soviet Union India have to seek a closer collaboration with Southeast Asian countries to fill the space left by Soviet Union. Eventually, India's attention at seeking closer relations with ASEAN takes on a solid foundation which finally was named as the 'Look East Policy'. Thus, India's relations with ASEAN improved after the launching of 'Look East Policy' and this has boosted the bilateral relationship with Singapore. Singapore placed itself as India's effective regional sponsor and became India's multilateral encounter in Southeast Asia. With Singapore's political assistance, India was raised to be a full ASEAN Dialogue Partner in 1995 and following Singapore's hard awareness rising of ASEAN adherents India joined ASEAN Regional Forum in 1996.⁷ With the introduction of India's 'Look East Policy', Singapore recognised and held the chance to increase economic cooperation with India and gradually economic relation became the foundation of India-Singapore relations. This increase in cooperation between India and Singapore indicates the growth of the relation between India and

⁷David Brewster. (2009). India's Security Partnership with Singapore. *The Pacific Review*. Vol.22, No-5. p. 8

Singapore during the Cold War. This clearly indicates significant role played by ASEAN as a catalyst for enhancement of bilateral cooperation between India and Singapore.

ASEAN play vital role for enhancement of bilateral cooperation between India and Singapore. Initially, diplomatic relations started in 1965 where Lee Kuan Yew made a request for Indian support in training newly well-known Singapore army and India decline to reply to Singapore. Eventually, it was only after India's developed its policy towards the East that Singapore and India committed a serious bilateral relationship. The significance of India-Singapore bilateral relation is seen with the signing of Comprehensive Economic Cooperation which targets at fostering greater economic cooperation. As Prime Minister Lee HseinLoong noted that, "CECA is a strong signal that India is committed to continuing economic liberalization and market reforms. It heralds further moves by India to engage the outside world, not just ASEAN, but also with major partners". This shows the importance of strategic relation between Singapore and India. Vivian Balakrishnan, Minister of State for Trade and Industry for Singapore regards the CECA as "a pathfinder for the ASEAN-India FTA".⁸ Thus, the politico-strategic relationship between India- Singapore has been taking shape at two levels-bilateral cooperation and ASEAN centric regional initiatives. In the backdrop of this relation an analytical study of the role of ASEAN as a catalyst in the enhancement of relations between India and Singapore would also be highlighted. Therefore, the focus of this study is on Indo-Singapore economic relations as impacted by the growing development of Indo-ASEAN relations.

1.4. Scope of the Study

The study focuses on the relation between India and Singapore under the aegis of Indo-ASEAN relations. It analyse the cultural and trade linkage between India and Singapore.

⁸David Brewster., *Opcit*

It also examines the development and growth of India's relations with Singapore during the Cold War. The crux of this study depends on the Indo-Singapore relations after the Cold War by highlighting the significance of Singapore in the development of relations between India and ASEAN as a multilateral entity. Lastly, it would also highlight the increasing bilateral relations between India and Singapore in the context of Indo-ASEAN relations.

1.5. Objectives of the Study

1. To analyse the role of Singapore in the evolution and growth of ASEAN.
2. To examine the relations between India and Singapore during Cold War.
3. To examine the economic relations between India and Singapore in the Post-Cold War period.

1.6. Research Questions

1. What is the role played by Singapore in the evolution and growth of ASEAN?
2. What are the relations between India and Singapore during Cold War?
3. What are the economic relations between India and Singapore in the context of Indo-ASEAN relations?

1.7. Methodology

The research has been conducted through qualitative method using descriptive, historical and analytical study. It adopted both primary and secondary sources. Primary

sources consists of data collected from Ministry of External Affairs, High Commission of India Singapore, Ministry of Foreign Affairs, ASEAN official website, Government of India, Ministry of Trade and Commerce. Secondary sources consist of books, journals, magazines, newspapers and internet sources.

1.8. Chapterisation

The study is divided into five chapters, which include the following:

Chapter I: Introduction. The first chapter gives a general outline and historical background of the relations between India and Southeast Asia, the changing pattern of relations between India and Singapore after the end of Cold War. It also includes review of literature, statement of the problem, objectives of the study, research questions, methodology, scope of the study and chapterisation.

Chapter II: Singapore-ASEAN Relations. The second chapter focuses on the role of Singapore in the evolution and development of ASEAN as a multilateral initiative for economic and strategic enhancement of the region. In this chapter the role of Singapore as the main indicator behind the success of ASEAN is discussed briefly.

Chapter III: Indo-Singapore Relations during Cold War. The third chapter shows an analytical study of the relationship between India and Southeast Asia and the basic outline of relations between India and Singapore during the Cold War. India's relations with Southeast Asian countries is deeply analysed along with the growing relation with the individual ASEAN countries.

Chapter IV: Indo-Singapore Relations in the Post-Cold War. The fourth chapter deals with the relations between India and Singapore after the end of Cold War and the demise of the Soviet Union open space for ASEAN and Singapore to engage with India in the global world. India's growing relation with Singapore on economic terms has been studied as an implication of Indo-ASEAN relations.

Chapter V: Summary and Conclusion. This chapter contain summary of findings and concluding remarks.

Chapter II

2.1. What is ASEAN?

ASEAN is a regional organisation containing of ten Southeast Asian countries that supports inter-governmental co-operation and facilitates economic, political, security, military, educational and socio-cultural integration amongst its members and other Asian states. ASEAN regularly involves with other states in the Asia-Pacific region and beyond and remains one of the most influential organisations thus maintaining a comprehensive network of alliances and it involved in various international activities. It also serves as an international role model in pursuing pcoordination and strength among diversity and differences, as well as a leading figure in international diplomacy.⁹ ASEAN stood as a focal point and crucial stand for cooperation and emerge as one of the utmost prominent and leading organisation in Asia.

ASEAN shaped the regional future in Asia. It has enabled the different nation of Asia to take part in the regional cooperation and further expand economic mixing as a whole. It aimed to achieve a common determination to have gradual peace of mind with one another to solve the inner contradiction that has been rooted in the historical linkage by means of peaceful coordination.

The Bangkok Declaration of 1967 created an innovative establishment for regional cooperation however this organisation got no respect of world-wide publicity in its early years. The birth of ASEAN in 1967 was an outcome of the anxiety of the Southeast Asian leaders over the regional and the extra-regional situation. The five founder members had a common security perception which was to counter the communist adventurism both internally and externally. From its inception ASEAN was acting implicitly as a security guarantee without projecting itself as a replacement of SEATO. It was feared that the

⁹Vishal Sarin. (2019). *25 Years of India-ASEAN Economic Co-operation*.(New Delhi: New Century Publication). p. 33

foundation of a local military alliance would encourage the communist states of the region to take countermeasures causing insecurity to ASEAN. Also, the ASEAN member-states were weak and incapable of aiding each other, thereby security threat. The five members sought to create a stable external environment that would assist the regimes internal fight against ethnic separatism and communist insurgency.¹⁰

Unlike any other organisation, ASEAN has successfully conceded in implementing unrestricted model of organisation through which other organisation and states could hold beneficiary from ASEAN. This makes ASEAN grow faster as compared with the other organisation in the world. ASEAN is the place where mutual interests are followed hand in hand. The leaders of ASEAN took constructive measures by holding a strong cultural relation with one another in solving their disputes and problems. Thus, economic development, political security, regional cooperation and building relationship were the main targets of the organisation.

On the other hand, ASEAN aim is to build regional security and stability not by closing itself off to the world in a Fortress ASEAN by seeking the commitment of the major powers with Southeast Asia. ASEAN has made explicit the coherence of its efforts in the pursuit of the associations political and security purposes. It has done through the notion of the ASEAN Security Community which constitutes one of the three components of the envisioned ASEAN Community, the other two being the ASEAN Economic Community and the ASEAN Socio-Cultural Community.¹¹

¹⁰Subhadeep Bhattacharya. (2016). *Looking East Since 1947 India's Southeast Asia Policy*. New Delhi: KW Publishers. p. 61

¹¹Rodolfo C. Severino. (2007). *ASEAN Southeast Asia Background Series No.10*. (Singapore: ISEAS Publications). p. 25

ASEAN initially aimed to work as a political body to establish cooperation between the free market economies of Indonesia, Malaysia, the Philippines, Singapore and Thailand to have a mutual connection among them in solving problems in the region and to integrate a larger cohesive outlook. The rapid change to uphold economic amalgamation among ASEAN countries has helped the regional organisation emerge in the global arena.¹²

ASEAN is one of the best established organisations in Asia and has formed alliances around the world in making cooperation, dialogue mechanism among countries like sub-regional, regional, international organisation and institutions. It also works as international role ideal in quest of creating coordination and strength between diversity in spite of regional differences.¹³

ASEAN was to be the venue and process in which common interests would be identified and pursued in cooperative ways. One interest was in the peaceful settlement of disputes and problems between Southeast Asian countries and this was to be ensured by developing networks of leaders, ministers and officials, culture and habits of consultation and dialogue. Another interest was in insulating the region, to the extent possible from the conflicts and tensions of the Cold War. At the same time, ASEAN was to engage the major powers in benign a constructive ways in the affairs of the region-first in its economic development and eventually in consultations and dialogue on regional security and stability, another interest was in healing the divisions of Southeast Asia when global and regional conditions permitted it.¹⁴

The formation of the third and a lasting regional association in Southeast Asia, the Association of South East Asian Nations (ASEAN), on August 8, 1967 was an outcome of

¹² The ASEAN Journey: Reflections of ASEAN Leaders and Officials. *ASEAN@50*. Vol. 1. pp. 4-6. www.eria.org

¹³*Ibid.*, pp. 40-41

¹⁴*Ibid.*, p. 6

the anxiety of the Southeast Asian leaders over the regional and the extra-regional situation that time. The five founder members of the Association, Indonesia, Malaysia, Thailand, the Philippines and Singapore, had a common security perception which was to counter the communist adventurism both internally and externally. From its inception ASEAN was acting implicitly as a security guarantee without projecting itself as a replacement of SEATO. SEATO was formed in 1954 and it was a product of the Eisenhower governments control policy.¹⁵

It was feared that the foundation of a local military alliance would encourage the communist states of the region to take counter measures causing insecurity to ASEAN. Also, the ASEAN member-states were weak and incapable of aiding each other, thereby addressing their security threat. The five members sought to create a stable external environment that would assist the regimes internal fight against ethnic separatism and communist insurgency.¹⁶

2.2. Evolution of ASEAN: A Historical Overview

The concept of regional cooperation in Asia did not emerge from within. It is true that the common experience and sufferings under the domination of the British created a sentiment of orientalism among the individuals of the state. But the absence of common political and economic interests among the regimes made it impossible to create a broader organization for regional cooperation in Asia. Thus, the interest shown by different countries of the region in that direction was primarily aimed at solving their own economic problems

¹⁵Derek Heng and Syed MuhdKhairudinAljunied.(2011). *Singapore in Global History*. (Amsterdam: Amsterdam University Press). p. 219

¹⁶*Ibid.*, p. 61

and inner contradictions. It was only in Southeast Asia where a kind of sub regional cooperation began to develop from the early 1950's.¹⁷

ASEAN has come a long way since its inception in 1967. In the beginning, most world leaders looked upon ASEAN as a weak organisation that will demolish soon which will not stay longer as an organisation because during this time some of the Southeast Asian countries were just set free upon the British dominance and they were not developed with regard to the Western powers. These countries were subjugated and oppressed by using their material resources and states. After the 2nd World War, most of the Southeast Asian countries forged an attempt to form a separate state of independence for themselves.

In the early days of 1967, the different government of Southeast Asia gathered together and signed the formation of Association of Southeast Asian Nation, the kind and friendly interaction among the five men with different unequal natures that is distinguished severely with hidden ideas. Indonesia had just ended its confrontation with Malaysia and Singapore over the formation of Malaysia in 1963 and Malaysia and Singapore had undergone a bitter separation. The Philippines continued to lay claim to the territory of North Borneo which as Sabah had been incorporated into Malaysia as a component state. Thailand was not involved in any of these disputes and thus was able to play the role of conciliator. But Thailand felt vulnerable to other threats- the conflict in neighbouring Vietnam, Laos and Cambodia and a communist insurgency within.

The ebb and flow of migrants and traders throughout maritime Southeast Asia had been interrupted by colonial rule- the British in Malaysia and Singapore, the Dutch in Indonesia and the Spanish and then the American in the Philippines. Only Thailand escaped

¹⁷Asis Kumar Majumdar. (1982). *South-East Asia In Indian Foreign Policy: A Study Of India's Relations With South-East Asian Countries From 1962-82* (Calcutta: NayoPrakash Publication). pp. 155-156

Western colonial rule because of the Thai diplomacy and the unresolved stalemate between the British and the French on mainland Southeast Asia cut off hitherto flourishing links among the peoples and established new outlines of trade.¹⁸ When South-East Treaty Organisation was formed in 1954, the members of SEATO were the Philippines and Thailand. During this time, the Philippines had the urge for independence and their right of sustaining the right of the Asian people must be identified and incorporated.

On 3rd January 1959, TunkuAbdurRehman of Malaya visited the Philippines and discussed with President Garcia the possibility of establishing Association of South-East Asian countries. As a result, the joint communiqué issued on 7 January 1959 at the end of Tunku's visit spoke of the 'crucial need to pursue methods and means to elevate the standard of living and improve the material welfare' of the people of the region. The communiqué also mention the challenge made by the Malaya and the Philippines to face the communist interference. In this regard, Southeast Asian countries were ready to form a firm organization for peace and stability in the region. Consequently, a clarification was made to the effect that the association would not be directed against any country, but it came too late to undo the mischief. Though there was no progress worth mentioning till 1961 in the direction of founding a regional body of the kind the two had in mind. In spite of their efforts, however, Burma (Myanmar), Cambodia (Kampuchea), Indonesia, and Laos showed no interest because these countries had problem within their own state and they were far behind other ASEAN member.

The Association of South-East Asia (ASA) was founded on 31 July 1961 with three members the Malaya, the Philippines and Thailand. During this time, Indonesia refused to join ASA and it was claimed that Indonesia didn't show interest as Indonesia tends to take the ASA idea as the SEATO countries efforts to make a stable link between SEATO and non-

¹⁸*Ibid.*, p. 4

SEATO countries in Asia. However, the distinctive and far reaching quality of ASA was that it was an association constituted exclusively of South-East Asian nations. ASA was able to achieve some concrete results in various fields, especially in the fields of exchange and technical information, experts, and trainees, joint research, promotion of trade, and customs. To exchange information on matters of common interest or concern in the economic, cultural, educational and scientific fields.

On the other hand, the other existing regional organization in Southeast Asia was the MAPHILINDO which was formed on 5 August 1963. There was much talk at that time of the confederation being the 'Malay response to South-East Asia's urgent need for a framework of stability and peace within which its component nations can progress in freedom and achieve their rightful destiny'. However, these were narrow in purpose and limited in base and scope. MAPHILINDO consisted of the three Malay-based populations of Southeast Asia and sought to subsume their conflicting territorial claims and ideological differences. ASA kept itself to economic and cultural purposes and excluded the largest country in the region, Indonesia and the states of mainland Southeast Asia other than Thailand. Both rather short lived. MAPHILINDO lasted only from 1963 until ASEAN superseded it in 1967. ASA existed formally from 1961 to 1967, closing down shortly after ASEAN was formed.¹⁹

However, owing to the improvement in Indonesian-Malaysian and Philippine-Malaysian relations there were prolonged talks among these countries and Singapore and Thailand on the idea of regional cooperation in South-East Asia. The change in the general atmosphere in South-East Asia emboldened the Philippines to explore the possibility of reviving ASA and enlarging it to include Indonesia. ASEAN lay down that it was not set up to oppose any particular country of ideology.

¹⁹*Ibid.*, p. 2

There was no drastic difference in the economic, social and cultural objective of ASA and ASEAN and the only obvious distinction was that the latter included Indonesia and Singapore as members. Thus, complexities and changing patterns in the international situation also contributed to the shift in the foreign policy of ASEAN countries. The primary concern of the ASEAN nations and other developing nations was to alleviate the troubles of common people. Improvement in living conditions could be promoted only through mutual cooperation and by ensuring that the region remained free of tension and strife.

In the above discussion on the evolution of ASEAN one can significantly trace that the ASEAN was born out of mutual necessity and among the Southeast Asian countries. In this regard, the contribution of Singapore in the formation and development of ASEAN maybe highlighted. ASEAN has significance in determining a full-form economic vitality. However, there is consciousness about the mistakes and destructions committed by them in the era of liberalization and globalisation. Nevertheless, trade and investment relations and growth has been gradually developing.

2.3. Singapore: Colonial History

Singapore is a young nation with a small country. Singapore survives due to its special location as a port city and its trade centre. In its early years, Singapore originates from

a Javanese account, the Nagarakretagama, which means settlement called 'Temasek' (Sea Town) on the island. There have been an earlier reference to Singapore in the accounts of Chinese explorers as far back as AD 231, mentioned the existence of 'Pu-luo-chung' (island at the end of the peninsula') in the area.²⁰

However, in the late 1818 Sir Stamford Raffles Governor-General of India started a trading post in the Southern tip of the Malay Peninsula and Sir Stamford Raffles arrived at Singapore on January 29, 1819. Thus, a formal pact was signed on February 1819 between Sultan Hussein of Johor and Temenggong Abdul Rahman, the respective de jure and de facto rulers of Singapore Island. Singapore was flourishing as a trading pole. Thus, materials were imported from Europe and then exported to the other parts of Southeast Asia. There were exchange goods between the Europe and Singapore during this time. Sir Raffles and Colonel William Farquhar established the original settlement on the banks of the Singapore River and there were no tariffs on goods landed in Singapore that attracted the traders.

With coming of the British, Singapore's economy expanded which attracted migrants from the surrounding region. This development in trade shaped many new job for people wanted to seek a better future.²¹ Gradually, Singapore became a centre for trade and many migrants and native people got opportunity to earn for their livelihood. This resulted due to colonial empire of the British and the arrival of the British in Singapore generated new

²⁰*Singapore 1987*. Information Division, Ministry of Communication and Information. Pp. 23-24

²¹*Investigating History: Colonial Singapore 1819-1941*. National Museum of Singapore. p. 7

outlook as it became more urbanised with sufficient house and a well-developed global market for trade. The seaport of Singapore during the British Empire has link to several parts of the world which further open Singapore to new technology. This advanced equipment of Singapore gained more beneficiaries more than its neighbours. By 1845, steamships were bringing mails and merchandises more frequently.

The end of the period of military administration ended in March 1946 and the Straits Settlement was dissolved. Singapore grows into a separate Crown Colony on April 1, 1946 while Penang and Malacca were to become part of the Federation of Malaya in 1948. The severance of Singapore from the rest of Malaya reflected British interest in retaining Singapore as British commercial and military base while preparing the Malay Peninsula for eventual self-government and independence. Hence, Singapore's first election was held on March 20, 1948, to elect the six legislative councillors. Of the successful candidates, three were from the progressive Party, formed just before the elections. In March 1950, the colonial authorities agreed to give the4 Legislative Council three more popularly elected members. Singapore's second election was then held in March 1951 and not surprisingly, six of the nine seats at stake went to the Progressive Party.²²

By the mid-1950's the calmness of politics and constitutional system began to ended due to the inspiration of the Chinese orientation while the British look forward to give a gradual transfer of power to the English-educated group. The origin of the Singaporeans consists of the ethnic Chinese which reflected transformation in the actions. Towards the end of 1953, the British government appointed a commission under Sir George Rendel to impose Singapore's constitutional position and make recommendations for change which were accepted by the government and became the basis of a new constitution which gave Singapore's greater measure of self-government. Thus, David Marshall became Singapore's

²²*Ibid.*, p. 26

first Chief Minister in a coalition government made up of his own Labour Front, the United Malays National Organisation (UMNO) and the Malayan Chinese Association (MCA).²³

The year 1959 marked Singapore the status of a colony to that of a self-governing state. In May 1959, Singapore's first general election was held to choose 51 representatives to the first fully elected Legislative Assembly. Sir William Goode confirmed the new constitution of Singapore as a self-governing state on June 3 and announced Lee Kuan Yew as Prime Minister. The new government prepared a strong task in shaping a climate of self-reliance so as trade development and industrial progress could take place. Since its inception, the People's Action Party (PAP) seeks to attain separation from the Federation of Malaya. There were internal and external tensions within the PAP government where there were several matters which need to be solved so as to uplift the state. The PAP government sought to utilize the natural resources and its strategic location as a port.

The recommendation for the foundation of Malaysia with the Federation of Malaya, Singapore, Sarawak, North Borneo and Brunei as constituent states was given by the Federation of Malaya's Prime Minister Tunku Abdul Rahman. The urge for merger from the Malaya's evolved during the 1961 and Lee Kuan Yew's support for merger led to consternation in the left-wing camp. The communists dreaded the prospect of Singapore approaching under the control of an anti-Communist Malay government as the government did not hesitate to detain and smash their front organisations. On one side, stood the PAP which was for the concept of a Malaysian federation and on the other ranged the Communists secretly opposed to merger but for tactical reasons advocating full and unconditional merger with no special privileges for Singapore hoping that this unattractive proposition would be rejected by the people. There was clear evidence by mid-1964 that the conflict arise seriously between the PAP leaders and the leaders of Malaysia eventually led to the separation of

²³*Ibid.*, p. 27

Singapore as a sovereign state on August 9, 1965 thereafter commenced Singapore's fight to survive on the situation in particular and to build a general identity and national perception in a unequal people of migrants.²⁴

Singapore's leader and people in the end turned the new political reality to advantage. But this was not without considerable initial difficulty and uncertainty. It was only after separation from Malaysia, the ending of Indonesian confrontation in June 1966 and the crippling of Communist Agitation through security action that industrialisation could take off in a climate of relative stability. Singapore could then benefit from the favourable world economic climate of the 1960's which induced the multinationals to set up offshore manufacturing facilities in countries with political stability, infrastructural facilities and a disciplined work force.

Gradually, by 1960's Singapore's educational policies and institutions were change and improved with new outlook. The government embarked on an urgent programme to provide basic education for all and by the early 1970's, the strategy for economic growth industrialisation complemented by development of the services sector had succeeded. In the 1970's, the thrust in economic strategy was to attract industries needing higher skills and to develop Singapore as a financial centre and as a regional centre for brain services. Singapore has enjoyed continued political stability since independence in 1965. Simultaneously, a complete and intensified manpower development programme was introduced in Singapore after attaining independence and great ideals of environmental and public health emerged and improved the societal condition of the country..

2.4. Role of Singapore in the Evolution and Development of ASEAN

²⁴*Ibid.*, p. 31

The leaders of Southeast Asia had the idea of a regional group in the region back in the early 1960's. Thus, several attempts were made by the leaders in establishing a strong organisation for Southeast Asia. Due to this ASA was born in 1961 formally existed between 1961 and 1967(before the birth of ASEAN) while MAPHILINDO lastly only for a short period of time from 1963 to 1967 (it was superseded by ASEAN). So, Singapore did not interfere in the formation of ASA as she was under the Federation of Malaysia and during this time Singapore start making its position as a trade centre and its seaport has been growing as a key centre for commercial trade. Since its foundation as a colonial trading post by the British, Singapore serves as a trading hub for Asian and European countries.

After the separation of Federation of Malaysia in 1965, Singapore became an independent state. As a new self-governing state, Singapore Prime Minister Lee Kuan Yew aimed to developed closer relation with its neighbours and cooperation with a reliable organization. Lee has a clear vision of the situation of Southeast Asia as the proposal for developing a strong regional organization has already failed twice earlier. So during the evolution of ASEAN, Singapore as emerging and developing state give full interest in the formation of the organization as under the veins of Singapore a profound regional organization needs to be formed for the substantial benefit of the region. Singapore tries to decrease regional conflicts and to combat the possible menace of communist run rebellions at the talks of US war in Vietnam.

Singapore supported for formation of regional organization if it is meant for achieving people centred community and narrowing the development gaps between its member states. Singapore lent its support in the centrality of shaping the regional architecture by contributing its potential task so as to establish a buoyant group. Singapore gave its strength for the success of forming an organization where she would be a part of a prominent member. The former member of ASA and MAPHILINDO had already experience disappointing moment.

So, Singapore gave its best during the formation of ASEAN and contributed her firm vision in the meeting of Southeast Asian leaders which consists of varied proposal and objective for ASEAN.

The founding members of ASEAN, Singapore strongly support ASEAN's aim of constructing a strong, prosperous and rules-based ASEAN. A lot of Singaporeans political and intellectual leadership has focused on strengthening the proposed organization of ASEAN. It has reciprocated on national commitment to the formation of ASEAN. Singapore policy makers did not want to do any risky venture and initiative, they simply want to share its strength in the organization. As the uncertain course has already taken up by the ASA leaders, Singapore has sought in reinventing a new group to remain relevant to the region and the world. To envisage an association which would largely signify the countries of Southeast Asia, Singapore participated on the informal talks in the seaside resort town of Bang Sean. This talk led to an agreement to establish ASEAN by the signing of Bangkok Declaration on 8 August 1967.²⁵ Singapore supported the inclusive and effective process made by leaders of erstwhile ASA leaders.

Singapore serves as a key centre for innovative and resilient place. The British colonization has made Singapore a trading hub for Asian and European countries. Its tiny seaports and the arrival of steamship in Singapore have made the city state more advanced than the other Southeast Asian countries. Besides the relation with other countries, Singapore has put its emphasis on ASEAN neighbours. The significance of its neighbours relies heavily on the development of a state. Among the Southeast Asian countries only Thailand had been safe from the colonial rule. So, ASEAN member united each other in their fight for imperialism. Singapore took deep interest in ASEAN and play constructive role in ASEAN

²⁵www.mfa.go.th/asean, The Birth of ASEAN- ASEAN: Ministry of Foreign Affairs of the kingdom of Thailand.

and this require better cooperation with the five member of ASEAN during the early years of ASEAN.

When ASEAN existed in 1967, The Philippines, Indonesia and Singapore had been under the leadership of President Marcos, Suharto and Premier Lee Kuan Yew. As there were certain internal disturbances of eliminating economic disparity and maintaining international peace. The leaders of ASEAN were trying to expose their identity at the international affairs. The leaders had a clear vision of the situation in Southeast Asian countries such as the unequal development, society and diverse ideology as the ASEAN states comprise of different visionary and leadership quality. The region mutual interest could solve all the problems which will further lead to the development of the region as a whole. ASEAN slowly get profound recognition at the international level and makes the eye of the other superpower focus towards ASEAN.

Singapore gave its full strength in the development of ASEAN though the capability and economic position of the ASEAN member consists of different strength and power. Singapore established herself in a position to propose firm capitals for the advancement of regionalism in ASEAN. Although Singapore did not possess great power to involve in regional collaboration it sought to move further for regional integration so as to form a peaceful group. Singapore had joined ASEAN to play a fair role in the organization and it was clear that Singapore which has no power adopted strong policies to change the image of ASEAN at the global level. Thus, participation in ASEAN was a compulsion for Singapore and it played significant role for the success of ASEAN as a strong regional organization. The role of Prime Minister Lee Kuan Yew in the evolution and development of ASEAN cannot be neglected as being the founder of Singapore and since its independence from the PAP party it has seen profound scope for ASEAN as the organization sought to take greater interest for the approaching drift of the Southeast Asia since the 1950's. The PAP was a

young party whose aim was to achieve immense achievement over its economic platform thereby playing productive role in Singapore's foreign policy and comprehensive connection along with their participation in the organization.

Singapore the main indicator of ASEAN got enriched, value-added and exposed since its separation from the Federation of Malaysia. Singapore was ready to participate in the establishment of ASEAN and remains a reliable member of the Southeast Asian states and openly expressed its views regarding ASEAN as Singapore strongly believed in ASEAN and holds a firm assurance for the success and integration of organization. Even though ASEAN started only with the five Southeast Asian countries, the leaders of the five states have propounded a secure and stable purpose for the organization. They looked towards the organization with a more advanced and improvised objectives.

Chapter III

3.1. India and Southeast Asia during Cold War

The relations between India and Southeast Asia began since prehistoric times. They have robust cultural and civilizational relations since ancient times that have made them eventually connect despite the far distances. India has been under the colonial suppression for a long period of time and did not have much interference in the Asian region.

The development of cultural and religious dissemination of Hinduism, Buddhism and Islam mainly spread to Southeast Asia from India and this impact went moderately through China by the land and maritime way. Though India had little knowledge about its neighbours in the initial years culturally it has a deep connection with them since the seventh century. Thus, religious propagation and cultural linkages has raise the relationships between India and Southeast Asia to a higher stage when India actively conscious about the federation of Asia for peaceful coordination to all so as to abstain itself from the British supremacy. Nehru realised the need for self-determination and self-consciousness so as to get rid from the autocratic rule of the colonist.

India had over two thousand years of cordial and cultural bonds with the countries of Southeast Asia. During the liberation struggle in some part of the region India was busy with its own nationalist movement. It could not develop a protracted view over the development in the region on the eve of its independence. Prior to independence of India few nationalist leaders had opportunity to acquaint themselves about the problems of the Southeast Asian countries. There were numerous exchanges of visits between Indian and Southeast Asian leaders and a number of bilateral treaties were signed. India signed Treaties of Friendship with Indonesia, Burma and Philippines in early 1950's and a number of trade agreements were also signed.²⁶

On the other hand, the signs of trade relation between India and the East were also seen during 300 BC. Thus, exported items and imported materials were available along with the traditional contacts. The process of trade linkages continued until the British entered India and the British exploited the Indian traditional trade exchange with the Southeast Asian

²⁶S.N. Misra. (1994). *India The Cold War years*. (New Delhi: South Asian Publishers). pp.164-165

which led to further expansion of British trade directly to the Great Britain during the industrialisation era.

India does not have any territorial powers on any Southeast Asian country. The land borders with Myanmar has been demarcated and also the maritime boundaries with Myanmar, Thailand and Indonesia. India does not make any political claims on Indian minority groups in Southeast Asian countries nor the latter pose any problem as far as ethnic relations in Southeast Asian countries are disturbed. India's policy towards Southeast Asia in the initial years of liberation from 1947 to mid-1958 was not only vibrant and advanced looking it was also in comprehensive understanding of the problems of Southeast Asia and unity with the hopes and aspirations of Southeast Asian peoples.²⁷

After India attained independence, Jawaharlal Nehru was very much attracted to the idea of the unity of Asian countries and Federation. His aim was to forge unity among the newly emerging nations in Asia and to inspire them to liberate themselves from Western colonialism and imperialism. To remove Western colonialism in Asia, Nehru give support to other Asian countries in their fight for independence. For instance, Nehru reacted strongly when the Dutch forces invaded Indonesia in July 1947 to quell the Indonesian armed rebellion after Japan's overthrow in the Second World War.²⁸ India looks for unity and freedom for all the countries of Asia by removing the rise of dominance by the Western. Nehru's idea of peace and harmony forge him to give assistance to neighbours. His idea of the unity of Asian countries has a great influence during the early ages of India's independence.

²⁷Baladas Ghoshal. (1996). *INDIA AND SOUTHEAST ASIA Challenges and Opportunities*. (New Delhi: Konark Publishers). pp. 18-19

²⁸ See ChakMun. (2009). *India's Strategic Interests In Southeast Asia and Singapore*. (New Delhi: Macmillan Publishers India). pp. 11-14

However apart from verbal support, Nehru refrained from providing active support to Vietnam in its fight for independence against the French even though he regarded the Vietminh as 'genuine nationalists'.²⁹ During the best years of the Nehru era (1947-64), the foreign policy concentration was on major themes like anti-colonialism, anti-racism and more importantly promotion of global peace. In Southeast Asia, Burma, Cambodia and Indonesia were regarded with some warmth because of their advocacy of a policy of non-alignment under Nehru's Leadership.³⁰

On the other side, the Southeast Asian countries also promoted anti-imperialism as they were bothered by the imperialist's tendency. So, the approach of the pro-west bias was started among the Southeast Asian region. These countries were also opposed to the communist factor. India did not want to see its neighbours to be subjugated by any kind of global influence. It wants to have a close and friendly relation with Southeast Asian countries and want the communist not to indulge in the Asian affairs. India had contacts with most of the Southeast Asian countries from the earliest period of history. The geographical names of the territories of Southeast Asia exhibit Indian influence on them. Sanskrit and Pali had been the language of culture and administration in some countries. Many localities of the region bear distinct Indian names. As for example, the very word Indonesia means the Indian islands. Similar examples of distinct Indian influence in the customs, language, dances,

²⁹*Ibid.*, p. 15

³⁰V.Suryanarayan. (1992).*South And Southeast Asia In The 1990's Indian and American Perspectives*. (New Delhi: Konark Publishers). p. 154

religious beliefs and patterns of behaviour may be had in most of the Southeast Asian countries.³¹

India's severe concern about the Southeast was that India lack of security concern after the achievement of freedom from the British. India put greater interest in the unity of Asia as a whole since India got the opportunity to influence its anti-communist view towards its neighbours. In the post-war era, Southeast Asia comprising of Burma, Thailand, Malaysia, Singapore, Indonesia, Brunei, the Philippines, Vietnam, Kampuchea and Laos has been the most turbulent region of Asia. The countries of Southeast Asia have witnessed and experienced the worst kind of Cold War politics. The end of colonial rule did not mean complete independence from the domination and interference in their political affairs by external powers.³²

3.2. India's Post Independence Relations with Southeast Asia

Even before India's independence, Nehru was greatly attached to Southeast Asia due to admiration of Buddha and Asoka's ideas and his obligation to combat colonization in Asia. The Indian National Congress was the apparent uniform party group at the time of Indian independence. With the onset of the transmission of power to India, Nehru the chief creator of India's foreign policy inclined towards the policy of non-alignment and this was followed by other leaders. This transfer of power giving birth to the biggest non-Communist state in Asia installing the Indian National Congress in power ushered in a new era of peaceful

³¹Asis Kumar Majumdar. (1981). *South East Asia In Indian Foreign Policy: A Study of India's Relations with South-East Asian Countries From 1962-82.*(Calcutta: NayoPrakash Publication). p. 21

³²SarojPathak. (1990). *India And South-East Asia A Study of Indian Perspective and Policy since 1962.* (Delhi: Atma Ram & Sons). pp. 14-15

transfer of power by the colonialists and the leaders had faced many serious crises in different fields.³³

However, the socio-economic condition of India was not good as she was severely disturbed by the communal riots, the troubled partition of India and the enmity between the two fragments of the country, the problem of national integration, the conflicts among different interest groups, the existence of a number of princely states and colonial pockets yet to be acquired and integrated with the mainstream of the country. Nehru held that Indian national interest could not be achieved if India aligned herself with either of the power blocs. Nehru maintained that non-alignment was the only way out for India to ensure her prosperity.³⁴

The basic tenet of Nehru's non-alignment was its pledge Western democratic practices and to remain neutral in the Cold War politics. Nehru's non-alignment policy was the outcome of the anti-colonialism which was regarded as the better prospect for India. In the initial years of independence, India was in an unusual situation. As India was economically unstable, she remains a country just set free upon the colonial suppression and India did not possess any material wealth so as to extend its power outside her country. Despite this, India has an inconsistent connection with Pakistan. There was mutual hatred and suspicions among the Indian Hindus and Pakistan Muslim. Though Nehru in the early 1930's had formulated a federation of the unity of Asian countries, he alternate his views after the transfer of power when India got internal disturbances due to the partition and conflicting thrust which created instability in India's foreign policy. The leaders of INC sought to stay non-align with the superpower blocs and this mechanism was seen as the finest way towards India's position in the international affairs.

³³*Ibid.*, pp. 1-2

³⁴*Ibid.*, p. 2

However, by 1955 Nehru has lost his enthusiasm for an Asian Federation and ordered the winding up of the Asian Relations Organisation of which he was appointed President at the 1947 Asian Relations Conference. Instead, Nehru saw non-alignment as a more practical way to preserve India's political autonomy and diplomatic space and to keep India away from power politics of military blocs during the Cold War. Nehru remained critical of military blocs and opposed the establishment of SEATO in 1955 on the ground that it introduced Cold War politics into Southeast Asia.³⁵

Though in the earlier years, India's decision to remain non-align could not be fully applied as she was not developed and economically weak. India was in a gloomy situation if she continues to remain separated from the connection of the developed and powerful countries. In terms of defence and military assistance India need numerous supports from her big powerful nations. On the other hand, Chinese dominance and its communist ideology were progressing very fast in the Asian region. India was well aware of the Chinese and its rising power in the Asia by intruding its assistance in these countries the majority of them belong to the Chinese ethnic and to a large extend the Chinese community were pacing at a faster rate. In this regard, India and Southeast Asia had a common perspective due to their anti-communist outlook.

With the coming of power by Janata government in 1977, there was pragmatic shift in India's foreign policy and the government tries to bring closer cooperation and friendly bilateral relations among the ASEAN member. During their short tenure, the relationship with Southeast Asia was normal but it was neither bad nor good. There was hope for better economic and political cooperation with the ASEAN. Vajpayee in a speech on 29 March, 1978 stated that, "Both in South and Southeast Asia there is today a new climate of hope. Mew avenues of cooperation are opening up. We have extended our full and unreserved

³⁵*Ibid.*,p. 19

support to the ASEAN which we regard as a genuine and legitimate manifestation of the common urge of neighbouring states to come closer to each other. We are convinced that cooperation with all is indispensable, as the task is not only to accelerate national development but to re-shape the world we live in,"³⁶ This signal was followed up by ASEAN members with modest sign and round of discussion was held between the Indian Minister of State SamarendraKundu and Foreign Minister AtalBihari Vajpayee on 29 November 1978 and refreshed the discussion on extending economic bonds between India and ASEAN.

Unfortunately, India's request was not given due importance by the ASEAN leaders as India as a developing country met several difficulties and incapable to have a more room in evolving connections with ASEAN. However, India's request for ASEAN dialogue partnership was rejected at the informal meeting of the ASEAN Foreign Ministers in Kuala Lumpur in August 1979 due to the non-committal attitude on the Kampuchean crisis. The relations between India and Southeast Asia can be considered as a lost chance because there was no solution of problems, bilateral issue and difficulties.

This shows the reluctant views of ASEAN in the inclusion of India in the organization but this does not hinder the individual relation of India and ASEAN member. India's foreign policy ASEAN was a sign of its own participation in the current Cold War politics. India's border problem with Pakistan and China made India forge closer relations with Soviet Union especially during Indira Gandhi period which shows India's diplomacy of incongruity and at times simplicity and required the understanding of ASEAN diplomacy. By the early 1980's, India's relations with ASEAN has improved and had advantage of closer link with Southeast Asia in terms of cultural, historical and geographical setting.

³⁶Tangu Ahmad Rithauddeen. (1979). *AtalBihari Vajpayee, "India's Foreign Policy: New Dimensions"*, *Speech in honour of Malaysian Foreign Minister*. March 29, 1978. (New Delhi: Vision Books Private Limited). pp. 227-228.

ASEAN began to show its booming economies, commitment and assistance at the global community. India woke up from its sleeping drive and began to discover that lesser countries had become a part of the organization while it was not included in the growing organization of Asia.

Likewise, it can say that the Janata government tried to develop faster and better relations with individual Southeast Asian countries by following the policy of 'genuine non-alignment'. The period between 1989 and 1991 marked a pattern change in India's foreign policy with the end of Cold War and the fall of Soviet Union. India is being awakened after the collapse of Soviet Union despite her major partner and assistance in economic and military aid has fallen down. The opening of India's economy with the coming of NarasimhaRao's government policies found a new light under the model of its "Look East Policy."

u3.3. Indo-Singapore Relations during Cold War

India and Singapore has deep historical roots though they were disturbed by different ideological insight during the Cold War. Many Indian origins migrated to Singapore in search of new opportunities since the colonial period. India and Singapore has a feeling of

brotherhood which strengthens them to have closer relations and this show the possible bilateral cooperation since the Cold War days. Singapore was seen a trading hub by the British during their colonial period and this reinforce the economic position of Singapore in spite of its small territory.

Singapore Premiere Lee Kuan Yew has often remark the admiration he got from Jawaharlal Nehru as a good leader who shaped the country's economic position at a higher stage. After independence, India's decision to start the industrialization method has made the far off distances with the Western countries. India had already got much influences from the British as the Indians were being rule by the British and these has made the Indians extracting more material goods from the Britain which result in the decline of Indians small scale industries. These further deteriorated the relation with the whole Southeast Asian countries.

India during the Cold War has faced many problems by means of its foreign policy as India at its first instance stood on the non-alignment policy and further expands its relationship with the Soviet Union due to the fact that India was economically weak and this has put India's position to rely on the superpower especially the USSR. India did not follow the ideology of communism, India and USSR has a close relation since the Nehru times and this is the reason why Mrs Indira Gandhi moved further for the close bilateral cooperation with the USSR and her policy was criticised by leaders of Southeast Asia. India's foreign policy during the Cold War was of mixed culture as India was not able to stand on its own foot and thus could not stand firmly on the policy of non-alignment, With regard to this, India has faced disturbances from China which led to war in 1965 and 1972 which deteriorated the economic condition of the country.

Despite of all these instances, Singapore especially after gaining independence from the Federation of Malaysia has sought to provide consent to India in improving the relation

between India and Singapore and also to the whole Southeast Asian region. The ethnic and cultural relation has improved during the Cold War. Singapore has been giving interest and support to India by formulating India's entry into the Southeast Asian affairs. India realised the need to extend its relation to the East since the post-independence period but could not fulfil all these instances due to different ideology reflecting upon the foreign policy of the country.

With regard to the bilateral relation, India and Singapore has a close cooperation during Cold War period however there could not be any formal bilateral relation between them though formal negotiations were initiated. On the other hand, the relation between India and the Soviet Union has led to lesser collaboration with Southeast Asian countries during the 1960's and 1970's. Thus, cultivating good bilateral relation with Singapore was not an easy task during the Cold War. Due to the changes of government in India after the Nehru period there was crisis of leadership and there was changing regime like the Shastri period, Indira Gandhi's period, and the Desai government and later by Charan Singh. Moreover, the Janata Party wanted to put its own interest in Indian foreign policy and the coalition government instances was that Mrs Gandhi had put too much emphasis on the Soviet Union but later on the value of the Soviet was revealed by the non-Congress leader. India was still looking for assistance in search of help from its close friend. The relations with Southeast Asian countries was not poor but their outlook of the then member of ASEAN was different comprising of diverse view where Indians had good bilateral relations with the Indonesia especially during the Nehru era and India's relations with Singapore and Malaysia remain good as usual. On the other hand ASEAN as a regional organisation stands together in common trust and they look for a regional partner which could stand for common partnership.

When Singapore was parted from Malaysia on August 1965, it requested India for help to gain acceptance into Afro-Asian organisation. In the same vein, Prime Minister Lee Kuan Yew requested Prime Minister LalBahadurShastri to send military advisor to help raise an army and give training to it. As such the request was not opportune as the Shastri government was then preoccupied with the eventuality of a war with Pakistan because the Pakistani forces had started infiltrating into Jammu & Kashmir, Punjab and Gujarat in early 1965. However, despite of all this circumstances the relation between India and Singapore did not worsen the friendliness.³⁷

After the period of Prime Minister LalBahadurShastri, Mrs. Indira Gandhi came to power and like the other leader Mrs. Gandhi also takes interest in the Southeast Asian affairs. Lee Kuan Yew has suggested Mrs Gandhi to take greater role in Southeast Asia as Lee Kuan Yew has already saw the regional cooperation flourishing at the multilateral level where India could take larger role in the economic diplomacy.

On the other hand, Singapore has supported India to join ASEAN since its formation in 1967 so as to have a balance relation among the major powers in Asia. However, other ASEAN members were not in favour of India's presence and India also remained suspicious of a possible security dimension to ASEAN.³⁸ Due to certain problems, India back further from the ASEAN countries and due to this reason Singapore began see that developing bilateral relation with India was not possible during the Cold War years yet India and Singapore maintain their close cooperation and their integration continues to remain firm and cordial.

India largely lost whatever interest it has with the Southeast Asian states and during this time India moved closer with the Soviet Union in its security matters. This resulted in the

³⁷*Ibid.*, pp. 100 -101.

³⁸*Ibid*, pp. 4-5

shifting away of the possible cooperation between Singapore's strategic and economic wellbeing from Indian Ocean and towards Asia-Pacific and the United States. The war between Pakistan and India in 1965 left a serious impact upon the relation between India and Southeast Asia while Singapore and Laos actively supported India, Malaysia was on neutral side. On the other hand, these countries decided to remain silent on the issue of Kashmir. From this incident, India started to identify which country was on its side.

India has already made an attempt in engaging with East in 1967 where Mrs Gandhi sent her Foreign Minister MohdCarimChaglani Malaysia and Singapore to see future prospects of the ASEAN. In his speech Mr.Chagla said, "We will be very happy to have bilateral arrangement with Singapore, with regard to trade, commerce and economic cooperation. But if Singapore chooses to join any regional cooperation, we will be happy to join such a grouping, if other members want India to do so. If others want to have a small grouping, India will be very happy to remain outside and help such a grouping... India does not want to dominate any regional grouping." ³⁹ This shows the effort made by India in developing closer ties with Singapore. Though initiatives have been taken by leaders during the late 1960's and early 70's, India's acknowledgment of HengSamrin regime turned away the interest of the ASEAN countries towards India. The individual Southeast Asian countries did not have any enmity with India but ASEAN by way of a regional organization dislike India's participation in HengSamrin regime which they considered this as a threat to their integration as a regional organization. So in this regard, India's venture with Singapore went down yet the relationship between them remains friendly like before.

By the end of 1980's, the incompatible view of India and Singapore with regard to the Vietnam's invasion of Cambodia has reached a low point as earlier they had complete opposite propensity. The international environment has driven their perspective in shaping

³⁹*Ibid*, p. 127

mutual connection between them. Thus, direct bilateral relation was not possible due their opposing perception, their policies of regional order and stability and great power intrusions in the region. The regional, national and individual levels have also lessened the cordial relations between India and Singapore.

ASEAN in general and Singapore in particular conducted a vigorous diplomacy condemning the violation of international norms by Vietnam when it invaded Cambodia and helped establish the HengSamrin regime there. The effort at the time was to highlight the starkly distinct pattern of regional behaviour in a differentiated South-East Asia and garner international support to put pressure on Vietnam to reverse its policies in the Indo-China half of the region. Such depictions made for very poor ties with states like India which entertained a divergent view of the Vietnamese-installed regime in Cambodia.⁴⁰ The issue of economic concern were very different and on the strategic front there was no scope for dialogue because of their vastly different threat perception and security orientations. It was clear that India was not agree to the policy made by Singapore's decision makers in their standpoint over the Cambodian issue where Singapore was of the opinion that the Vietnam action in Cambodia was part of the Soviet Union led Communist and this widen the gap between India and Singapore.

With the rising of ASEAN by late 1980's has given opportunities for other states to play larger role in their activities. India being strategically close to the heart of ASEAN member has fortunately changes their long lost chances of becoming a dialogue partner which has been initiated since the birth of ASEAN thus the key unsettling issue between Singapore and India began eroding paving more way for a balanced approach.

⁴⁰*Ibid.*, p. 19

Thus, Lee Kuan Yew visit to India in 1988 shows sign of a looming change. As Lee pointedly observed that ‘although disagreement over the Cambodian issue was quite pronounced in the past, they would not be a major hindrance anymore’. Further a clearer enunciation of this came from the then Foreign Minister Wong KanSeng, ‘For Singapore, the global changes and the settlement of regional disputes such as Afghanistan and Cambodia has opened up the prospects for a faster connection with India.’⁴¹

The breakdown of Soviet Union and the end of Cold War has open up more chances in building relation between India and Singapore and also to ASEAN. India needs a reliable partner in expanding its economy so as to give wide exposure in inclusive terms. The transformation of India to liberalize its economy with the end of Cold War turned the relationship more on constructive way. India’s capability to help stabilize the regional affairs and balancing its economic approach has put its position more valuable. India and Singapore have put effort to have bilateral relation since their post-independence era has found a new light at the end of a tunnel. As both have made a determined effort to reach out to the possible partnership and this has been considered as crosswise area collaborations. The end of Cold War left a great impact for India and Southeast Asian countries as through the open economy of India new undertaking and new programme were implemented by India.

In doing so, India realized that many smaller countries were engaging in the world affairs. India remained isolated for a long period during the Cold war as she faced many

⁴¹*Ibid.*, p. 20

disturbances in the border issue with Pakistan and China even though this issue is contentious till today. India and Singapore need a long time to overcome its hindrances to have a bilateral relation with one another. The divergent views with issue of Vietnam-Cambodian problem have diminished by the dissolution of Soviet Union followed up by the end of Cold War. India's new venture under the model of its 'Look East Policy' turned a new page for India with the introduction of India's LPG model.

Chapter IV

4.1. India-Singapore Relations: An Overview

India and Singapore has common interest in promoting regional cooperation and both shared diverse cultural traits which develop a close ties between them. For India, Southeast Asia has always been an important place and through Southeast Asian countries India has

able to develop closer relation by revitalizing their ancient and historical connection. The diffusion of religious and traditional practices of Indians following the line of trade routes had a strong impact in building institutional bonds with Southeast Asian countries.

India's relations with Singapore were one of the deepest among the Southeast Asian countries. India strongly supported Singapore on its independence in 1965 and Singapore too lent its support to India in times of disturbances of war with Pakistan and China. Its border problem has lessened India to play vigorous role in Asian affairs during the Cold War. Singapore has actively encouraged India to give interest in ASEAN since its inception. Besides, India's stance on the Vietnam-Cambodia issue has weakened the relations with Singapore during the Cold War though there was no sign of hatred between them and Singapore plays the role of a mediator of India's inclusion in ASEAN.

The colonial link between India and Singapore has made them a natural ally and many Indians had migrated to Singapore in search of new opportunities. Singapore serves as a trading hub and commercial centres and this has attracted many Indians and other European countries to settle and start new venture there as Singapore has extensive quality for traders and merchants by exchanging goods. So, since the colonial days Singapore as a tiny seaport has diversely established itself as a commercial centre for many Asian and European countries.

However, due to the ideological differences among Southeast Asian countries, formal bilateral negotiation could not developed since Singapore was not able to give a diverse support from the ASEAN member. The Cold War created various outlooks and other member of ASEAN disapproved India's participation in the organization.

4.2. India's "Look East Policy"

The end of Cold War has carried India as well as Southeast Asia more closely. India has been looking towards the East since ancient times and it is widely evident that India and the East have shared connection and the spread of Indian cultural inspirations leads to the enrichment of Southeast Asian countries have showed the fruitful link between India and the East. So, Indian customs, traditions and its Hindu rituals were not new to Southeast Asian countries and these brought unity and a feeling of oneness between India and Southeast Asian countries.

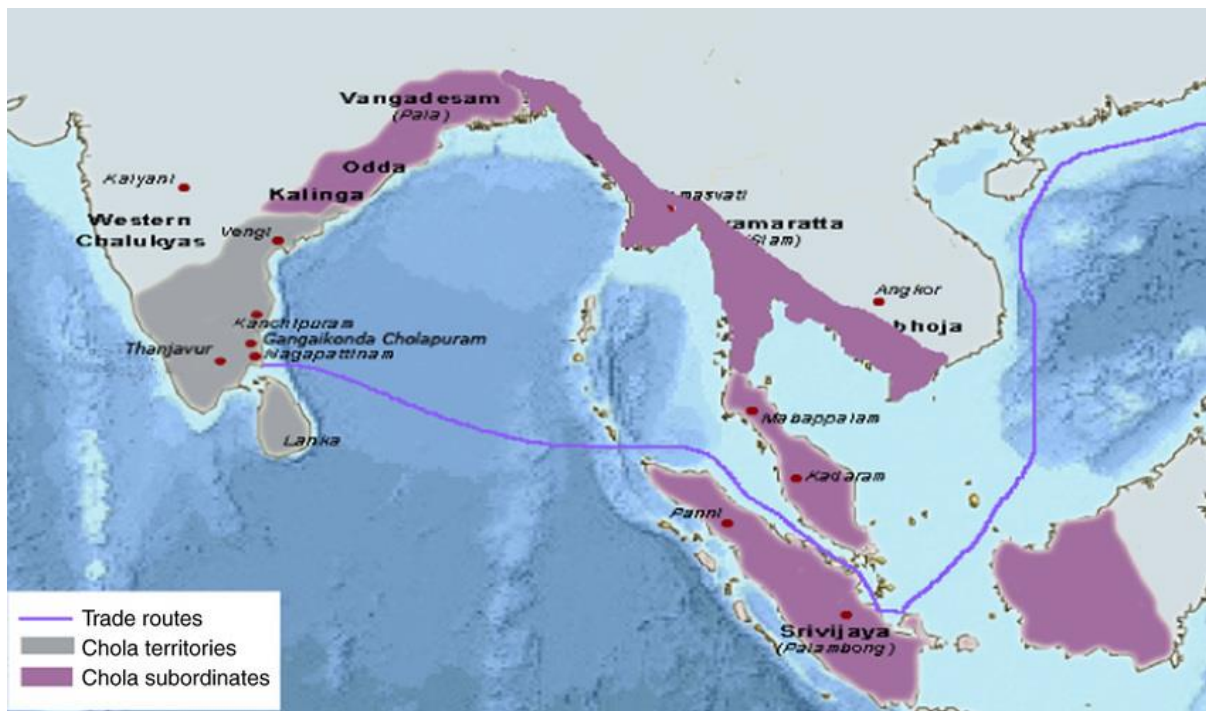
So, the East especially Southeast Asia has a feeling of brotherhood and both have experience colonial dominance. India openly supported Southeast Asian countries in their struggle for independence and the colonial rule has a strong impact upon the people of India and Southeast Asian countries. So, after attaining independence India's Prime Minister Nehru has opted for Asian unity and he chose a broader concept of developing relations with the East.⁴²

4.2.1. Evolution of LEP

India has been looking towards the East back to the Cholas period and India's commitment with the East can be classified into four waves. The first wave dates back to the 12th and 13th century where there was evidence of cultural and viable commitment with the East. During this period there was expansion of Hinduism to Southeast Asia by traders. And the South Indian emperor RajendraChola's periodic advances into the Srivijaya Empire in Malaya and Indonesia in the 10th and 11th century showed evidence of early engagement between India and the East.

⁴² A. Mazumdar. (2011). India's Search for a Post-Cold War Foreign Policy Domestic Constraints and Obstacles. *India Quarterly: A Journal of International Affairs*.67 (2). p. 165-182.

Figure1: TheCholaEmpire (1050 A.D.)



Source: [http://3.bp.blogspot.com/_ugQUGrg2Qo8/TMCE6hcaChI/AAAAAAAAA-8/Lez9CPZM3vM/s](http://3.bp.blogspot.com/_ugQUGrg2Qo8/TMCE6hcaChI/AAAAAAAAA-8/Lez9CPZM3vM/s1600/Chola+Empire+Map.png) 1600/Chola+Empire+Map.png. Accessed on 2 November 2019

The second wave started during the British Empire where the British has left India and Southeast Asia in sharing a collective sentiment of oneness and equally opposed the colonial conquest and the destruction left by the British. Nehru has a feeling of Asian unity and consolidates its relations with the East especially Indonesia during his era.

The third wave refers to the post-independence period. India's vision of Southeast Asia was not lost and Nehru began to revive its engagement with the East through the Asian Relations Conference in New Delhi. Despite the attempt made by Nehru in creating closer union with the East, it could not developed strong relation with the Southeast Asian countries due to different perception with regard to their foreign policy. India's policy of non-alignment has created lesser contact with the ASEAN member till the end of the Cold War.

Unlike the first wave of LEP, the third wave under Nehru focuses on solidarity of Asia and had a strong political content but no Asian relations could take place during this

time. The fourth wave of India's LEP can be attributed to Prime Minister Rao and his government. By the late 1980's under the Congress government Prime Minister Rajiv Gandhi has also pay contribution with the Southeast Asian countries. Thus, the strong cultural ties has been revived during this period and the culmination of India's participation in ASEAN saw a new light under the revive policy of the new government in 1991.

The Indian approach towards ASEAN during the early years was indecisive but definitely friendly. During this time, India is not yet an important factor in the larger context of the Asia-Pacific. The end of the Cold War and the demise of the Soviet Union have made India redefine its interests and role more specifically in Asia. For nearly two decades in the seventies and eighties while ASEAN embarked on trade-driven development and achieved phenomenal successes and India kept away from this region. That way India did not become a factor particularly in ASEAN's economic calculus. During the late eighties, unfortunately the attention on India was for wrong reasons. Even as the United States started its military disengagement from the Southeast Asia after the disintegration of the former Soviet Union, ASEAN faced new concerns about the possible competition among the great powers.⁴³ The demise of the Soviet Union open new path for India and US also realizes not to interfere in the Asian affairs.

India revitalized its relations through the East and launched its new model of "Look East Policy" in 1992. This initiative ushered the beginning of 'new era' of political and economic partnership between India and Southeast Asia and the policy leads to growing cooperation in a field of wide-ranging economic cooperation in fighting terrorism and ensuring maritime security in the region. India's Look East Policy is a key Foreign Policy doctrine which emphasises the influence of the countries to India's east including Australia, New Zealand and the South Pacific Island states. India's policy has been supporting

⁴³*Ibid.*, pp. 24-29

ASEAN's centrality in forging East Asia community.⁴⁴ India has shifted its overseas policy from the Cold War period and made effort in engaging its power with the Southeast Asian countries. India realizes the opportunities it has lost over the past years and came to know that many smaller countries have involved in regional organization. The long gap of estrangement led to doubt and mistrust and this period of unfriendliness came to an end by following the reorientation of its "Look East Policy."

The end of the Cold War has improved India's manoeuvrability and India seems to be at the crossroads still groping to find a role for itself. However, the economic reforms had undertaken India since 1991 and this opened new outlooks of cooperation with Southeast Asian countries.⁴⁵ So, the liberalisation of India's economy open new room for other countries to start new endeavour in India and this shows India's sincerity to ASEAN countries.

So, India started a new endeavour under the light of its open economy in the post-Cold War. In this regard, Singapore has encouraged India to take interest in the region and supported India's participation in ASEAN. Since its separation from the Federation of Malaysia, Singapore has been looking towards India and admired the leadership quality of Nehru and asked for assistance from India during her independence era. The fall of Soviet Union as a superpower resulting in the end of Cold War has helped India in bringing India

⁴⁴ Man MohiniKaul. (2010). India's Look East Policy: New Era of India-ASEAN Relations. *World Focus*. p. 431

⁴⁵ *Ibid.*, pp. 40

and the ASEAN countries politically closer for concentrating on the task of strengthening mutually beneficial economic partnership in the 1990's. On the other hand, the ASEAN countries have revived and enhanced their attention in defence alliance with India and they realized the mutuality of benefits in strengthening economic partnership with India under the changed economic and political environment.⁴⁶

It was Prime Minister NarasimhaRao, who gave concrete directions for the reorientation of India's strategy on the way to its eastern neighbourhood. In order to grow economically by getting closer to Southeast Asia, India's strategy worked on two levels.⁴⁷ Prime Minister Rao was conscious for the success of the LEP as he felt that improvement with individual countries was a necessary task for the success of the policy and the achievement of the policy depends upon the bilateral relations with the ASEAN member.

Before the launched of "Look East Policy" India and ASEAN countries have engaged in economic partnership though there was no serious engagement with the individual country. Both wishes to have friendly relations but there was slow pace of commitment in sharing their common interest. In an address to the Institute of Diplomatic and Foreign Relations, entitled "India and ASEAN- Shared Perspectives" in Kuala Lumpur, Malaysia, Prime Minister Vajpayee said, "We are conscious that in the first few decades after our independence, we did not attain the full promise of our relationship... the full scope of our partnership was constrained by divergences in economic ideology, political outlook and

⁴⁶*Ibid.*, p. 63

⁴⁷ Isabelle Saint-Mezard. (2006). *Eastward Bound: India's New Positioning in Asia*. (New Delhi: Manohar Publisher). p. 41

security assumptions, which the Cold War imposed on us”.⁴⁸ This clearly states the diverse ideology of Southeast Asian countries during the Cold War which block the future prospect of India and ASEAN countries in enlightening economic relationship.

With this regard, the decline of the superpower in Asia led to regional engagement of Asian countries in the 1990’s. Prime Minister Vajpayee and NarasimhaRao has been one of the main implementers in forging closer ties with the ASEAN. And the coming of India’s LPG model has helped India in initiating its new programme under the light of its “Look East Policy”. India’s Prime Minister Manmohan Singh noted that the “Look East” policy was not “merely an external economic policy” but a “strategic shift in India’s vision of the world and India’s place in the evolving global economy”. PM Singh added that “India’s destiny [was] interlinked with that of Asia, and more so Southeast Asia”.⁴⁹

From this perspective, the effort made by India and Singapore in constructing regional engagement in the Asian affairs was clearly visible. This shows the strength shared by Singapore in the inclusion of India as part of the ASEAN partner. Since then, India began to take greater role in the Southeast Asian events. Economic reforms were introduced in July 1991 with the shift in India’s strategic vision and by June 1991 when the Rao government took over, the balance of payment crisis had become a dilemma of confidence – of self-reliance in the government’s capability to manage the balance of payment and a default on payments had become a serious possibility.⁵⁰

⁴⁸“Prime Minister in Malaysia”.*Statesman* India. May 19, 2001. www.thestatesman.com. Accessed on September 7, 2019

⁴⁹*Ibid.*, p. 211

⁵⁰ India Government Budget Economic Survey. 1991-92. Chapter 2. pp. 8-11.

Look East Policy as a part of India's extended neighbourhood policy was initiated by Prime Minister P.V. NarasimhaRao in his "Singapore Lecture" in 1994 and has been vigorously followed by successive governments. Reporting on Prime Minister Rao's Singapore Lecture, "Now the wheel's come full circle. With the Cold War over the needs for hungry-for-growth economies prompting dialogue, India and the East need each other once again."⁵¹ LEP has started taking shape with the change in India's policy towards the East and this promptly gives revitalization of its relations through religion, culture and trade. Thus, the strong historical connection between India and ASEAN has made them easier to revive its bond under the LEP.⁵²

However, the growing relations between India and ASEAN could not move at a faster pace as there were several obstacles which deteriorate the relation between India and ASEAN countries ever since the Cold War period. Even after India loosened its foreign policy and refined its relation with the East, India could not give a protracted view. Firstly, the close relation between China and Southeast Asia during the 1970's and its mutual stance over the Cambodian issue has made India in building faster economic step with the ASEAN. This shows India's lesser assignation with ASEAN member during the Cold War and the China's economic boom paved the way for ASEAN strong connection with China. This marked India's late entry with the ASEAN. By the time India open its connection with the East China has already occupy a powerful part in Southeast Asian matters. G.V.C. Naidu writes, "It was in India's interest to ensure that Southeast Asia would not be dominated by a regional

⁵¹ *India Today*, "Rediscovering the East: Rao's trip opens up investment opportunities for India with economic "tigers of East," September 30, 1994, www.indiatoday.intoday.in/rao-trip-opens-up-investment-opportunities-for-india-with-economic-tigers-of-east/1/294152.html. Accessed on October 30, 2019

⁵² G.V.C. Naidu, "Looking East: India and Southeast Asia." Revised version of the paper presented at the *Institute of International Relations (IIR)- Institute of Defence Studies and Analysis (IDSA)*, Second Roundtable Conference, October 27-28, 2004. Taipei, Taiwan. http://www.rchss.sinica.edu.tw/capas/publication/newsletter/N27/2704_02.pdf, p. 196. Accessed on November 1, 2019

power once it became obvious that the superpowers were going to build down their presence...’’⁵³

India not only aim at developing closer economic and security relations with the East but through this it sought to check the dominance of powerful giants. Thus, constructing a peaceful cooperation and regional incorporation with the Southeast Asian countries in the early 1990’s was not an easy task for India. Rao’s government consciously initiated a process to establish closer links with emerging power centres, namely, the United States, Western Europe, Japan and the ASEAN (Association of Southeast Asian Nations).⁵⁴

4.2.2. India’s Engagement with ASEAN through LEP

India’s LEP was formally defined and expressed in September 1994, by Prime Minister NarasimhaRao. The significance of India’s historical and cultural relations was highlighted as it shared a deep-rooted and strong relationship and was India was paving towards setting up cooperative relationships with its eastern neighbours. India laid importance on construction of robust economic and security connection with its eastern neighbours.⁵⁵ Some of the ASEAN members like Singapore, Thailand, Indonesia, Philippines and Malaysia were one of the prominent and economically strong countries after the end of Cold War. So India focussed on these countries especially with Singapore since the colonial legacy has already bound them together. Initially, LEP aimed at enhancing India’s relations with ASEAN in terms of political cooperation and economic integration. The objective behind the launching of LEP was to gain by leveraging from the fast-growing economies of Southeast Asian countries.

⁵³*Ibid.*, p. 198

⁵⁴ J.N. Dixit. *India’s Foreign Policy 1947-2003*. First published by PicusBook. New Delhi, 1998.

⁵⁵ Text of Prime Minister NarasimhaRao’s speech. *Institute of Southeast Asian Studies*. Singapore, 1994.

This shows that Indian culture and traditions is still valued in Southeast Asia and Singapore too stood firmly for India since its independence in 1965 and look upon India as a natural friend. This linkage has made Singapore in supporting India on every term and saw India's ability in the interference of Asian affairs. Thus, regional cooperation has become an important terms in with the coming of globalisation and this create new initiatives in Asia for closer cooperation and unity.

The disintegration of the Soviet Union meant not only for the loss of defence and political ally of India but it also loss its economic partner since Soviet Union has been the main partner of India since its independence era. Even though both did not share the same ideological perspective India has been looking towards the Soviet Union as it acts as a big brother to India. India being colonized by the British for a long time during her initial years has put its non-alignment policy it could not head further with its policy. The relations between India and ASEAN improved with the launching of its 'Look East Policy' and this paved the way for engaging its bilateral commitment with the ASEAN countries. The political transformation between India and ASEAN during the Cold War has made a great impediment due to the non-communist perception of ASEAN and due to India's appreciation of the HengSamrin rule over the Vietnam-Cambodia issue.

In this regard Singapore has played special attention to India and yet it did not agree with India's engagement with its regional partners of ASEAN and thereby these instances play larger influences among the ASEAN member in its partnership with the ASEAN countries after the end of the Cold War. In spite of all these circumstances India and Singapore maintained their mutual interests and shared a future prospect with regard to its LEP. Singapore has been lending numerous supports to India with regard to its LEP as

through this India has able to engage in a number of bilateral engagements in the Asia-Pacific region.

The Rao's LEP restructuring of new economic policy in reforming India's forthcoming relation with the ASEAN has welcome private company and investment and reinvigorated free market growth. Thus, the initial aim of Rao's government focused primarily on economic growth, relation and expansion with the ASEAN and it sought more trade and FDI flows from Japan, Korea and ASEAN member to reinforce its economic plan. This was followed by other government in power such as the Vajpayee government in 1998 which added security aspect in India's LEP and to a great extent under the Manmohan Singh government further included economic cooperation and technology thereby ASEAN finally accepted India as a founding member of the East Asian Summit in 2005 along with Australia and New Zealand. Moreover, India also joined the ADMM+8 forum and the objective of ADMM+8 was to move beyond ARF dialogue procedure towards practical collaboration such as in maritime security, humanitarian and disaster relief, counter terrorism and peacekeeping. India too joined the ADMM+8 mainly because it was driven by ASEAN and partly it was only a cooperative security setting which poses no menace to any foremost power.⁵⁶

The main motive behind LEP was that with the decline of the Soviet Union India loss its friend and partner for decades. Due to the Asian financial crisis and the loss of its economic partnership India began to focus more and more on the East. India has been building closer ties with the East since the ancient times to cooperate with them. The ideological differences has made India and the Southeast Asian countries isolated for such a long time and Singapore has been one of the main natural partner of India in its establishment of relationships with ASEAN.

⁵⁶*Ibid.*, p. 11

India became a Dialogue partner of ASEAN in 1992 and became a Full Dialogue Partner in 1995. From this situation India started playing significant role in ASEAN region and began to involve in a number of bilateral relations with the individual ASEAN member. India's inclusion as Dialogue partner of ASEAN has extended from an earlier ASEAN aim of economic and political assistance to a multidimensional setting. Thus, the trade volume of India and ASEAN has increased numerous right from the launching of its LEP. It has targeted member states of ASEAN as a priority region for promoting cooperation and has taken several initiatives to establish closer contacts with them. India's liberalisation of economy has been reform with the coming pace of globalization by reducing tariffs and relaxing control over foreign direct investment and India has become a free market thus, government panels on foreign trade and investment remain but they have become fewer firms which helped rise in both foreign trade and investment.⁵⁷ India's participation in ASEAN as a Dialogue partner since 1992 has strengthened its relation with Singapore and the bilateral relations also increased in terms of IT and there were signs of growing pace between India and Singapore as Indian politicians and government officials had a number of visits to Singapore in the late 90's. And India-ASEAN relations have expanded into manifold with regard to political, economic socio-cultural, defence and security. With regard to this, the bilateral relations with Singapore also increased at a faster pace. It expanded its engagement with Singapore under the growing relation of ASEAN. India's Look East Policy was a turning points in reconstruction the relations with ASEAN.⁵⁸

From the establishment of LEP India has fostered its interest not merely on Southeast Asia as well as in Northeast Asia. To expand its venture India's then Prime Minister NarasimhaRao visited Japan in June 1992, South Korea and China in 1993. Through his visit

⁵⁷*Ibid.*, p. 7

⁵⁸*Ibid.*, p. 57

Rao had interact with economic investors and lectured business groups to plan India's potential as a destination for investment and a market for trade. Through LEP India has formed efficient economic drive in terms of trade, investment and technology. India has able to recover and regain with these region under the LEP model and the Indian economy has been restored.⁵⁹

India's relation with ASEAN member unfolded since the launching of LEP. Thus, the wave of LEP had a good impact upon Southeast Asian region. The neglect cooperation has been revived and there was a drastic change of India's economic relations with ASEAN member. PM Vajpayee has reactivated interest and he visited several Southeast Asian countries during 2000, 2001, 2002 and 2003. These visits were reciprocated during the same period by various dignitaries from Southeast Asia.⁶⁰ India's relations with ASEAN grow significantly after she became a Full Dialogue Partner and its relations with Singapore formed a first priority as it is the most powerful partner of India from the perception of bilateral economic cooperation while India has good relations with other ASEAN member like Myanmar with its cultural and religious belief. Its key principles and objectives of "Act East Policy" is to promote economic cooperation, cultural ties and develop strategic relationship with countries in the Asia-Pacific region

Thus, India has elevated its relationships to strategic partnership with Singapore in November, 2015. Strategic partnership with Indonesia, Vietnam, Malaysia, Japan, Republic of Korea (ROK), Australia, Singapore and Association of Southeast Asian Nations (ASEAN) and forged close by with all countries in the Asia-Pacific region. On the other hand, India

⁵⁹ The complete text of the speech is available via the Press Information Bureau website, <http://www.pib.nic.in/newsite/erecontent.aspx?relid=24032>, Accessed on October 12, 2019

⁶⁰*Ibid.*, p. 63

involved in regional organization such as Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), Asia Cooperation Dialogue (ACD), Mekong Ganga Cooperation (MGC) and Indian Ocean Rim Association (IORA), ASEAN Regional Forum (ARF) and East Asia Summit (EAS).⁶¹

The trade improved considerably from 56.23 billion USD in 2010-11 to 76.52 billion USD in 2014-15. The share of bilateral trade with ASEAN is almost 10% of India's total trade. The India-ASEAN pact for trade in services and India-ASEAN Agreement on Investment has been signed in November, 2014. It has come into force with effect from 1st July, 2015. These agreements were expected to strengthen the business and commercial relations between ASEAN and India. The 11th round of the Regional Comprehensive Economic Partnership (RCEP) was held on from 15-19 February, 2016 in Bandar Seri Begwan, Brunei Darussalam wherein all the RCEP participating countries had submitted their initial offers on goods, services and investment. The RCEP envisioned facilitating and thereby collective goods and services trade as well as investment flows amongst the joining countries.

4.2.3. "Act East Policy"

India's "Act East Policy" was introduced as a new reform policy in 2014 at the 12th ASEAN-India Summit in Nay Pyi Taw. AEP was reinvigorated and it focuses on extending its neighbourhood in the Asia-Pacific region. The policy which was originally considered as an economic advancement has gained political, strategic and cultural scopes including establishment of institutional mechanisms for dialogue and cooperation.⁶² Through the constant engagement with the East India enhanced its connectivity with ASEAN and East

⁶¹'Act East Policy'. Press Information Bureau. Government of India. Ministry of External Affairs. <https://pib.gov.in> Accessed on November 10, 2019

⁶²*Ibid.*,

Asian countries, various strategies with bilateral and regional level has helped India in strengthening its economic apparatus. It brought a new light under the bilateral trade and investment relation in India-ASEAN relation and carried a countless sense of rapidity in institutional links.

India's renewed focus on Southeast Asia with the AEP has been keen on warming up its ties to Southeast Asia and it emphasized more on trade and economic linkages. The rebranded 'Act East' emphasizes greater activism and commitment on India's part.⁶³ Prime Minister Narendra Modi expressed the government's plans to transform India's Northeast region into a gateway to Southeast Asia. The India-Myanmar-Thailand Trilateral Highway projected has been initiated and this will improve connectivity between India and Thailand and others in the neighbourhood. Prime Minister Modi further enunciated that India's Act East Policy is a momentous foundation of the Indo-Pacific policy by adding that ASEAN is at the central of the Act East Policy.⁶⁴

4.2.4. India and ASEAN trade relations

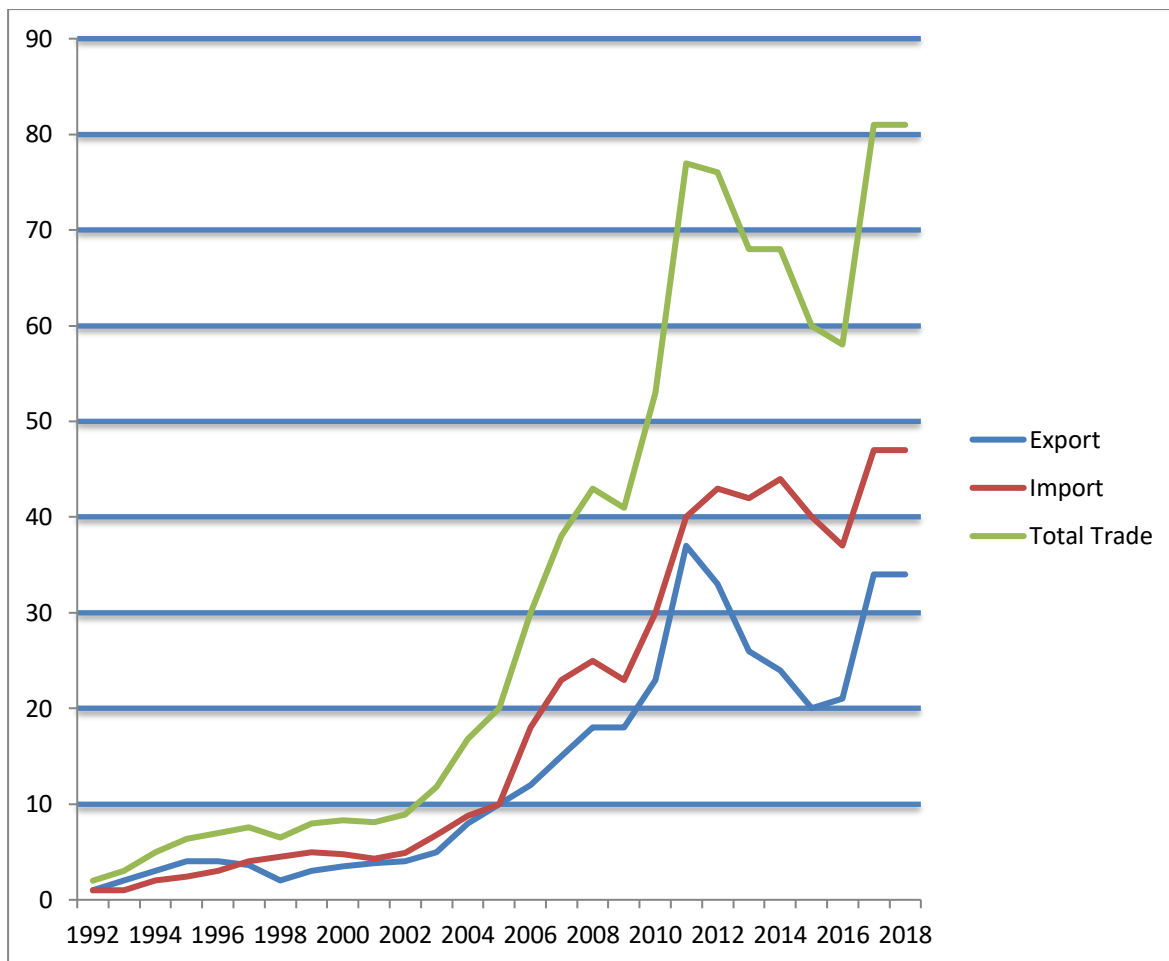
The relations between India and ASEAN have been growing since the inclusion of India as Full Dialogue partner of ASEAN. Along with this, India's bilateral relation with ASEAN member also increased particularly with Singapore, Malaysia and Indonesia particularly from the agricultural sector to the communication sector. The economic relation boost to an unexpected rate after India engages in the Asia Pacific region.

Figure 1:

⁶³The Diplomat. India Must Look Beyond ASEAN in Regional Security.

<https://thediplomat.com> Accessed on November 1, 2019

⁶⁴India's Act East policy to get fresh impetus. <https://www.livemint.com> Accessed on November 5, 2019



Source: DOTS IMF

From the above figure, India-ASEAN trade relation has been growing steadily with ASEAN being India's 4th largest trading partner. And Indo-ASEAN bilateral trade grew by almost 14% to reach US \$ 81.33 billion in the financial year 2017-18. India's import and export items have also increased but its import items from ASEAN is higher than its export product. The ASEAN-India Free Trade Agreement boosts the economic relations between India and ASEAN. But, India's export items remain relatively low as India's goods and product is still not supplied sufficiently among the ASEAN member. As the developed countries of ASEAN are contributing enough to in the marketing forum, they create their own space for themselves too. So, in this growing India-ASEAN relation, India needs to improve and strengthens its economic position in the changing economic environment. On the other

hand, the trade relation between India and ASEAN is still growing along with the bilateral economic cooperation with ASEAN member. India's total trade with ASEAN increased greatly after the signing of AIFTA though there has been a sign of increasing relation particularly after the launched of India's 'Look East Policy'.

As the LEP aim to seek closer economic cooperation with the Southeast Asian countries, India has been engaging on the East by giving emphasis not only on trade but also in other sector so as to develop a closer relation with them. Thus, building formal negotiations with East occupies the main pillar of India's foreign policy. Under the AEP, it further expands its objective in terms of connectivity through land and sea. The major hindrances of regional interaction will eliminate the problem so that India and ASEAN trade relations would soon progress faster as India's export items stood on a wavy pattern even after the free trade agreement has been negotiated.

Figure 2:

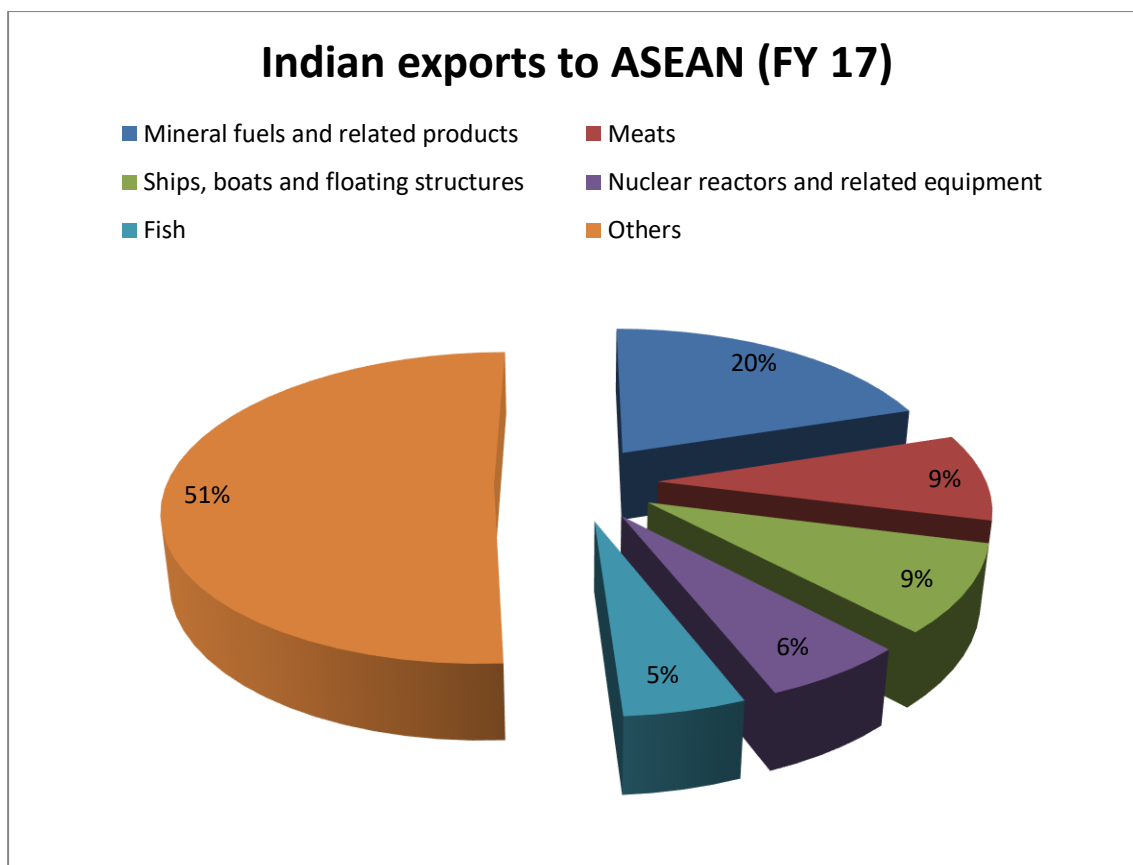
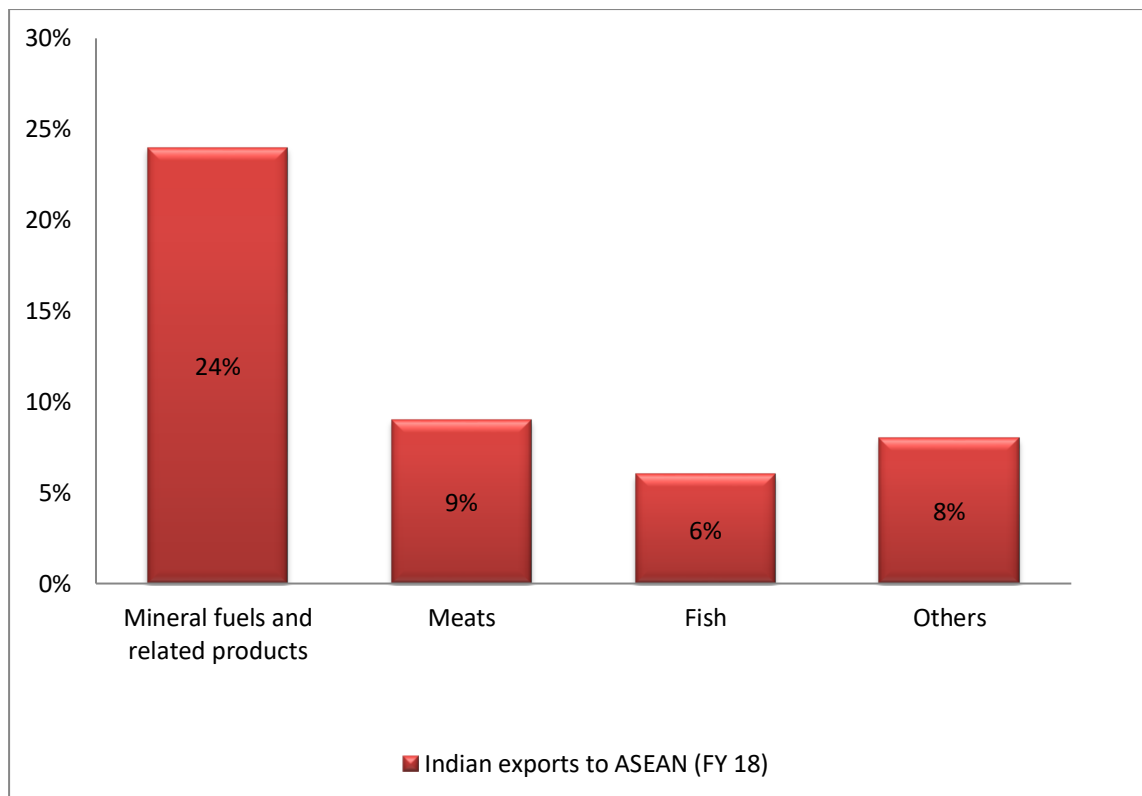


Figure 3:



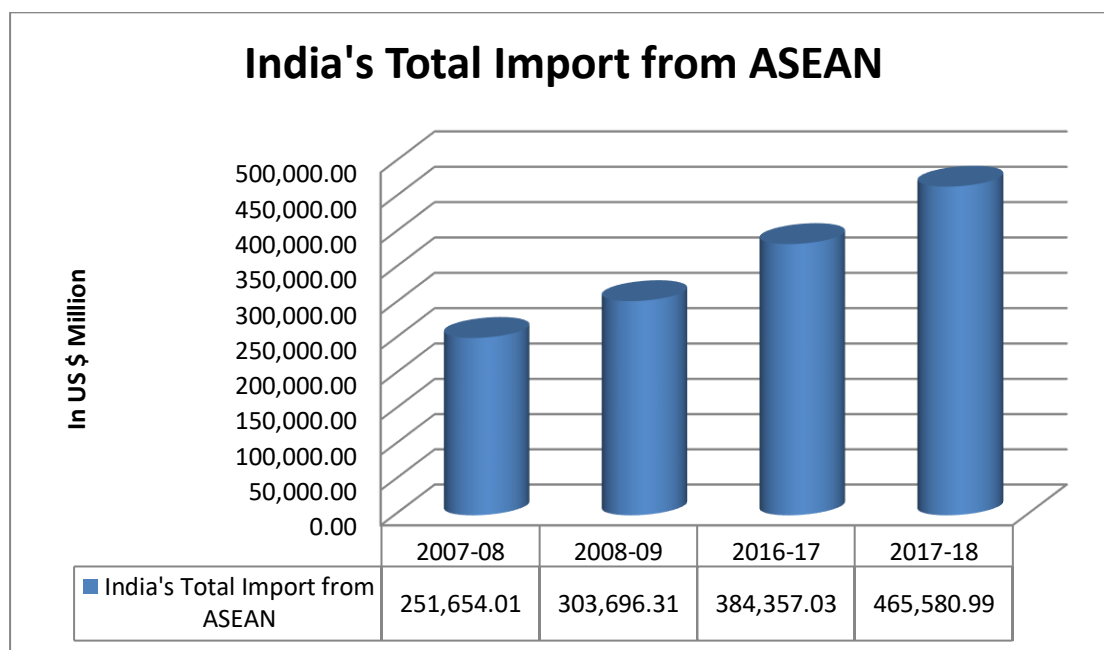
Sources: Exports Import Data Bank. *Department of Commerce*. 11 January, 2019

India's export to ASEAN has paved new direction and the ASEAN India Free Trade Agreement (AIFTA) signed in 2009 turned a new page in Indo-ASEAN rising economic cooperation. This deepens the trade relation and connectivity in ASEAN region and Singapore, Indonesia and Malaysia top the three trading partners of India among ASEAN member. India's export to have reached USD 34 billion in 2018 with a total trade of USD 81 billion in FY 2018 compared to USD 41 billion in 2009 before the agreement of AIFTA. Thus, India's good trade with ASEAN doubled after the free trade agreement and this strengthen bilateral trade cooperation with ASEAN member. India's export to ASEAN include mineral fuels, ships, boats, meats, nuclear reactors and its export on mineral fuels have increased from 20% in 2017 to 24% in 2018 and it witnessed a steady growth for the past decade thereby enhancing regional cooperation in exploring new areas of trade. The

remaining products constitute 53% in 2018 and this includes optical, agricultural products, water etc.

In the financial year of 2018, India's export items of mineral fuels constitute higher and with regard to eatable items fish is the main export item of India to the Southeast Asian countries whereas meat as a whole remains one of the most export item to ASEAN in the FY 2018 by constituting 9% of India's export product to ASEAN. India's most export items are in a constant place as compared with other export item such as ships and its related products. There are also minor necessity exports by India which are included in the other lists as pearls, precious stones and jewellery.

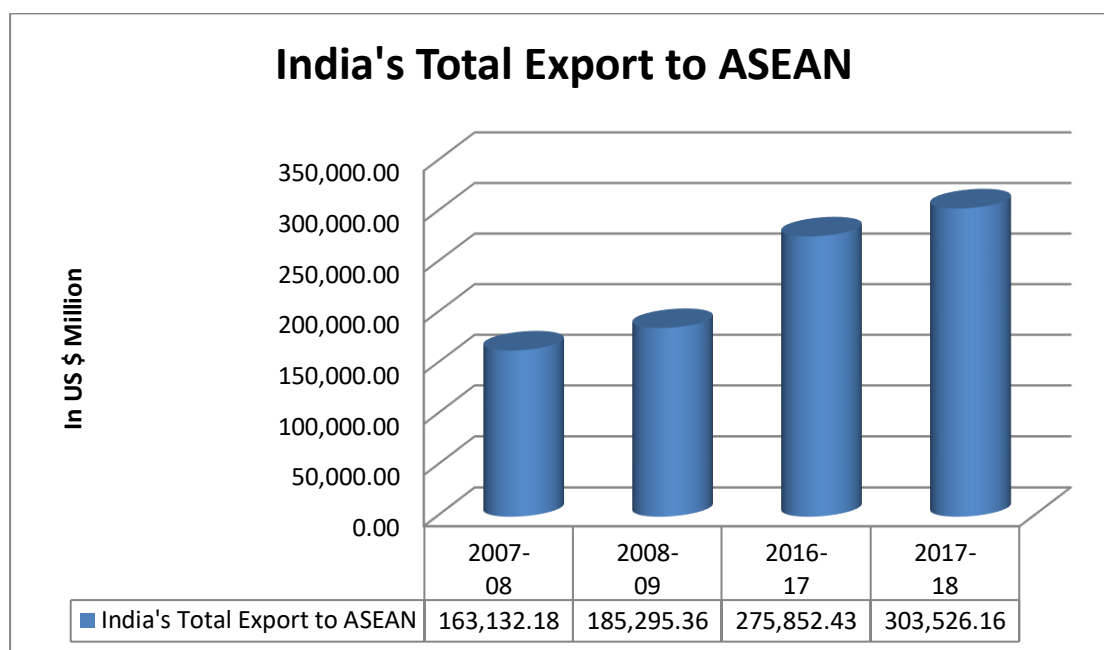
Figure 4:



India keeps its cooperation with ASEAN since 1992 as Dialogue Partner and this helps India in enhancing its partnership with ASEAN through economic bonds as the member of ASEAN has become one of the most important trading centre and the countries share in the global world with regard to its exports and imports have grown-up steadily. Figure 3 has showed India's increasing import item from ASEAN. In 2007-08, 2,51,654.01 million items

were imported by India from ASEAN whereby slowly importing more product from ASEAN to 3,03,696.31 million in 2008-09 and 3,84,357.03 in 2016-17. This shows ASEAN pivotal role in providing sufficient products to India like palm oil, copper ores, coal, electronic gadgets, pharmaceuticals, pulses, organic and inorganic chemicals, plastic and raw materials, rubber and products, wood and products, precious stones and jewellery, rail equipment and transport equipment, iron and steel, aircraft and parts, ships, mechanical appliances and optical instruments.

Figure 5:



India's total export to ASEAN increased since 2007-08 with 1, 63,132,18 million and the AIFTA had gained momentum between India and ASEAN in constructing more economic framework thereby doubling the export items to ASEAN with 3,03,526,16 million in 2017-18. India's main export items to ASEAN include fresh vegetables and fruits, meat and fish products, spices, sugar, oil cakes and fodder, petroleum products, chemicals, organic and inorganic items, pharmaceuticals, plastic and raw materials, rubber, precious stones and jewellery, paper pulp, cotton, iron steel and non ferrous metals.

Figure 6:

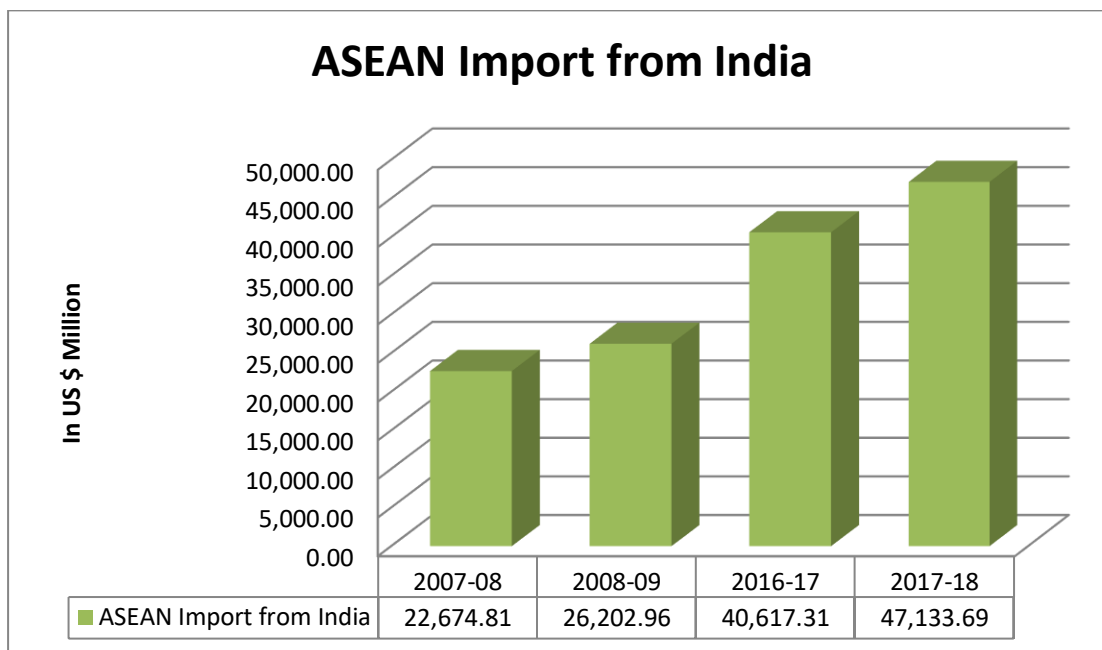
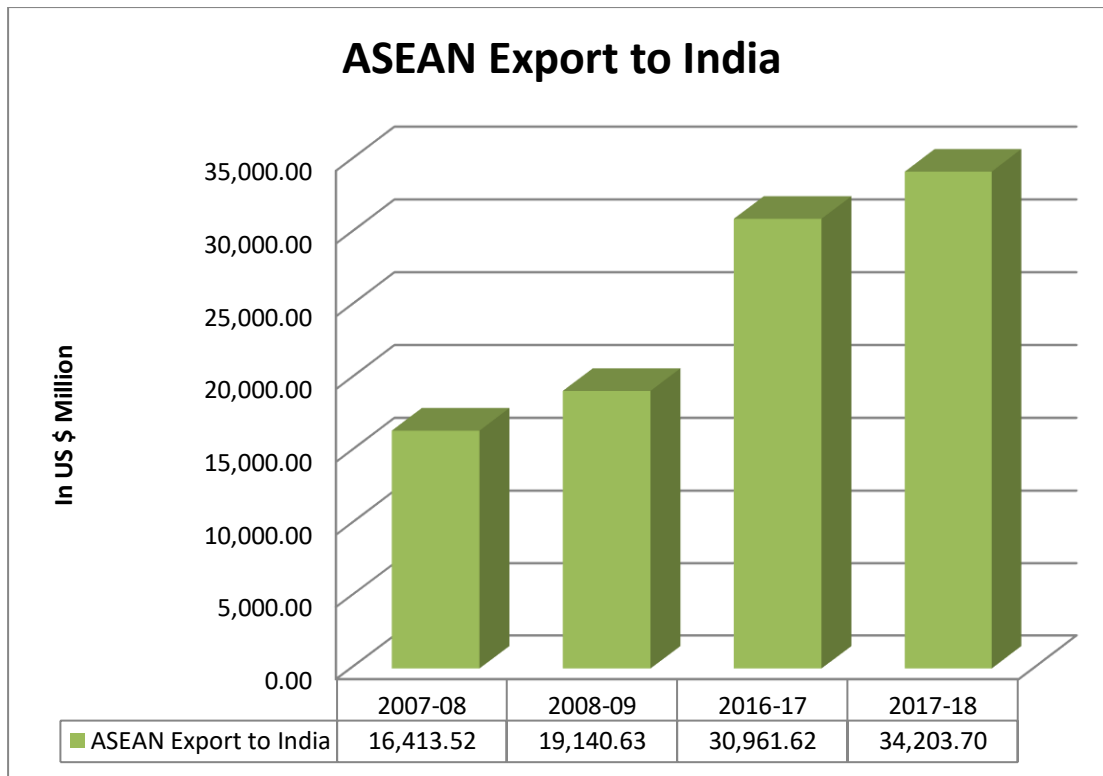
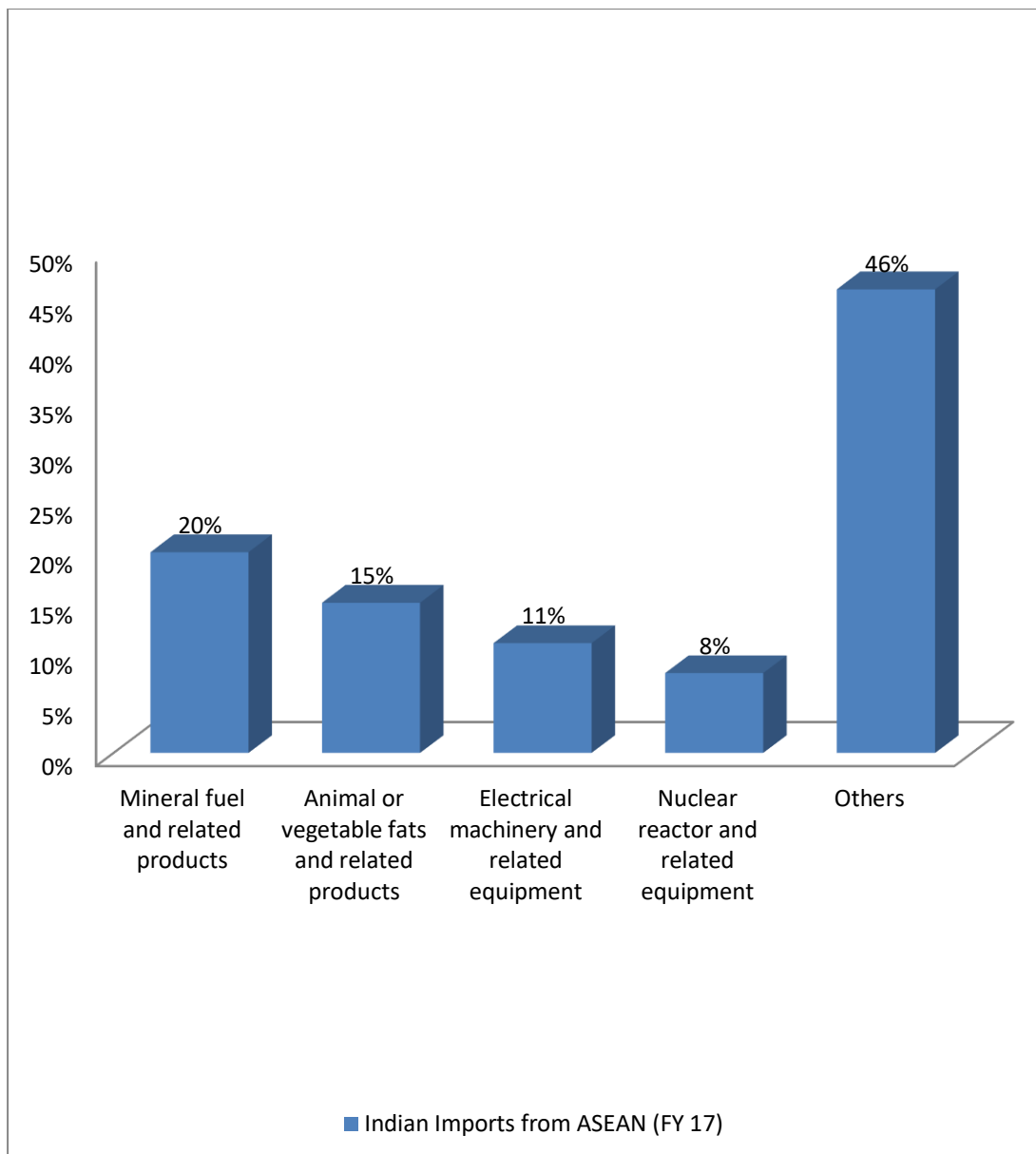


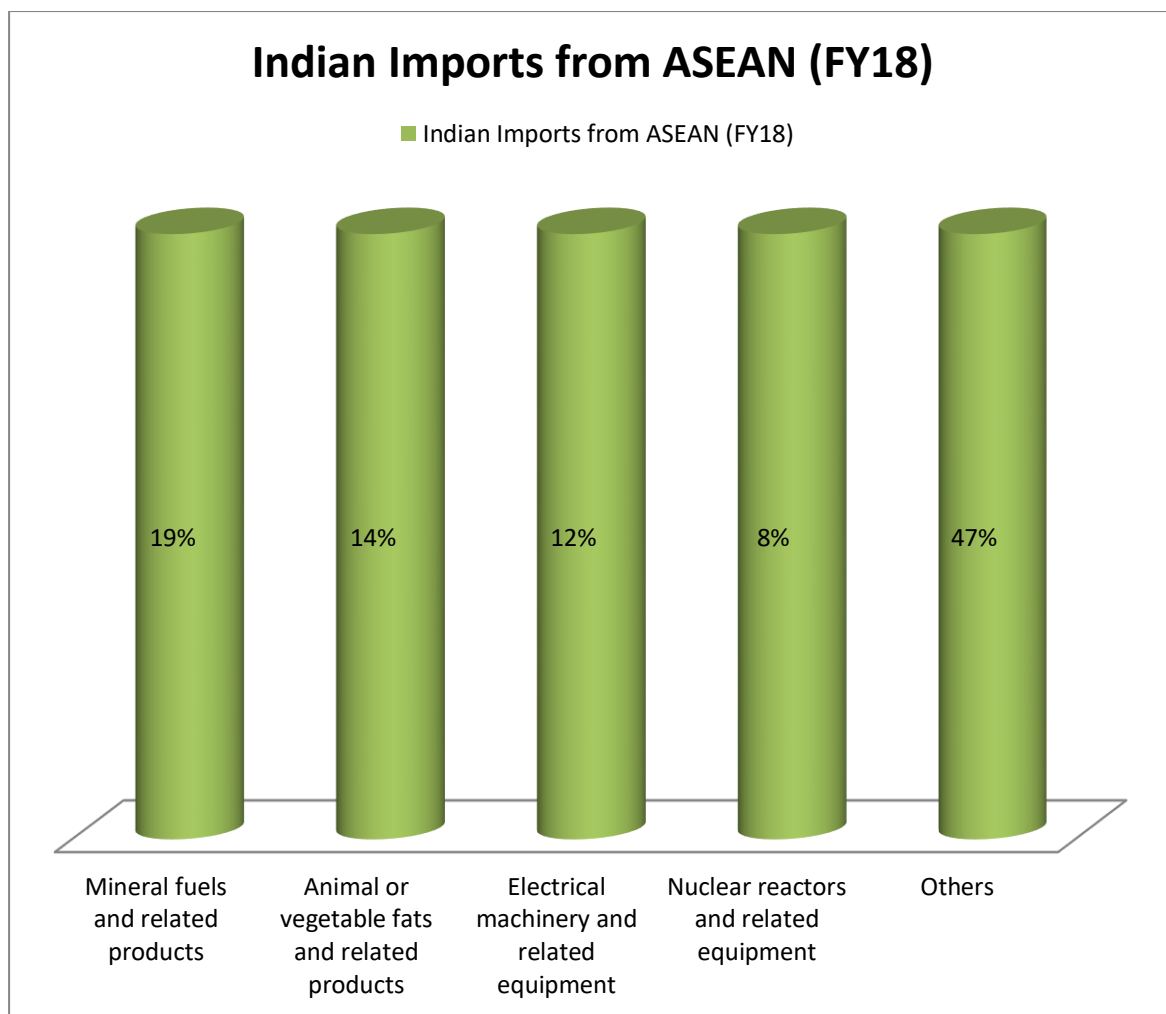
Figure7:



ASEAN import from India also increased heavily to 47,133.69 million in 2017-18 while ASEAN export to ASEAN grew to 34, 203.70 in 2017-18 doubling its export items to India in the last ten years (See figure 6 and 7). This changing trade pattern boost the growing relation between India and Singapore thus significantly give a great impact with the signing of CECA in 2005.

Figure 8:





Sources: Exports Import Data Bank. *Department of Commerce*. 11 January, 2019

Like the export items, India's import from ASEAN include mineral fuels, nuclear reactors therefore import animal or vegetable fats and electrical machinery while its imports on mineral fuels has decreased to 1% in 2018 compared to its imports items in 2017. India's total import from ASEAN has been increased to USD 47 billion in 2018 compared to USD 23 billion in 2009. Thus, signs of increasing trade volume emerged as India has engaged imports and exports product from vegetables oils, iron steel, aluminium, tea, paper, spacecraft and its parts, dyeing extracts, pearls and precious stones organic chemicals, fish and crustaceans, optical, nickel, rubber.

India has witnessed crucial changes in its economic policies and these changes constitute vital part in enhancing regional cooperation with other groups like India's participation in ASEAN, BIMSTEC, MGC, RCEP, EAS etc. This organization provides India in building multidimensional relations in the Asian affairs and many countries sought to develop new partnership in the global era.

The results of India's LEP are also adequately proved in our growing economic collaboration with the region. India's trade with ASEAN has risen from US \$ 5 billion in 1994 to US\$20 billion in 2005. Nonetheless, India is very different from the India of 1991. It is now a vibrant marketplace. The process of ASEAN economic integration and a similar process for expanding economic integration between ASEAN and its dialogue partners has been another important milestone for India.⁶⁵

One of the important points highlighted in ASEAN-India Summit 2018 was economic integration through the Regional Comprehensive Economic Partnership. Since the last ASEAN-India Commemorative Summit in 2012 that marked two decades of India's LEP where both has become more committed in pursuing its long-term economic goals and the make in India initiative has made the Indian government in developing more commitments in the manufacturing sector including automobiles, primary resources and processing. These aimed at boosting manufacturing growth to 10 per cent per year given that India's own manufacturing share (value added) in its gross domestic product has fallen to 29.5 per cent in 2015 compared to 34.6 per cent in 2007.⁶⁶ A transition from the 'Look East policy to the 'Act East' policy is seen as a reflection to boost foreign trade in manufactured goods.

⁶⁵India's look east policy. *The economic Times*. February 12 2007. Accessed on November 4, 2019

⁶⁶Sahoo, P.Goswami, N & Mazumdar, R. (2017). Trade Facilitation: Must for India's Trade Competitiveness. *Journal of World Trade*. 51 (2), pp. 285-307

India's share in ASEAN's global trade has grown between 2000 and 2016 arguably due to the ASEAN-India Free Trade Area (AIFTA) that shields about 90 per cent of tariff outlines between ASEAN and India. Among the ASEAN countries, Singapore offers zero effective applied tariff rates to India for World Trade Organization-classified agricultural, industrial and petroleum products thereby allowing India greater market access in comparison to other regional countries in the RCEP.⁶⁷

Thus, total ASEAN exports to India experienced an average year-on-year growth and the transformations remain highly dependent on the individual ASEAN countries domestic factors and competitive advantages. In Singapore's case, it is reasonable to suggest that the India-Singapore CECA which came into force in August 2005 allows Singapore the pre-conditions to continue focusing on trade in services and investments with India. The CECA's coverage in non-trade goods is wide. Apart from the movement of natural persons, the CECA covers air transport services and an e-commerce chapter that provides national treatment for the trade in digital products. The CECA also allows the enhancement of foreign commercial presence from Singapore into India with the provision of investment protection clauses for investors from both countries. On India's end, it also includes its investment schedule that covers infrastructure where technology and management expertise is highly required.⁶⁸

Through LEP India has able to expand its regional interaction with other East Asian countries. India has found interest in regional multilateralism and these multilateral initiatives has paved the way for India in developing new dimensions with the East Asian countries like Japan, China, South Korea and Australia. Along with this, the bilateral relations with ASEAN has been progressing fast since India has cooperate in economic, political and defence activities with the Southeast and East Asian countries. Though mistrust and suspicions has

⁶⁷ Latest data available from UN COMTRADE database

⁶⁸S Kelegama. (2009). *Trade in services in South Asia: Opportunities and risks of liberalisation*. (New Delhi: SAGE Publications India). pp. 49-50

been the main factor between India and China, its relationship has been improved and growing by the late 2000.⁶⁹

4.2.5. Extended Neighbourhood

India has also build partnership with Japan since 2000 and this provided an opportunity in imparting new direction and dynamism to growing bilateral relationship. Thus, bilateral relationship of India-Japan also urge for closer cooperation to establish a trilateral or quadrilateral arrangement along with USA and Australia. India's participation in various regional forums has strengthened its position not only in the Asia-Pacific region but also with US in bilateral trade expansionism. Act East Policy brought light in assigning new economic task. Under the AEP, the India-Japan strategic partnership has been lifted to an entirely new level highlighting the importance of Indo-Pacific cooperation and in this regard ASEAN's remain the pivotal point that abide the contemporary characteristic of the Indo Pacific at the regional level.⁷⁰ India's liberalisation of economy has opened its door for South Korea too. During the Cold War, India was ignored by Korea and bilateral cooperation has no room between them. But with the onset of India's engagement with the East and its shifting paradigm of foreign policy from "Look East" to "Act East" has made fundamental transformation in India's foreign policy which led to gather political and economic leverage with South Korea. Thus, bilateral relations between India and South Korea have been usually characterized by friendship, collaboration and understanding.⁷¹

India's shifting policy towards the East has also been expanded through Australia and India's possibility in engagement with the East Asia has been proved. Thus political,

⁶⁹M.K. Bhadra Kumar, "Who stands to gain from war hysteria". *The Hindu*. September 21 2009. Accessed on October 12, 2019

⁷⁰ Act East to Act Indo-Pacific: Agenda for the new government. *The Economic Times*. June 1, 2019. Accessed on November 15, 2019

⁷¹V.RameshBabu. *Bilateral relations between India and South Korea*. www.mea.gov.in Accessed on June 1, 2019

economic and cultural relations between India and Australia have developed at a higher pace through LEP and the growing realization on both sides step up economic cooperation. From the stage of 'benign neglect', the two countries have reached the stage of realization of the potential.⁷² India's rechristened 'Act East Policy' revived India's connection with Southeast Asia and pushed India in strengthening relations through greater cultural and economic exchanges. India and ASEAN share a dynamic relationship that goes well beyond economics, the easy movement of goods, services and capital across borders remains the foremost concern for both. So, India and ASEAN trade relations have improved over a time by its exports and imports products as India has engaged with ASEAN at both regional and sub-regional levels by signing economic cooperation agreements among ASEAN member. A framework agreement on Comprehensive economic Cooperation was signed in Bali in October 2003 between India and ASEAN and this eliminate the tariff barriers among all the members and establish a free trade in goods, services and investment. A final agreement on trade in goods was signed in Bangkok in 2009. Bilateral agreements with various other ASEAN members have also been signed by Thailand, Singapore and Malaysia for deepening economic integration with the region.⁷³

India and ASEAN trade and share relations have been rising progressively with ASEAN becoming India's fourth largest trading partner and FDI inflows in to India from ASEAN between April 2000 to March 2018 was about US\$68.91 billion.⁷⁴ India and ASEAN relations have been growing and along with this India's relation with Singapore have also increased as Singapore's export and import items have play a powerful role in India and ASEAN growing relations. India and ASEAN is creating a future prospect in the Asia-Pacific

⁷²www.dfact.gov.au. Also see www.ausgovindia.com.

⁷³PreetyBhogal. (2008). India-ASEAN Economic Relations: Examining Future Possibilities. *ORF Issue Brief*. Issue No.221. January

⁷⁴*Ibid.*, mea. gov.in

region and India's AEP became an important apparatus for India in engaging with the East Asian countries through economic and communication technology.

4.3. Indo-Singapore Economic Relations

India's relations with Singapore improved after the end of Cold War and India's decision to liberalize its economy and paved the way for economic cooperation. To a large extent Singapore has always sought to make better cooperation with India since the Cold War period and Singapore gave various supports to India in its entry into ASEAN. India is fourth largest export market of Singapore and the country's biggest trade partner among the Association of Southeast Asian (ASEAN) states.⁷⁵ So in this regard, Singapore's position in ASEAN is not small and with the inclusion of India as Dialogue partner of ASEAN in 1992 has further strengthened India's position in the Southeast Asian region and through India's LEP. Thus, bilateral relations with Singapore improved greatly to a larger extent after the demise of Soviet Union where India started looking towards the East particularly with Singapore.

The neglected relation with the Southeast Asian countries were renewed and restored after the end of the Cold War and the long awaited relations with Singapore have also been revived. Following its increasing relations with ASEAN under the LEP, India has closely and slowly re-engaged its relations with Singapore and the gains are clearly evident in economic and strategic field.⁷⁶ Thus, early economic interaction starts mainly from the

⁷⁵ ASEAN comprises 10 countries. These are Singapore, Malaysia, Indonesia, Thailand, Vietnam, Philippines, Myanmar, Cambodia Brunei and Lao.

⁷⁶ Archana Pandya and David M. Malone, 'India's Asia Policy: A Late Look East', *Institute for South Asian Studies Special Report*, No.2 (Singapore: Institute of South Asian Studies, 25 August 2010). p.12

telecommunication and information technology and Singapore has keen interest in India and early agreement was signed for development of IT in early 2000.

The warmth and growing relation was seen when Singapore Prime Minister Goh visited India as the chief guest at the Indian Republic and this marked India's positive relation with ASEAN member and Singapore. This shows the fading relation of India and USSR thereby placing India grasped its objective in the right direction. Economic cooperation between India and Singapore started taking place after India has opened its economy. Singapore impetus in developing economic integration with India started taking place after India has launched its 'Look East Policy'. Through LEP India's relation with the ASEAN member improved at a faster rate and this significantly have a great impact upon bilateral relations between India and Singapore. During this time, Singapore's economy was floating with its sustained dynamism and India was looking for a new economic partner with Singapore. However, the relations between the two have been improved by the late 1980's and Singapore Prime Minister GohChok Tong observed that 'bilateral relations between Singapore and India have reached a stage best characterized as positive and forward looking. The resolution of issues like Cambodia which had previously caused some problems in Singapore-India relations and the restructuring of the Indian economy have brought forth fresh opportunities for the two countries to forge closer relations and in this regard both countries able to look ahead to a new chapter in bilateral relations.⁷⁷

An important aspect of India's interest in Singapore for investment has been the frequent visits from India in the early 1990's not only of the central leadership but also the state chief ministers. For instance, in July 1995, almost back-to-back, the Karnataka Chief Minister H.W. Deve Gowda and the Bihar Chief Minister Laloo Prasad Yadav, took large business delegations to Singapore. Again in May 1997, Andhra Pradesh's technology-savvy

⁷⁷*The Hindu*. January 15, 1992.

Chief Minister, Chandrababu Naidu, and the Maharashtra Chief Minister, Manohar Joshi took business delegations to Singapore. Most of the chief ministers belonged to political parties which did not have any share in the ruling party/coalition at the centre. This was a clear indication of the broadening political back-up in India for economic co-operation with Singapore.

TABLE 1: INDIA'S TRADE WITH SINGAPORE

Year	India's Exports	India's Imports	(in US \$ millions)	
			Total Trade	Balance of Trade
1993	670.5	952.4	1622.9	-281.9
1994	827.0	1320.5	2147.5	-493.5
1995	932.8	1900.7	2833.5	-967.9
1996	1019.1	2090.7	3109.8	-1071.6
1997	1032.2	2198.3	3230.5	-1166.1
1998	613.5	2468.5	3082.0	-1855.0
1999	736.7	2496.1	3232.8	-1759.4

Source: Data obtained from Indian High Commission in Singapore

India's initial trade relations with Singapore shows a constant pattern though there were some changes on its export and import product. Thus, bilateral relation of India and Singapore has increased with the opening up of the Indian Centre in Singapore.⁷⁸ The vital theme was to established entrepreneurial companies from India and this was supported by the Singapore Economic Development Board (EDB), the Jurong Town Corporation (JTC), the Federation of Indian Chambers of Commerce and Industry (FICCI) and the

⁷⁸ A. Baruah, 'Maran Inaugurates India Centre in Singapore'. *The Hindu*. New Delhi. October 13, 2001.

IndUSEntrepreneurs (TIE). On the other hand, telecoms sector were another significant factor for growing economic relations and this paved the way for foreign telecom companies like Singapore Telecoms to enter the Indian market. Sing Tel has collaborated with Bharti Enterprises of India to work on joint venture projects, likewise Sing Tel had pumped US\$400 million to Bharti for an effective 30 per cent share of the company's telecom stake.⁷⁹

Apart from the IT sector, telecommunications were one of the fastest growing sectors of the Indian economy and the National Telecommunication Policy (NTP) of 1994 and 1999 able to connect the most inaccessible and most remote villages and to reduce the costs of owning a telephone by providing consumers with a choice of private operators at competitive rates.⁸⁰ However, there were also other initiatives by Singapore's Trade and Development Board (TDB) as they established overseas offices in Chennai, New Delhi and Mumbai to create better economic linkages between India and Singapore.

Table 2: Telecoms Network Development in India from 1992-1996.

Indicator	1992	1993	1994	1995	1996
Telephones in service (1000s)	6,706	7,713	8,877	10,588	12,892
Tel. lines per 100 popl.	0.77	0.88	0.99	1.15	1.38
New Lines (1000s)	735	987	1,229	1,770	2,183
Lines in service (1000s)	5,810	6,797	8,026	9,795	11,978
Lines in service per 100 popl.	0.67	0.77	0.89	1.07	1.28
Long-distance route km	94,476	107,462	122,957	142,113	168,633
No. of village telephones	74,404	10,4476	137,477	185,136	216,632
Local call pulses (billions)	29.8	40.1	46.7	58.6	78.5

⁷⁹FaizalYahya, 'The Challenges of Globalization: Realising the Potential of Telecommunications in India' (unpublished)

⁸⁰*Ibid.*, p. 79

Registered waiting list for telephones (1000s)	2,289	2,845	2,497	2,158	2,277
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Source: Department of Telecoms.

There was increased demand of telecoms as the coming pace of globalization has huge demand from the urban to the remote area and this made improvement in the telecom sector as the National Telecommunication Policy (NTP) has to connect the most inaccessible area and this paved the way for telecom sector in Singapore like the Singapore Telecoms (Sing Tel) to enter the Indian market. As the NTP aimed every corner of India there was huge demand of telephone service and this happens to be the vital trade relations with Singapore.

By 2000, India grows into Singapore's fifteenth major trading partner and became a key economic partner. According to the Singapore Ministry of Trade and Industry India's insatiable demand for electronic goods, India's large pool of IT professionals and the attractiveness of Singapore's infrastructure and connections to the Southeast Asian state as well as to the international markets would boost the economic ties between India and Singapore. Due to this, the IT sector played important role in Singapore's bilateral with India. India's huge demand of electronic goods from Singapore has boosted the economic relations during the initial years of bilateral cooperation between India and Singapore. Thus, IT park of Bangalore is one of the hot talks of economic cooperation in India-Singapore economic relations. In phase one, IT Park of Bangalore has been fully occupied by 91 companies

including some familiar foreign multinational corporations like Hitachi, Sanvo, Glaxo, Tata, GE Plastics, Siemens and Sharp.⁸¹

Singapore then Prime Minister Goh was keen to forge closer economic relations with India particularly in the field of IT and put keen interest to tap on the large Indian manpower pool of IT workers for Singapore. The Bangalore IT Park has also been of the initiative of Prime Minister Goh build at a cost of US\$ million which symbolizes the potential for increased bilateral economic linkages between the two countries. Singapore's advanced infrastructure has attracted many leaders since its colonial times because Singapore located in a tiny island has been used as important seaport for traders and merchants. India act as a big brother to Singapore in terms of political diplomacy, Singapore as a small tiny island is better developed in economy because Singapore hold good infrastructure with well-established ports. Singapore's seaports attracts traders and merchants since the colonial times and this paved the way for closer economic cooperation with other countries which India has been lost its opportunity in opening its bilateral cooperation with Singapore and ASEAN.

4.3.1. Indo-Singapore Comprehensive Economic Cooperation Agreement

The formal relation between India and Singapore evolve during the Vajpayee period and during his visit to Singapore in April 2002 Prime Minister Vajpayee proposed to arrange a Joint Study Group (JSG) to examine the possibility of concluding a Comprehensive Economic Cooperation Agreement (CECA) with Singapore consisting of representatives of the governments, business, industry and academia to submit recommendations with a view to launch the CECA within a year.⁸²The offer of CECA to Singapore also started from the consideration that Singapore has been helpful to India in the past such as supporting India's

⁸¹The Straits Times. Singapore. November 30, 2000

⁸² Apparently, it was the accompanying Disinvestment Minister, ArunShourie, who persuaded Prime Minister Vajpayee to agree to the formation of JSG

bid for the ASEAN dialogue partner position, the ASEAN Regional Forum and the India-ASEAN Summit. In his Singapore lecture, Prime Minister Vajpayee referred to the special relationship with Singapore within ASEAN and proposed cooperation in research and development, biotechnology, space technology, tourism, cultural exchanges and joint defence exercises.⁸³

It was Singapore who took initiative for enhancing its cooperation with India when Prime Minister Goh's visit to Delhi on June 2000 had made a Task Force on Bilateral Economic Cooperation to study on how Singapore could act as a catalyst for India's economic reforms and economic development including the possibility of concluding an FTA. A Memorandum of Understanding on economic cooperation was successively signed during President Narayan's state visit to Singapore in November. But there was very little progress and lack of enthusiasm among Indian officials. During this time, Indian officials proposed an Economic Partnership Agreement which would provide only a limited FTA and cooperation in non-trade spheres.⁸⁴

The CECA was concluded after 13 series of formal discussions on June 29, 2005. The settlement was important as it signified the first time India had entered into such a comprehensive economic agreement with another state and it was Singapore's first such agreement with the Southeast Asian state. It was signed between Prime Minister Manmohan Singh and Prime Minister Lee HseinLoong in Delhi and it came into force on 1 August 2005.⁸⁵

⁸³*Ibid.*, pp. 108-109

⁸⁴*Ibid.*, p. 110

⁸⁵ The text of the CECA and its annexes are available on the Singapore Ministry of Trade and Industry's website <https://www.mti.gov.sg>

The CECA leads to greater benefits for both countries in trade and investment flows and better connections in professional services especially in the knowledge economy. CECA helped India to influence Singapore's assets in finance, manufacturing and marketing and to achieve greater competitiveness and to use Singapore as gateway to Southeast Asia and establishing linkages with Singapore based MNCs would help Indian corporates to expand their reach globally. The signing of CECA increases the investment system and so with this, the investment field has been treated equally in each other's countries. Thus, qualifying companies has able to enjoy tax exemption on capital gains from investments in India. Singapore imports into India became more competitive after the signing of CECA as the tariffs on approximately 75 per cent of Singapore's domestic exports has been eliminated. Thus, Mutual Recognition Agreements help cut costs the product especially in electrical, electronic products and telecommunication equipment. This boost the trade in services and service suppliers from Singapore were guaranteed access into India's market.

Singapore is a leader in trade services and a major hub for both sea and air transport, more than a third of its export revenues and about 30 per cent. Singapore is also a major international banking and financial services centre with its low cost financing, large foreign exchange operations, assembly of wealth management companies and presence of major insurance and other firms.

Singapore a business friendly location for a variety of services ranging from arbitration services to trade and investment promotion events and as a convention centre. It is also a major re-export hub that makes available several trade related services. Indian companies are closely involved in some form or the other with these various services. Trade in telecom and computer services that are of particular interest to India, has relatively small share in Singapore's overall trade but is substantial for its size. Its strong telecom and internet infrastructure and the English language strengths have been attracting several firms including

Indian firms to locate their back end services. Other areas that Singapore is aspiring to build up are research and development, education, high tech manufacturing and health service; high end manufacturing including some electronic and pharmaceutical products has also meant significant payments for charges for use of intellectual property.

India's global trade profile in services apart from transportation services and travel services, India's exports are basically computer and information services, other business services financial services, communication services, insurance and personal, cultural and recreational services. Its major imports are transportation services, other business services, insurance, financial services and computer and information services. For India, CECA were the first FTA in which commitments were taken on services a path breaking initiative. From its standpoint, its CECA commitments were fairly liberal at that time with many GATS plus commitments that also went in some cases beyond its offers in the Doha negotiations It made commitments in nine out of the twelve services sectors with only education services and environment services apart from the residual other services being completely kept out. At the sub-sectoral level areas where it did not schedule any commitment included legal, printing/publishing, retailing, franchising, entertainment, news agency and media services. While Singapore had all along been having a trade surplus with India, imports from India were growing at a more rapid pace of an average 8 per cent in recent years.

Minister-in-charge of Trade Relations S Iswaran reaffirm Singapore's warm and wide-ranging relationship with India and both sides expected to discuss areas to further economic cooperation including in innovation and starts-ups. Mr Iswaran said, 'India and Singapore enjoy strong and close ties. We reaffirm our commitment to further strengthen

cooperation in areas such as trade and investment, air and logistical connectivity and smart city development. Digital connectivity is a potential new area for bilateral collaboration given the growth of the digital economy. We can also work together to deepen economic engagement with Asia. India and Singapore have complementary strength that can help create more opportunities and mutual benefit for our people and our businesses.’ India is a significant trading partner of Singapore with total bilateral trade amounting to S\$26.4 billion in 2018. Singapore’s investments in India have also grown exponentially in the past decade with Singapore becoming India’s largest investor in FY2018.⁸⁶

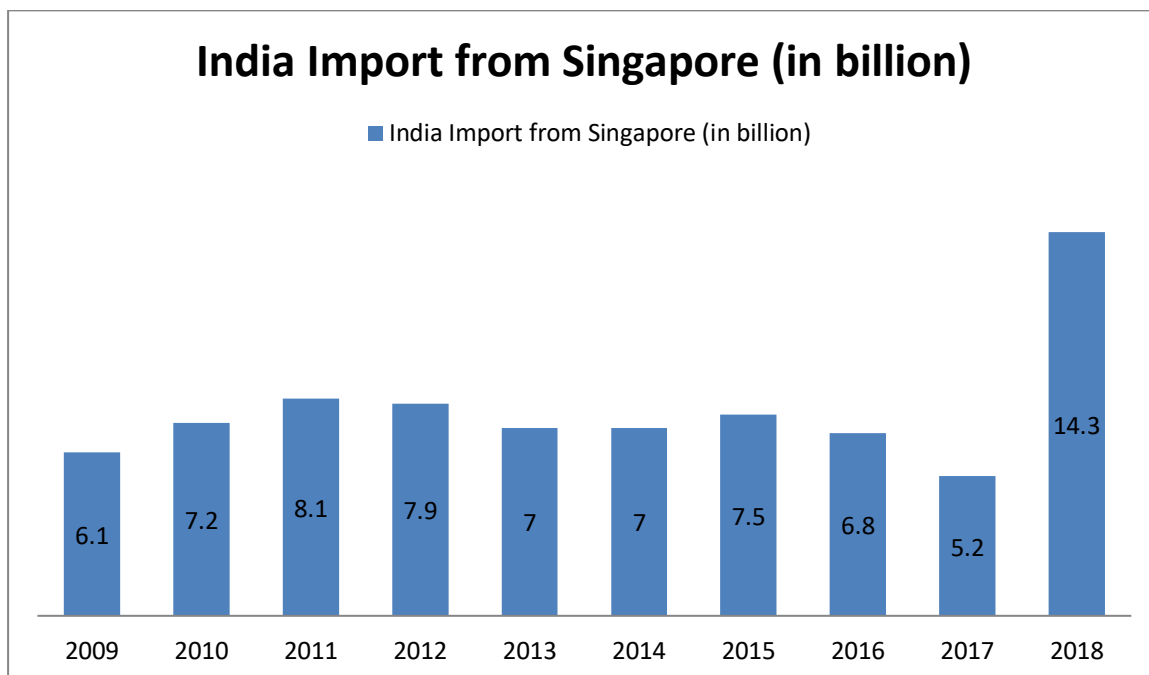
In September 2018, India and Singapore officially launched the third review of CECA which focuses on trade facilitation, e-commerce and customs.⁸⁷ This free trade not only enables Singapore and India to trade goods freely, it also allows professionals to work in each other country more easily. The CECA also enables platform of persons between both countries. In particular, professionals employed in 127 specific occupations will be allowed entry and stay for up to 1 year or the duration of contract. Also, intra-corporate transferees i.e. managers, executives and specialists within organizations will be permitted to stay and work in India and Singapore for initial period of up to 2 years or the period of the contract whichever is less. The period of the stay may be extended for period of up to 3 years at a time for a total term not exceeding 8 years.

Through the engagement with ASEAN, India has able to exert powerful instrument in developing economic relations with the individual ASEAN member. Among the ASEAN member Singapore remains the pivotal role in reaching India at the global level.

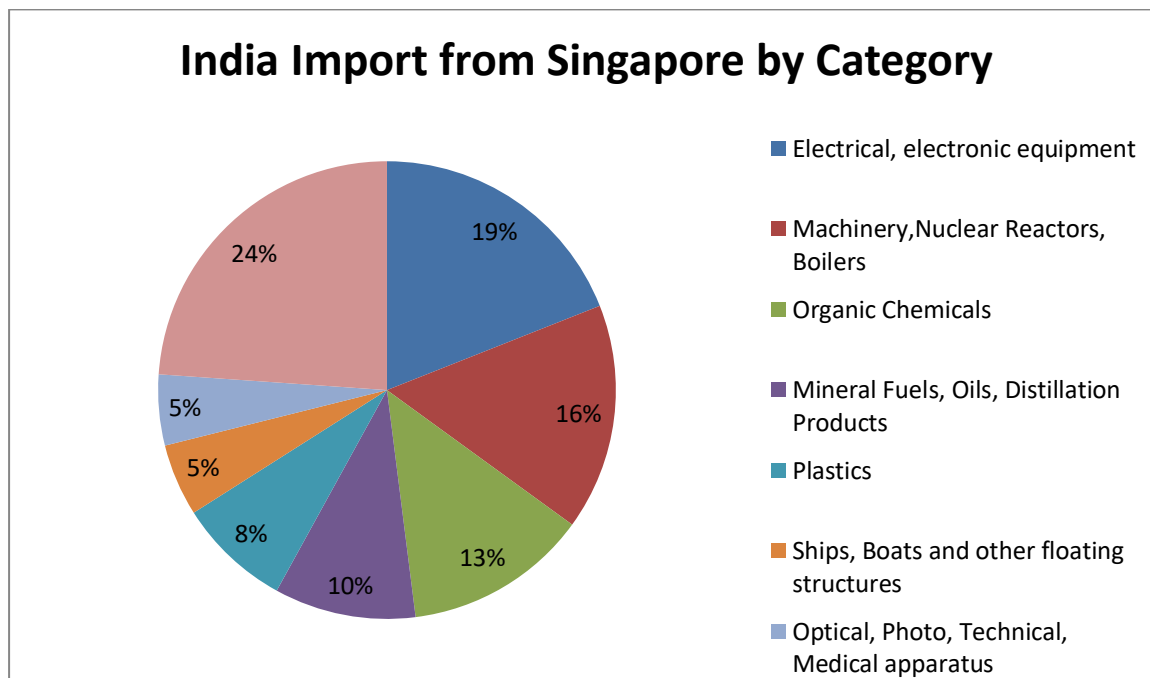
⁸⁶ Ministry of Trade and Industry Singapore, 20 June, 2019.

⁸⁷“Third review of landmark India-Singapore economic deal to focus on trade facilitation, e-commerce and customs.”The Straits Times. 1 September 2018.

4.3.2. India's Import and Export with Singapore



Source: UNCTAD



Source: UNCTAD

India's main import from Singapore include machinery and mechanical parts, organic chemicals, electrical machinery, mineral fuels which accounted for over 50 per cent of total imports. Nuclear reactors, boilers, mechanical appliances, sound recorders and reproducers, iron and steel, aircraft, spacecraft, iron and steel, ships, boats and floating structures, nickel and articles, miscellaneous chemical products, dying extracts, inks, cocoa preparations, printed books, newspapers, pictures, essential oils, perfumery, cosmetic or toilet preparations. India's imports from Singapore have followed a wavy pattern. India's imports from Singapore increased to US\$ 14.5 billion in 2018 compared to US\$ 5.2 billion in 2017. India's imports of goods in 2018 increased largely due to the demand of electronic equipment and floating structures. The wavy pattern of import from Singapore shows a sign of increasing pattern of US\$ 7.2 billion in 2010 to US\$ 8.1 billion in 2011.

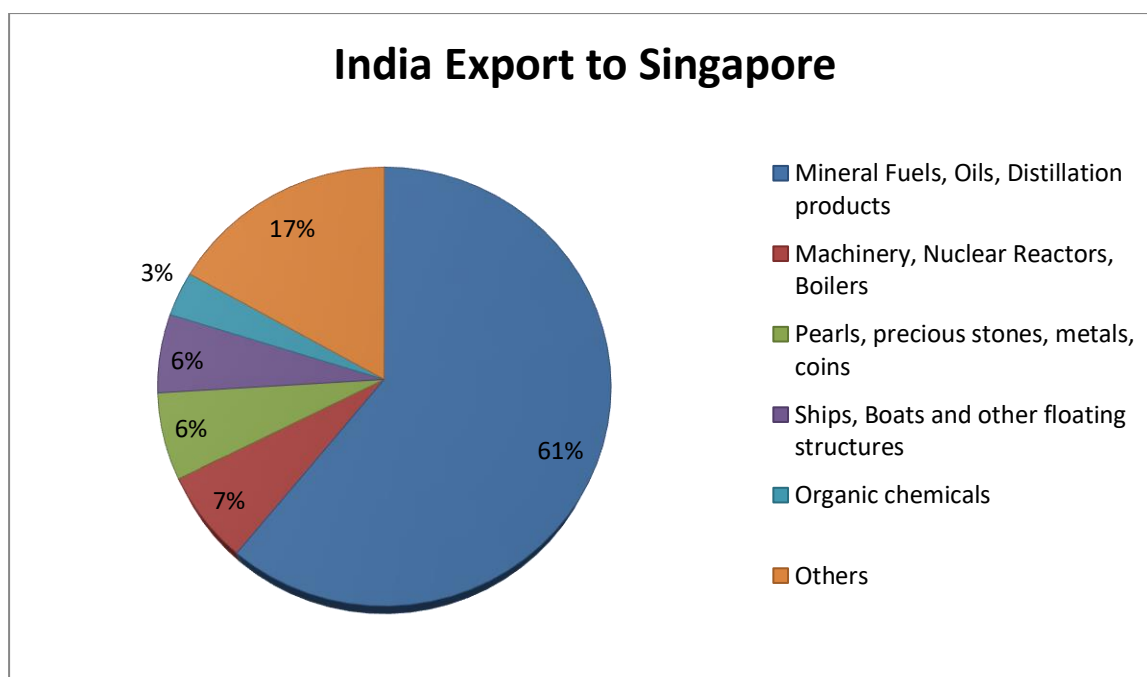
India's major imports from Singapore were motor spirits, aviation turbine fuel and base oil, imports of items such as special boiling point motor spirits, superior kerosene oil and high speed diesel also increased intermittently but these import products were later available from domestic refiners. On the other hand, items like motor spirit, aviation turbine fuel, base oil and fuel oil have been more consistently imported into ports on India's eastern coast direct from Singapore. This proved Singapore's role as a leading crude oil refining and trading hub even as it imports all its crude oil feedstock. Another significant import product was polypropylene which continued to rise from US\$ 49 million in 2008-09 to US\$ 90.6 million in 2015-16.

Imports of iron and steel from Singapore declined immediately after CECA was signed from US\$ 66 million in 2004-05 to US\$ 54 million in 2005-06 but increased thereafter to US \$ 139 million in 2012-13. Imports of these items declined to US\$ 112 million in 2013-14 but increased thereafter to US \$ 234 million in 2015-16. India's imports of iron and steel like TMT bars and rods also increased substantially. It appears likely that these exports are

from the steel company NatSteel in Singapore owned by the TATA group that has seen some turnaround. Gems and jewellery were another significant product import from Singapore. The non-industrial products imported from Singapore were unwrought forms of gold. The dealers in Singapore are sight holders and they have warehouses from where they supply rough diamonds to India. Airplanes and helicopters were also imported over a year. Imports into India of aluminium and articles from Singapore increased from US\$ 12 million in 2004-05 to US\$ 32 million in 2008-09 after which there was a slight decline to US\$ 21 million in 2009-10. However, imports increased in the period to US\$ 48 million in 2015-16.



Source: UNCTAD



Source: UNCTAD

Mineral fuels are the most important items of export to Singapore contributing to 38.8 per cent of India's export in 2015-16 but had an even higher share close to 60 per cent in certain years. They increased steadily from US\$ 914 million in 2003-04 to a peak of US\$ 15.8 billion in 2011. In recent years, exports have declined considerably to US\$ 7.6 billion in 2017 and a further low of US\$ 6.8 billion in 2009. The fall is due to rising internal consumption in India. Singapore's global import of mineral fuels also declined from US\$ 124 billion in 2012 to almost half at US\$ 65 billion in 2015. Imports of mineral fuels from India to Singapore however, declined more sharply to US\$ 2.9 billion in 2015-16 which is less than a third compared to 2012 export level. Mineral fuels and distillation products were the most export items with 61% of export to Singapore in 2018 while pearls, metals and precious stones constitutes 6 % of its export items.

Singapore is a regional centre for oil trade with Singapore benchmark prices playing a key role. Major Indian producers of petroleum products use Singapore as a trading hub which

has large oil storage terminals that can be used to advantage for further sale depending on price arbitrage. India's export items to Singapore include taps, cocks, valves, cyclic hydrocarbons, saturated acrylic monocarboxylic acids, mucic acids and their salts which are used as bulk drugs and intermediates. Other products like medical instruments, their parts and accessories and measuring instruments were also exported to Singapore. Copper and articles, dumpers, tanks motorcycles, aircraft, aluminium, dyeing extracts, iron and steel, tubes and pipes, cotton, exports of vegetables, dried fruits of the genus capsicum, cashew nuts, tobacco, cigarettes, cocoa beans, garments, were thereof exported to Singapore.

India and Singapore trade value has deepened and strengthened their economic relations in recent years. Thus, bilateral relations between India and Singapore evolved since the Cold War period however due to diverse perception the relations between the India and Singapore could not progress at a faster pace. Yet, India's LEP and its engagement with ASEAN have improved the bilateral relation of India and Singapore. After India's participation in ASEAN, Singapore initiated various possible engagements with India like the CECA which proves to be the vital element of India in its growing economy. The regional value chains strengthen economic cooperation by expanding market access among India and ASEAN and further strengthen India and Singapore economic relation. Though India's imports from Singapore have increased in recent years yet its export items have also increased steadily. Indian agricultural products have been in demand and this slowly paved a new direction in India's exports items to Singapore.

On the other hand, the information and technological sector plays crucial role in enhancing economic cooperation between India and Singapore. Indian companies have been set up in Singapore and make new opportunities for employment for many Indians thereby boosting India and Singapore cultural relations. The free trade in goods agreement between India and ASEAN facilitated good supply chains in many products such as vehicles,

machinery and parts, electronics and automobiles. Thus, India and Singapore have made commitment in a new phase like digital connectivity, logistical connectivity and smart city development. On the other hand, Singapore's investment in 2018 became the largest among Indian investor.

Chapter V

5.1. Conclusion

India's foreign policy after the Cold War witnesses fundamental changes. India experienced paradigmatic transformation in fostering regional integration in the Asian region. India has faced multiple conflicts with its neighbours due to ideological differences and commitment. During the early 1930's, the Indian nationalist movement had already made strong argument in favour of India's independence, and the struggle for self-government was popular during that time. The vision of the leaders of Indian nationalist movement were

embedded only in one entity i.e. India. So, the idea of regional integration or cooperation with other countries remains largely insignificant before India's independence.

The process of colonization by the European powers had a great impact upon the people of Asia. In fact, it had created a sense of solidarity amongst them. In this regard the historical and cultural relation that existed between India and Southeast Asian countries during the seventh century indicates a strong linkage which influences their relations in spite of their ideological differences. In fact, many of the Indian language and religion is highly valued and popular in Southeast Asian states. The people of Southeast Asia look upon India as a natural ally. When India got independence one of her main foreign policy objective was to help the people of Southeast Asia to achieve their independence from foreign rule. Moreover, the apprehension that the Southeast Asian countries would be subjugated and dominated even after their independence by the former imperialistic western powers was of great concern for India.

As such India under the leadership of Nehru took the initiative in forging closer relations with Southeast Asia without any intention of dominating the region. India simply wants to play an active role in fostering greater cooperation in the region by expressing her solidarity with the people of Southeast Asia. At the same time India faces multiple problems when she achieved independence. There was ethnic and communal riot due to communalism. In spite of its internal problems India under the leadership of Nehru has taken a keen interest in forging Asian solidarity. However, the border conflicts with Pakistan and China had isolated India from the Asian affairs. At the same time the significance of NAM had also greatly declined as the Cold War intensifies. In fact, there was a great deal of suspicion against India as her relationship with the Soviet Union developed. Thus, India's attention of regional integration with the East and its cultural engagement with the Southeast Asian countries could not progress at a faster rate during the Cold War years.

On the other hand, India has had a cordial relations with the individual countries of Southeast Asia especially during the Nehru period. For instance, India has developed good relations with Indonesia. This is indicated by the official exchange high delegates visits. Similarly, Singapore got independence from the Federation of Malaya in 1965, India was the first country to respond to their independence and Singapore Prime Minister Lee Kuan Yew had great interest in India and he admired the leadership of Nehru. As both had been colonized by the British, India and Singapore shared common history in terms of imperialism and also shared common interest in developing regional integration. Singapore offer a helpful hand in supporting India on its border issue and during this time Singapore paved the way for formulating relationship with ASEAN. Thus, the bilateral relations between India and Singapore began positively and remained consistent through the decades. Subsequently, Singapore played a significant role in the integration of India in the ASEAN architecture.

Initially, India under Nehru had shown significant interest in Asian solidarity and unity. However, with the onset of the Cold War and the increasing friendship between India and the USSR developing closer relations with the Southeast Asian countries and also with the individual country was a difficult task. As noted, India after attaining independence developed closer relations with the Soviet Union as she is the one who has been helping India in economic and defence materials. Thus, the Soviet Union remained her natural ally and the communist perception was feared by the Southeast Asian countries. The anti-communist feeling and the Vietnam-Cambodia issue had demarcated India with Singapore and also the ASEAN member as a whole. So, India's participation in the regional integration was very minimal during this period. Although India often mentioned about Asian unity it did not have the requisite desire for participation in the ASEAN as she missed the opportunity as dialogue partner of ASEAN in the 1980's.

On the other hand, Singapore has been there for India and she helped India in taking greater interest in ASEAN. While India has realised the strategic and economic significance of integrating with the ASEAN countries her domestic and external foreign policy continues to create impediments in this regard. As Singapore has formally organized itself as a state and utilized its strategic location as a seaport to its advantage. This enabled Singapore to play a leading role in the formation of the ASEAN. In fact, Singapore can be considered as one of the main architects in the development and success of ASEAN.

India and Singapore have common interest in expanding their bilateral relations. This bilateral relationship is greatly intertwined with the evolution of ASEAN and development as regional organization. In the second chapter, the role of Singapore in the evolution of ASEAN is discussed specifically. Singapore as a newly independent state has lent numerous supports for the formation of ASEAN and with regard to its development Singapore has played a leading role. Singapore is one of the well-developed state among the ASEAN member and economically Singapore's shares in the ASEAN is phenomenal. Thus, developing friendly relations with Singapore, with its developed infrastructure, technological expertise and expanding telecommunication sector was one of the first priority in the changing foreign policy of India. The telecommunications sector has been one of the initial areas where India developed relations with Singapore. Through this, India has able to develop close ties with Singapore and upon this Singapore play a helpful task for India in its entry into ASEAN since the end of the Cold War. This encouragement and the support from Singapore help India in its entry into ASEAN. On the other hand, India's new economic policy of LEP helps India in expanding its relations with Southeast Asia. Upon the growing relations with ASEAN, India also develops closer relations with ASEAN member particularly with Singapore.

Against the backdrop of India-ASEAN growing relations, India develops closer relations with Singapore through its LEP. The 'Look East Policy' provides lengthy relation between India and Southeast Asia. After the inclusion of India as Full Dialogue Partner in 1995 India soon began to consolidate its economic cooperation with ASEAN and also with Singapore. Thus, India's trade relation with ASEAN boost to higher stage since the launching of its LEP. As a result the economic relation with Singapore also increase at a faster pace and the exchange of high level official visits between Singapore and India shows the growing relations by the early 2000.

Among the ASEAN member, Singapore contributes the highest in trade volume and this brought strong impact upon India and Singapore bilateral relations. On the other hand, Singapore too play huge influences among the ASEAN member and this strengthen its economic position in the Asian affairs thereby placing Singapore among the top trading partners of India and ASEAN. Gradually, India's relation with ASEAN improved particularly on economic relation due to its import and export items. The main pillar of India's foreign policy LEP since the early 1990's helped India on its engagement with the ASEAN and its extended neighbourhood in the Asia-Pacific region. Through this India developed bilateral and regional connection which helps strengthen its economic status.

India's rechristened AEP further strengthened India's connection with Southeast Asia and pushed India in strengthening relations through greater cultural and economic exchanges. Thus, the Comprehensive Economic Cooperation signed between India and ASEAN further

improved the economic cooperation as this eliminate tariff barriers among all the members and establish a free trade in goods, services and investment. India and ASEAN relations have been growing and along with this India's relation with Singapore have also increased as Singapore's export and import items have play a powerful role in India and ASEAN growing relations. India and ASEAN are creating a future prospect in the Asia-Pacific region and India's AEP became an important apparatus for India in engaging with the East Asian countries through economic and communication technology.

India and Singapore have deep historical roots and linkages. Since ancient times many Indians migrated to Singapore in search of new opportunities. Singapore as a tiny seaport has established itself as a trading port since the colonization of the British. So, both India and Singapore shared common interest in their fight for imperialism. India's culture and religion has been propagated through the Southeast Asian countries by traders though there were no formal plan of expanding India's culture and traditions. Due to this, India's culture is still valued in Southeast Asia till today. So, India's relations with Southeast Asia and Singapore in particular were not new. During the Cold War India and Singapore could not developed formal bilateral relations due to the diverse perception as Singapore being a member of ASEAN could not give a different view which is oppose with ASEAN views. The diverse ideological perspective during the Cold War made India and Singapore isolate in constructing formal bilateral relations. Thus, formal bilateral negotiations could develop only after the end of Cold War and the demise of the Soviet Union when India needed economic partner. However, formal relations started only after the launching of India's "Look East Policy" and thus early relations mainly started with telecom network and information technology during early 1990's. By 2000, a large number of Indian IT professionals started taking venture in Singapore and IT Park has been established in Bangalore and this too increased the economic cooperation. As the Singapore's strong telecom and computer services attracted the interest

of Indians and the English language increased the economic cooperation between India and Singapore.

The signing of CECA between India and Singapore made a strong commitment on economic cooperation and it was the first free trade agreement India has made on services. India found new endeavour in Singapore and is a key partner in Smart cities, urban solutions, financial sector, skills development, ports, logistics, aviation and industrial parks. India and Singapore contribute on each other's prosperity in building new partnership between India and ASEAN too. India's import from Singapore increased heavily to US\$ 14.3 billion in 2018 while its export to Singapore has reached US\$ 10.8 billion in 2018. India's import from Singapore followed a wavy pattern. The wavy pattern of import from Singapore shows sign of increasing pattern of US\$ 7.2 billion in 2010 to US\$ 8.1 billion in 2011 while India's export items to Singapore grew heavily in 2011 with US\$ 15.1 billion and US\$ 10.8 billion in 2018. However, the signs of growing relations between India and Singapore are due to the growing relations between India and ASEAN particularly after signing of AIFTA as this boost the trade relation between India and ASEAN. From the increasing trade volume, it is clear that the bilateral cooperation between India and Singapore improved every year. However, India's import items have increased drastically as Singapore's machinery and electrical items got heavy demand from the Indians. India's import and export items are not well balance. It is clear from the data observed in chapter 4 that the demand of Singapore goods is higher than Singapore demand from India. Singapore with its good infrastructure and advanced technology has progress very fast and its economic partnership with ASEAN have made Singapore's economy well developed among ASEAN member.

In spite of the growing economic relations between India and Singapore the significance of ASEAN could not be neglected. ASEAN as one of the most peaceful organization not only focuses on strengthening economy but also aims to create political and

socio-cultural connectivity. It is clear that without ASEAN, India and Singapore would not achieve its present economic relation. The focus of India's new economy policy was its engagement in regional and bilateral cooperation with ASEAN. The LEP has also been one of the main policies which India has able to strengthen its economic position. And India's revive economic policy of 'Act East' also helps in strengthening its relations with ASEAN and in the Asia-Pacific region. The establishment of strong relation with ASEAN through economic perception helps India develop formal bilateral relation with Singapore. The ASEAN-India Free Trade Agreement and the India Singapore Comprehensive Economic Cooperation Agreement have been the major initiative for the growing relations between India and Singapore. The India-ASEAN trade volume has increased every year but India's import from the overall ASEAN countries is higher compared to its export items to ASEAN member.

Thus, the study clearly proves ASEAN as a catalyst for the growing relation between India and Singapore and vice versa. Since 1992 India's engagement with ASEAN has increased dramatically due to the development of bilateral cooperation with Singapore which in turn led to the growth of relations with the ASEAN as a multilateral partner.

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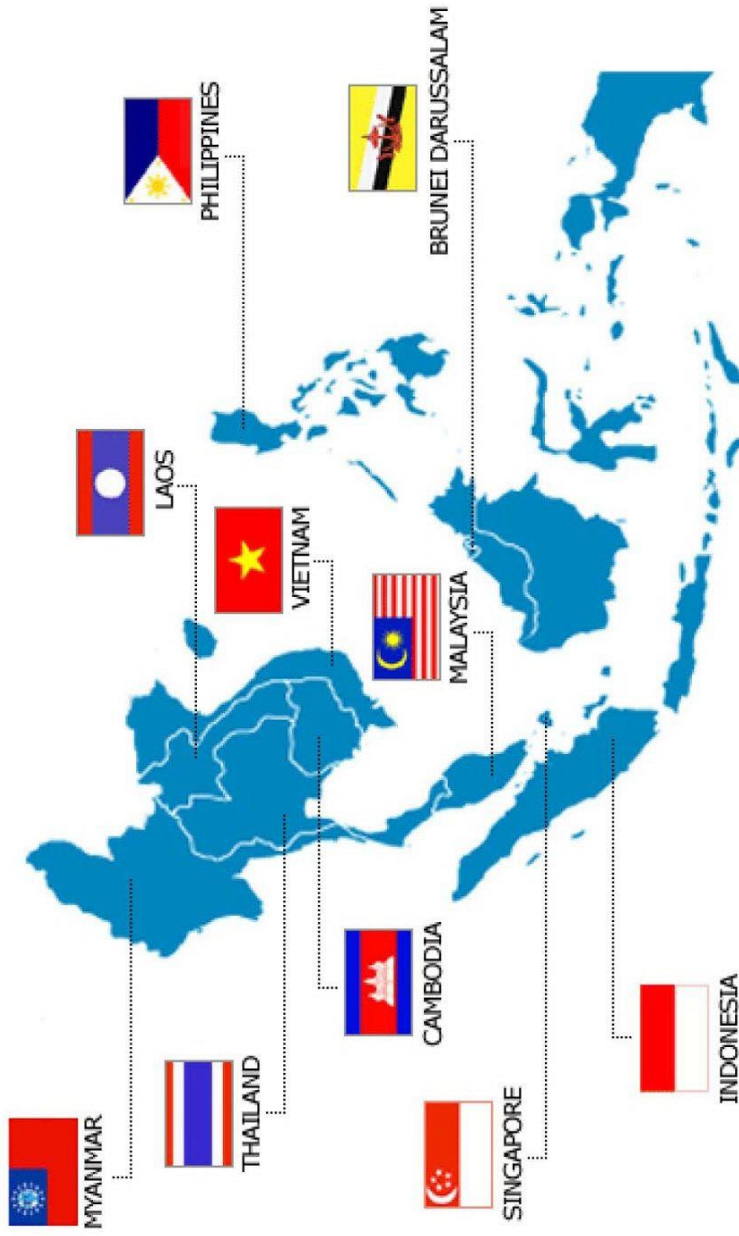
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ASEAN Member Countries



Source: Google Map

Source: Google Map

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