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CHANGING PROFILE OF INDIA'S DEVELOPMENT PARTNERSHIP IN SOUTHEAST ASIA

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INDO PACIFIC PROGRAM

ABOUT THIS ARTICLE

This article briefly discusses the changing profile of India's development partnership in Southeast Asia and some major challenges, and presents a way forward.

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INTRODUCTION

India's relationship with Southeast Asia has grown exponentially. The two sides have never been this close, with growing trade and investment flows, friendshoring, and people-to-people contacts under the framework of the Act East Policy. India has strong cultural, strategic and economic relations with Southeast Asian countries.

ASEAN and India celebrated 30 years of partnership in 2022 and the relations between them have elevated to the Comprehensive Strategic Partnership level. The last twenty summit years present energetic engagements between India and ASEAN which have transformed the relationships in the realm of the Indo-Pacific. India has carved out its place in ASEAN and vice versa. The 20th ASEAN-India Summit (September 2023) in Jakarta witnessed significant decisions being taken that added further momentum to development cooperation in ASEAN-India relations.

This article briefly discusses the changing profile of India's development partnership in Southeast Asia and some major challenges, and presents a way forward.

INDIA'S APPROACH TO DEVELOPMENT COOPERATION

Development cooperation builds bridges among countries and is an integral part of India's foreign policy. India's overarching approach to development is mainly

human-centric and is marked by Respect, Diversity, Care for the future, and Sustainable development[1].

*Professor, RIS, New Delhi. Views are the author's own. Usual disclaimers apply.

India's development partnership is primarily demand-driven and guided by the priorities of host countries. India's development cooperation is also not attached to any conditions, as stated by the Indian Prime Minister in his seminal address at the Parliament of Uganda in July 2018.[2]

The Indian model of developmental cooperation involves multiple instruments including grant-in-aid, line of credit (LOC) and capacity building and technical assistance. India's development assistance has also been driven by the extension of LOCs or concessional loans to other developing countries. India follows a multilateral rules-based governance system. For example, in accordance with the G20 Debt Service Suspension Initiative (G20 DSSI), India extended debt suspension relief to LOC Borrower Governments as per the standard template of G20 DSSI. India's development cooperation is rules-based and transparent and converges with many Asian peers including Japan and Korea.

Asian countries are the major recipients of India's development assistance. According to the MEA, "Over the years, 312 LOCs aggregating more than US\$ 32.28 billion

till 2022 have been extended to different countries in various sectors, of which US\$ 12.39 billion has been extended for African countries, US\$ 17.07 billion has been extended for Asian countries and US\$ 2.87 billion for countries in Latin America, Oceania and Commonwealth of Independent States (CIS)."[3] Conceptually and in approach, India's development cooperation has become much more "global".

INDIA'S DEVELOPMENT COOPERATION IN SOUTHEAST ASIA

India's development cooperation in Southeast Asia ranges from commerce to culture to connectivity to climate, and is not just limited to disaster relief and humanitarian assistance or restoration and preservation of cultural and heritage assets. Driven mainly through bilateral assistance, major priority projects under implementation in some of the ASEAN countries include agriculture, education, health, archaeological conservation, and

strengthening of cross-border connectivity.

India has been a prominent development partner of Myanmar, Vietnam, and Cambodia in Southeast Asia. For example, India's LOC to CLMV has increased to a cumulative amount of USD 923.02 million, having a share of 3.19% in India's total LOC till 2022-23 (Table 1). Besides, India's private sector has an impressive presence in many Southeast Asian countries including Singapore, Vietnam, Malaysia and Thailand. Illustrated in Table 2, India has strengthened its partnerships in the Southeast Asian region during the period 2011-2022 at a time when India and ASEAN elevated their relationship from Summit-level Partnership (2002) to Strategic Partnership (2012) to Comprehensive Strategic Partnership level (2022). India's development partnership in Southeast Asia has transformed into more active engagement during 2011-2022. Three key developments are worth noting.

TABLE 1: INDIA'S LOC TO CLMV (CAMBODIA, LAOS, MYANMAR, AND VIETNAM)

Country	LOC (US\$ million)
Cambodia	102.12
Lao PDR	153.83
Myanmar	475.57
Vietnam	191.5
Total (CLMV)	923.02

India's Total LOC (all countries)	28978.88
Share of CLMV in India's total LOC (%)	3.19

*FOR THE PERIOD 2000-01 TO 2022-23.
SOURCE: EXIM BANK OF INDIA, MUMBAI

TABLE 2: CHANGING PROFILE OF INDIA'S DEVELOPMENT COOPERATION WITH SOUTHEAST ASIA*

Country	Priority Areas (2000-2010)	Priority Areas (2011-2022)
Brunei	<ul style="list-style-type: none"> • Technology 	<ul style="list-style-type: none"> • Technology
Cambodia	<ul style="list-style-type: none"> • Cultural heritage • Training and capacity building 	<ul style="list-style-type: none"> • Cultural heritage • Training and capacity building • Assistance for de-mining • Health • People-to-people contacts
Lao PDR	<ul style="list-style-type: none"> • Agriculture • Training and capacity building 	<ul style="list-style-type: none"> • Agriculture • Cultural heritage • Training and capacity building
Indonesia	<ul style="list-style-type: none"> • Cultural heritage • Training and capacity building • People-to-people contacts 	<ul style="list-style-type: none"> • Maritime security • Health • Cultural heritage • Training and capacity building • People-to-people contacts
Malaysia	<ul style="list-style-type: none"> • Education • Training and capacity building • Science and technology 	<ul style="list-style-type: none"> • Health and medicine • Education • Training and capacity building • Science and technology
Myanmar	<ul style="list-style-type: none"> • Agriculture • Highway development • Training and capacity building • Education • Cultural heritage • People-to-people contacts 	<ul style="list-style-type: none"> • Agriculture • Highway development • Border Area Development • Training and Capacity Building • Education • Cultural heritage • Health and medicine • People-to-people contacts

Philippines	<ul style="list-style-type: none"> • Training and capacity building 	<ul style="list-style-type: none"> • Training and capacity building • Education • People-to-people contacts • Health and medicine • Maritime security
Singapore	<ul style="list-style-type: none"> • Technology 	<ul style="list-style-type: none"> • Technology • Maritime security • Training and capacity building
Thailand	<ul style="list-style-type: none"> • People-to-people contacts 	<ul style="list-style-type: none"> • People-to-people contacts • Training and capacity building • Education • Cultural heritage
Vietnam	<ul style="list-style-type: none"> • Cultural heritage • Training and capacity building • People-to-people contacts 	<ul style="list-style-type: none"> • Cultural heritage • Training and capacity building • Education • People-to-people contacts • Health and medicine • Maritime security • Science and technology

SOURCE: AUTHOR'S RESEARCH BASED ON BILATERAL PROJECTS INDICATED IN MEA'S ANNUAL REPORTS

First, among all the Southeast Asian countries, Myanmar is the major recipient of India's development assistance. India's development assistance portfolio in Myanmar has increased from less than USD 800 million in 2010 to about USD 2 billion in 2022, the bulk of which is grants[4]. India's major projects include the Kaladan Multimodal Transit Transport project, the India-Myanmar-Thailand Trilateral Highway project, the Border Area Development Programme in Chin State and the Naga Self-Administered Zone; assistance in setting up institutions for higher learning and research, namely, Myanmar Institute of Information Technology (MIIT), Advanced Centre for

Agricultural Research and Education (ACARE), Myanmar-India Centre for Enhancement of IT Skills (MICEITS); India-Myanmar Industrial Training Centres (ITC); Rakhine State Development Programme; the repair and conservation of earthquake damaged pagodas, etc.[5] About 141 projects such as building bridges, roads, schools and health centers have been implemented so far in four phases under BADP, and 41 projects are under implementation. Nonetheless, the pace of implementation of development cooperation projects has suffered due to the security situation in Myanmar.

Second, new areas of cooperation such as science and technology has gotten popular and gradually replaced traditional areas such as agriculture and irrigation. To support cooperation activities between ASEAN and India, India has created three funds: (i) ASEAN-India Cooperation Fund (AIF), (ii) ASEAN-India Green Fund (AIGF), and (iii) ASEAN-India Science and Technology Development Fund (AISTDF). India and ASEAN have undertaken a detailed Plan of Action (PoA), and the current PoA for the period 2021-2025 has recently been upgraded.[6] India aims to strengthen cooperation and cross-sectoral collaboration in science and technology, including but not limited to joint research and development projects, and support implementation of the ASEAN PoA on Science, Technology and Innovation (APASTI) 2016-2025, such as in the areas of health, environmental management, climate change adaptation and mitigation measures, agricultural technologies, alternative energy, biodiversity, food processing, advanced materials for the development of value-added products, and space technology and applications; promote cooperation in biotechnology including through capacity building and joint research and development for mutual benefit; and encourage additional programs and projects under the ASEAN-India Science and Technology Development Fund. Brunei displayed interest in Indian technology in space research as early as 1998. India established a Telemetry Tracking and Telecommand (TTC) Station by the Indian

Space Research Organization (ISRO) in Brunei in 1998 to support the tracking of its Geosynchronous Satellite Launch Vehicles (GSLV). Efforts for its upgradation and relocation to an alternative site are currently ongoing. Brunei has obtained the approval to lease the site of Telisai Earth Station to ISRO under a commercial arrangement between Unified National Networks Pt. Ltd and ISRO. ASEAN countries such as Philippines and Vietnam have shown keen interest in space research and exploration with India's assistance.

Third, cultural relation is another dimension of India's development partnership with Southeast Asian countries. Out of 10 ASEAN countries, six are recipients of India's assistance in the renovation of cultural heritage (Table 2). Cambodia is an early recipient of India's assistance for the preservation of cultural monuments, including the world-famous Angkor Wat. The Archaeological Survey of India (ASI) has been working on the restoration of the world heritage site at Vat Phou, an ancient Shiva Temple in Lao PDR, and My Son in Vietnam. India has also implemented digital heritage conservation and funding of Ramayana Mural painting restoration, and digitization of Indic manuscripts stored in libraries abroad. India's other major engagement with Southeast Asia is through development assistance in the form of capacity building (civil and defense training under ITEC), ICCR scholarships, grant-in-aid, and loan assistance. Therefore, the

restoration and conservation of archaeological sites in CLMV is an important aspect of India's development cooperation with Southeast Asia.

CHALLENGES

India's main challenges are within the country. First, India's limited financial and technical resource for development assistance is a major obstacle while competing with other players such as China in Southeast Asia. Second, India's response to development needs is fragmented and not well-coordinated across different agencies. India has done well dealing with development cooperation needs by setting up four separate development partnership divisions in the Ministry of External Affairs (MEA). However, this brilliant move is not matched by the supporting resources and effective development-friendly public policy. Third, Southeast Asian countries have become very selective in identifying LOC projects. ASEAN has a total of 12 dialogue partners and many of them offer similar lines of activities to them, thereby posing tough competition for India. Besides, countries have been facing global challenges more often than regional ones, and everyone is occupied mitigating those risks. For example, since mid-2010 onward, Southeast Asian countries and India have been affected by the US-China trade war, COVID-19 pandemic, environmental disaster and climate change, Russia-Ukraine war and conflicts between regions, among others.[7] Regional challenges were lost in the heavy

load of global issues. While all of these call for strengthening deeper relations among countries, development partnership is no less important in fighting global challenges.

CONCLUSION

To conclude, India's development cooperation with Southeast Asia has undergone a transformation in the last two decades. India has emerged as a key development partner of Southeast Asian countries. India being a neighbor of Southeast Asia has always extended assistance as and when there was an appeal from Southeast Asia. For example, under the initiative of 'Vaccine Maitri', India was the first to supply COVID-19 vaccines to some of the Southeast Asian countries including Myanmar. India's Humanitarian Assistance and Disaster Relief (HADR) in Myanmar, Indonesia, and other Southeast Asian countries has been welcomed by all members. As a trusted partner, India's Search and Rescue (SAR) in the Indian Ocean and Bay of Bengal is also well accepted by all stakeholders. India's model of development cooperation has attracted countries like Japan and Australia for collaboration and forming trilateral partnerships in Southeast Asia.

For India, the way forward is to have deeper engagement with Southeast Asia, particularly the CLMV sub-region. Reenergizing initiatives—such as ASEAN-India, Mekong-Ganga Cooperation (MGC), Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT), and Ayeyawady-Chao

Phraya-Mekong Economic Cooperation (ACMECS)—would further activate development cooperation. Besides, the selection of sectors of cooperation, availability of financial resources, and strengthening the institutions, among others, may enhance development partnership.

With time, India's development partnership has matured and become ever more competent with multifaceted scope for cooperation. The future of the world economy will remain challenging in the post-pandemic world. If there is a silver lining to development partnership, it is that it has brought India and Southeast Asia closer together. The role of development partnership in building peace and prosperity has increased in this challenging time.

ENDNOTES

[1] Refer, for example, Overview of India's Development Partnership, noted by the MEA at

<https://www.mea.gov.in/Overview-of-India-Development-Partnership.htm>

[2] [https://www.mea.gov.in/Speeches-Statements.htm?](https://www.mea.gov.in/Speeches-Statements.htm?dtl/30152/Prime+Ministers+address+at+P)

[dtl/30152/Prime+Ministers+address+at+Parliament+of+Uganda+during+his+State+Visit+to+Uganda](https://www.mea.gov.in/Speeches-Statements.htm?dtl/30152/Prime+Ministers+address+at+Parliament+of+Uganda+during+his+State+Visit+to+Uganda)

[3] Refer, for example,

https://www.mea.gov.in/Uploads/PublicationDocs/36286_MEA_Annual_Report_2022_English_web.pdf

[4] Ibid

[5] Based on MEA's Annual Report 2022

and the Briefing on Myanmar by India Embassy in Yangon

[6] Refer, <https://asean.org/wp-content/uploads/2020/09/ASEAN-India-POA-2021-2025-Final.pdf>

[7] Refer, for example,

<https://onlinelibrary.wiley.com/journal/20566646>