



Asia Pacific Bulletin

Number 114 | June 1, 2011

US-India: Parallel Links along China's Southern Periphery BY BRONSON PERCIVAL

Ups and downs in the US-India bilateral relationship and speculation about China as a factor in the Indo-US “strategic partnership” grab the headlines and dominate policy analysis. Concurrently, little noticed parallels link US and Indian efforts to strengthen their ties with Indonesia, Vietnam and Singapore. These states’ positive responses are slowly filling a geographic gap between India and Japan. In addition, both the United States and India eye growing Chinese naval capabilities with some concern.

Though no country seeks to contain China, with which all have growing economic links, these five states appear to share apprehensions about China’s rise. In addition, while the Indo-US partnership is strained by differences regarding Pakistan, Iran and Afghanistan’s future, both countries share similar concerns about China’s influence in both South and Southeast Asia. However, no process facilitates discussion of shared concerns with key Southeast Asian states along China’s southern periphery.

Bronson Percival, Visiting Fellow at the East-West Center in Washington, argues that both the United States and India share links with specific countries in Southeast Asia that are also trying to decide how to adjust to China’s growing influence throughout Asia.

Converging Policies

India’s once-stale “Look East” policy has new life. In the past few years, New Delhi has become more active in East Asian regional organizations including the East Asia Summit (EAS), signed an ASEAN-India Free Trade Agreement (AIFTA), constructed a new partnership with Japan, and increased trade with China and Southeast Asia. The recently signed AIFTA should facilitate New Delhi’s further integration into East Asia’s production-sharing chains. New Delhi continues to hope that the Indo-Japanese partnership will lead to a cornucopia of Japanese investment targeted at India’s derelict infrastructure. India welcomes the inclusion of the United States and Russia in the EAS, in part as a check on Chinese ambitions. However, Southeast Asia remains low on the priority list for the small elite implementing India’s China policy, as New Delhi’s foreign policy establishment primarily seeks to avoid exclusion from the region while it focuses on South Asian and global issues.

In contrast, the Obama administration was quick to announce that the United States was back in Southeast Asia, and has followed up with several major initiatives. These include signing ASEAN’s Treaty of Amity and Cooperation in preparation to joining the EAS, a new comprehensive partnership with Indonesia, and dramatically enhanced relations with Vietnam. The most vivid example of US re-engagement came in response to China’s perceived assertiveness in the South China Sea. US Secretary of State Hillary Clinton joined with several Asian states at the 2010 ASEAN Regional Forum to publicly express concern about Chinese statements and activities in this strategic sea.

Bilateral Relationships

The “comprehensive partnership” with Indonesia was launched with much fanfare by President Barack Obama when he visited in 2010 evoking memories of his childhood in that country. Some Obama policymakers looked to the Bush administration’s transformation of US-Indian relations as a model for US-Indonesian relations. While the United States looks to Indonesia to assume leadership in the region—amid restored



US-Indonesian security ties and expanded diplomatic cooperation—Washington remains frustrated with Indonesia's protectionism and corruption.

The Indian-Indonesian relationship has also flourished, but some observers have bemoaned a “failure to inject content” into the relationship. On the positive side, the world's largest and third largest democracies celebrate their status and tout such gestures as India's invitation to Indonesia's President Susilo Bambang Yudhoyono to be the guest of honor at India's 2011 Republic Day parade. Indian-Indonesian bilateral trade has also expanded rapidly to about US\$14 billion for 2010. However, despite a shared maritime border, bilateral maritime cooperation is minimal. Notwithstanding counter-terrorism cooperation, Indonesia did not condemn Pakistan for the 11/26 Mumbai attacks. Though Indonesia would have naturally been the next candidate for inclusion in the BRIC (Brazil, Russia, India and China), South Africa joined instead. In short, the “natural partnership” between India and Indonesia needs much more high-level attention to fulfill its potential.

“These converging interests argue that the Indo-US strategic partnership might be better aligned with India's revived ‘Look East’ policy. Not just Japan, but also key Southeast Asian states should be consulted as the current US-Indian dialogue on Asia continues to evolve.”

Vietnam reached out to the United States for continued access to the US market and worries about China's expanding influence. Hanoi's decision to join the Trans-Pacific Partnership (TPP) trade negotiations was symptomatic. The United States is Vietnam's largest export market and often its largest source of foreign direct investment. Bilateral trade in 2010 was over US\$18 billion. In return, the United States has strategic, historical, and economic reasons to build a partnership with Vietnam.

Historic Indian-Vietnamese ties, while largely rhetorical, are starting to take on more substance. Indian energy companies are exploring for energy resources within Vietnam's claimed waters and the military-to-military relationship is growing. Both countries—which share land borders with China—are looking for further means to solidify relations.

As for Singapore, it has long been India's traditional gateway to Southeast Asia. With 2010 bilateral trade at \$23 billion, Singapore is one of India's top ten trading partners and India's second largest source of foreign direct investment. Singapore is a key strategic partner for the United States.

Mental Maps

Within the Washington policy community a discussion has begun about the relevance of competing mental maps of Asia—a “big Asia” including India or the more traditional, separate maps of East and South Asia. If the big Asia view reflects the way Asians are increasingly thinking about their region, then Southeast Asia becomes not an appendage to either East or South Asia but a hinge linking both together.

If this region is viewed as a hinge, then it will inevitably come to be regarded as increasingly central, and not just for regional architecture. The longstanding issues in Sino-Indian and Sino-US strategic rivalry are not going to fade away, but rivalries could become more prominent in Southeast Asia and adjacent seas such as the Bay of Bengal and the South China Sea. Thus India's strategic distrust of China is likely to be reflected not just in the traditional basket of well-known Sino-Indian issues but also in further competition in Myanmar and on maritime issues. China is increasingly dependent on energy supply lines across the Indian Ocean while about half of India's maritime trade now passes through Southeast Asian straits. Similarly, although Washington does not want to add the South China Sea to the long list of Sino-US issues, it has fundamental security interests in free passage through this sea and Southeast Asia maritime chokepoints.

These converging interests argue that the Indo-US strategic partnership might be better aligned with India's revived “Look East” policy. Not just Japan, but also key Southeast Asian states should be consulted as the current US-Indian dialogue on Asia continues to evolve.

The East-West Center promotes better relations and understanding among the people and nations of the United States, Asia, and the Pacific through cooperative study, research, and dialogue. Established by the US Congress in 1960, the Center serves as a resource for information and analysis on critical issues of common concern, bringing people together to exchange views, build expertise, and develop policy options.

The *Asia Pacific Bulletin* (APB) series is produced by the East-West Center in Washington. The views expressed in this publication are those of the authors and do not necessarily reflect the policy or position of the East-West Center.

EastWestCenter.org

EastWestCenter.org/Washington