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## India's Southeast Asia strategy: between rivalry and partnership

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### Abstract

The end of the twentieth century saw two significant events that transformed India's foreign policy. First, with the disintegration of the Soviet Union, the Cold War ended, and the world transitioned from bipolarity to unipolarity, with the United States now being the only superpower. Second, during this time, India saw its worst economic crisis. The government under PV Narasimha Rao brought economic reforms, marking a pivot in India's monetary policy. The financial crisis of 1991 became a driver for India's Look East Policy. The Indian government launched the Look East Policy in 1991 to foster greater economic relations with countries of Southeast Asia. A remarkable change came in 2014 when the BJP-led government under Narendra Modi's premiership decided to rename the "Look East Policy" to "Act East Policy", showing its keenness to act rather than not just look. This article sheds light on India's historical relationship and civilisational influence in Southeast Asia. It further identifies India's strategic interest in Southeast Asia and seeks to analyse how India is navigating the challenges emerging before achieving its strategic interests.

**Keywords:** Southeast Asia, India, China, strategic interests, sea lines of communication, act east policy, belt and road initiative, ASEAN

### Introduction

The end of the twentieth century saw two significant events that transformed India's foreign policy. First, with the disintegration of the Soviet Union, the Cold War ended, and the world transitioned from bipolarity to unipolarity, with the United States now being the only superpower. Second, during this time, India saw its worst economic crisis. The government under PV Narasimha Rao brought economic reforms, marking a pivot in India's monetary policy. The financial crisis of 1991 became a driver for India's Look East Policy. The Indian government launched the Look East Policy in 1991 to foster greater economic relations with countries of Southeast Asia. A remarkable change came in 2014 when the BJP-led government under Narendra Modi's premiership decided to rename the "Look East Policy" to "Act East Policy", showing its keenness to act rather than not just look.

India and China are the two powers that have left considerable influence in Southeast Asia. The spread of religions originating in the land of India, such as Hinduism and Buddhism, has considerably shaped the socio-cultural fabric of Southeast Asia. During the reign of the Chinese Empire, China had established its hegemony over the region. On the other hand, India had never shown any signs of imperialist ambition in the region, except for the invasion of the Srivijaya kingdom in Sumatra in the 11th century A.D. by Chola Emperor Rajendra Chola to protect commercial interests. Modern relations of both nations with Southeast Asian countries began soon after the Second World War. However, both nations' relations with the region were in a bad phase due to the complex dynamics of the Cold War. Relations improved with both nations' economic reforms and the end of the Cold War. India launched the Look East Policy in 1991 during the premiership of Narasimha Rao, aiming to deepen economic ties with Southeast Asia and boost its regional influence. Continued aggressively by all Narasimha Rao successors, a paradigm shift came in 2014 when the Narendra Modi government rebranded the Look East Policy into the Act East Policy, adding a strategic lens with the aim of balancing China's growing influence. Both nations are vying for influence in the region as the region is of great strategic importance. Southeast Asia is strategically situated at the centre of the Indo-Pacific,

and its Sea Lines of Communication (SLOC) serve as important maritime commercial routes that connect all of Asia and beyond. The region can potentially be a major destination for finished goods manufactured in Indian and Chinese factories, and one-third of global trade passes via maritime routes.

For India, Southeast Asia is a medium through which it can realise its path of becoming a global power. India is engaging with the region bilaterally or through the Association of Southeast Asian Nations (ASEAN). Recently, India engaged as a strategic player in Southeast Asia after rebranding the Act East Policy in 2014. India-ASEAN relationship saw positive developments. India invited all ten ASEAN member state heads as chief guests for Republic Day in 2018. Indian Prime Minister Narendra Modi, later in June 2018, addressed the Shangri-La Dialogue in Singapore, where he outlined New Delhi's strategy for the Indo-Pacific region. In his address, Narendra Modi underlined that ASEAN would be at the core of India's policy for the Indo-Pacific region and indirectly expressed concerns regarding Beijing's claim of territory in the South China Sea (SCS).

Amidst a surge of regional diplomatic initiatives, India has sealed an arms procurement agreement with Vietnam, aligned itself with the Philippines regarding territorial sovereignty disputes vis-à-vis China in the SCS, and augmented its defence cooperation with Indonesia (Grossman, 2023) <sup>[9]</sup>. India and its regional allies have grown closer due to Beijing's aggressive actions in the SCS, though not to the point of forming alliances or deploying forces. During the June 2023 visit of Vietnam Defence Minister Phan Van Giang to New Delhi, Defence Minister of India Rajnath Singh announced that the Indian Missile Corvette, INS Kirpan, would be delivered by New Delhi to the Vietnam Navy to strengthen maritime security (Negi, 2023) <sup>[15]</sup>. It is widely speculated that Vietnam will soon acquire India's BrahMos cruise missile, which is jointly built with Russia and could make China's military activities in disputed waters more difficult. (Grossman, 2023) <sup>[9]</sup>. India's mission is to balance the growing Chinese influence by providing alternatives in the region. The point is that China constantly dominates Southeast Asia's strategic and economic environment. China has continued to be ASEAN's largest trading partner since 2009 (ASEAN, n.d.). The rise of China and its territorial claim, accompanied by the decline of the influence of the United States (US), have made countries in the region uneasy. Against this backdrop, this article sheds light on India's historical relationship and civilisational influence in Southeast Asia. It further identifies India's strategic interest in Southeast Asia and seeks to analyse how India is navigating the challenges emerging before achieving its strategic interests.

### Research Methodology

This article is based on analysing the existing literature on India's strategic interest in Southeast Asia. Secondary data are collected from various government and intergovernmental institutions' websites and internet databases like Google Scholar, and JSTOR. The secondary data include government and intergovernmental reports, journal articles, and news reports. These literature help to understand India's strategic interests and challenges to its interests in Southeast Asia. The research is carried out using both qualitative and quantitative data. The region's

geopolitical environment and the influence of regional powers were also considered.

### India's Relations with Southeast Asia

India, as a land of ancient civilisation, influences Southeast Asian communities. During ancient times, there was a taboo regarding which crossing the oceans surrounding India would lead to a traveller losing his caste. Despite such taboo, Hinduism and the Hindu empire spread in Southeast Asia. Indian beliefs about karma and the nature of human existence shaped Southeast Asia views of the world. India has never shown any signs of imperialist ambition in the region, except for the siege of the Srivijaya kingdom in Sumatra in the 11th century A.D. by Chola Emperor Rajendra Chola. Before its independence, India hosted the Asian Relations Conference, which brought together representatives from 28 nations. The Conference was professedly "non-political" in the narrower sense (McCallum, 1947) <sup>[12]</sup>. India's first Prime Minister, Jawaharlal Nehru, pushed the idea of Pan-Asianism to a global level, visualising an association of decolonised countries that would be truly independent of the US and the USSR (Blank, Moroney, Rabasa, & Lin, 2015) <sup>[4]</sup>. This Non-Aligned Movement (NAM) would eventually become essential to Indian foreign policy. The peak of NAM was witnessed in Southeast Asia when the Bandung Conference, officially known as the Asian African Conference, was held in Indonesia in 1955.

During the Cold War, India had a close relationship with the Soviet Union, while most Southeast Asian states had a solid partnership with the West. The Cold War became a cause for India's minimal engagement with the region. India was forced to turn its attention towards the region soon after the collapse of the Soviet Union, the ASEAN became an autonomous regional bloc, and Asian Tigers achieved economic strength (Palit, 2013) <sup>[16]</sup>. At this tumultuous time, the Indian Government, under PV Narasimha Rao, launched the "Look East Policy" with the sole aim of developing stronger economic and cultural ties with ASEAN countries, though the term "Look East Policy" was first used in the Ministry of External Affairs Annual Report for 1995-1996. Initially, the Look East Policy focused on building stronger economic and cultural relations with the nations of the region and ASEAN in particular (Mazumdar, 2021) <sup>[11]</sup>.

A remarkable shift came in 2014 when Narendra Modi's Act East Policy intends to act rather than just look. Narendra Modi presented the Act East policy at the 2014 Naypyidaw, Myanmar, 9th East Asia Summit (EAS). The newly instituted policy is strategically framed to facilitate a more engaged and purposeful interaction with ASEAN member states within the broader Asia-Pacific region, including Australia, New Zealand, Japan, and South Korea (Mazumdar, 2021) <sup>[11]</sup>. The main goals of the Policy are to advance India's economic development and to counter China's regional rise.

### China's Relations with Southeast Asia

China and Southeast Asia have had a relationship for over two millennia. A network of trade and influence was established across Southeast Asia as a result of Chinese migration and settlement. China was the centre of power, and Southeast Asia's kingdoms and principalities were forced to acknowledge China's hegemony by paying tribute to the Chinese emperor. This tribute system was based on

ancient Chinese cosmology, which assumed that a relationship existed between heaven, earth, and humankind, with the Chinese emperor being regarded as the son of Heaven. The emperor, not merely occupying the zenith of Chinese societal hierarchy, served as an intermediary between the heavenly macrocosm and the earthly microcosm (Stuart-Fox, 2004) <sup>[21]</sup>. To obtain Heaven's benediction, the Chinese Emperor had to offer sacrifices at the temples of both Heaven and Earth. Any immoral conduct from the emperor's side would result in the punishment of Heaven, and signs of natural calamities such as floods, cyclones, tsunamis, volcanic eruptions, and earthquakes would indicate that Southeast Asia's early rulers and kingdoms accepted the Chinese-imposed order mainly for commercial reasons rather. As centuries passed, China and Southeast Asian kingdoms developed a mutual understanding. China and Southeast Asian kingdoms devised a set of rules and regulations that, although never officially accepted as a written agreement, served as the basis for interactions and collaboration. However, the Opium War fought between China and the British Empire, and the subsequent "century of humiliation" faced by the Chinese reduced their influence in the region. A hundred years of national disgrace started with the beginning of the first Opium War with the British Empire in 1839 and ended with the victory of the Communist Party of China (CPC) led by Mao Zedong in the Chinese Civil War. The subsequent proclamation of the People's Republic of China in 1949 gave new hope to increase its influence in Southeast Asia.

The Cold War divided the world into two blocs following differing ideologies: the free market bloc, led by the United States of America, and the communist bloc, led by the United Soviet Socialist Republic. The newly formed PRC found itself in the communist Bloc. China became involved in the Southeast Asian region. As one of the pivotal communist countries, China exhibited a keen interest in endorsing ideologically aligned movements across Asia, which formed an integral part of its overarching strategy to spearhead a global class struggle, wherein the poor nations would emerge as the vanguard for the dismantling of colonial and capitalist structures (Mysicka, 2015) <sup>[13]</sup>. Due to Southeast Asia's strategic location, proximity to other countries, lack of global power presence, and the fact that many of the region's states were either fighting for their national liberation from colonial rule, had recently gained independence, or were subject to absolute monarchy, China chose the region as the hub of its revolutionary activities. China's military response to the invasion of Cambodia by Vietnamese forces in 1979 and its aggressive claim in the SCS further isolated China. With the normalisation of ties between the PRC and the United States in 1972 following the arrival of US President Richard Nixon to China and an overall shift in the PRC's foreign policy under its paramount leader Deng Xiaoping, China drastically decreased its backing for communist insurgencies.

The dialogue process between China and ASEAN began when the then-Chinese Foreign Minister Qian Qichen attended the 24th ASEAN Foreign Ministers Meeting in Kuala Lumpur, Malaysia, in 1991. China became an ASEAN full dialogue partner at the 29th ASEAN Ministerial Meeting (AMM) in Jakarta, Indonesia, in 1996. China has always seen ASEAN as a tool to surround China and kept an appropriate distance from it (Bibhudatta, 2021) <sup>[3]</sup>. The Asian financial crisis 1997 represented a significant

inflection point in the relations between China and Southeast Asian states. By steadfastly resisting the devaluation of its currency during this period, China was perceived as an emergent leader within the region, demonstrating a commitment to the welfare of nations in the region (Palit, 2013) <sup>[16]</sup>. China was viewed as a friendly ally willing to listen to its neighbours due to its newly adopted proactive regional position, prioritising good neighbourliness. China understands the value of economic development in the emerging global order; it re-evaluated its Southeast Asian policy and focused on a peaceful environment for its rise in the region. China has been ASEAN's largest trading partner since 2009 (ASEAN, n.d.). In 1997, China and ASEAN had their first informal summit at the Malaysian capital, Kuala Lumpur, in which both parties agreed to establish a partnership focused on promoting good neighbourliness and mutual trust between them for the 21st century. China is a member of various ASEAN-led groups. China became a ASEAN Regional Forum (ARF) member in 1994. China is a member of ASEAN+3, a group of ten ASEAN states with China, South Korea, and Japan. China is an active member of the EAS. China is a member of ASEAN+6 along with India, Australia, Japan, South Korea, New Zealand, and 10 ASEAN states. Trade between China and ASEAN has increased significantly after the ASEAN-China Free Trade Area (ACFTA) came into effect in 2010. It includes goods along with services. With a population of 1.9 billion, a combined GDP of US\$6.5 trillion, and US\$4.3 trillion in total trade, the free trade area is one of the largest in the world (Palit., 2013) <sup>[16]</sup>. According to government records, bilateral trade between China and ASEAN grew from over \$100 billion in 2004 to 975.3 billion in 2022 (Xinhua, 2023) <sup>[23]</sup>.

There are some concerns on both sides regarding each other. ASEAN is concerned with its economic dependence on China. Since the signing of the ASEAN-China Free Trade Area (ACFTA), trade has grown exponentially. ASEAN is currently having trade deficits with China. ASEAN is now dependent on supplies for manufacturing inputs while exporting produce from agriculture, electronic goods, and natural resources due to the expanding ASEAN-China partnership. This highlights the risks of disruptions in supply chains, as seen during the COVID-19 pandemic, economic strain, and the implications of Beijing's economic instability. Chinese aggressiveness in the SCS is also one of the major concerns for the states in the region. On the other hand, China is concerned with ASEAN's growing influence in the region, as it could threaten the strategic interests of China. A deficit in trust in the Chinese government also exists among ASEAN citizens.

### **India- China Relations**

India and China are the two Asian neighbours emerging as a global power separated by the mighty Himalayas. Since time immemorial, India and China have one of the longest continuous histories of nation-states and are two of the world's oldest surviving civilisations. Modern relations between India and China formally began when India became the first non-communist country to establish diplomatic relations with China on 1st April 1950. Indian Prime Minister Jawaharlal Nehru welcomed the establishment of the PRC with enthusiasm. India was passionate about advocating PRC membership in the United

Nations. The relationship began with great enthusiasm and optimism despite the PRC military takeover of Tibet. Both nations signed the Panchsheel Agreement (Five Principles of Peaceful Co-existence) that formed the basis of India-China bilateral relations. The relationship between China and India began to deteriorate when China refused to accept the McMahon line that demarcated the border between the two countries.

China asserted that the Tibetan administration had no legitimate authority to sign any border agreement with the British in response to the claim made by New Delhi that Beijing had earlier never challenged the legitimacy of the McMahon Line (Jain, 2004)<sup>[10]</sup>. Beijing also claimed the Indian territory of Askai Chin and Tawang. The friendship that started with warmth and the phrase 'hindi chini bhai bhai' (Indian and Chinese are brothers) ended with the escalation at the border in 1962, leading to the Indo-China War. The war ended with the defeat of India at the hands of the Chinese. Confusion arises after the demise of Nehru about relations between two neighbours. India's actions in the 1970s, such as the liberation of Bangladesh in 1971, the nuclear test in 1974, and the merger of Sikkim in 1975, further deteriorated India's relations with China.

A positive change happened in 1976 when India and China restored diplomatic relations after a gap of 14 years following the defeat of India in the Indo-China war. India sent its ambassador to Beijing. India-China relations entered a new stage with Prime Minister Rajiv Gandhi's visit to Beijing in 1988. India and China agreed to normalise their relationship and not depend on the boundary issue to be resolved first. Both countries agreed to maintain peace in the Line of Actual Control until a just and reasonable settlement would be reached that would be satisfactory to both sides. India and China acknowledge that both have genuinely contributed to maintaining world peace and progress. From India's viewpoint, favourable outcomes followed in the following years after Rajiv Gandhi's visit. The reestablishment of high-level diplomatic engagements, the acknowledgement of Sikkim as an integral part of Indian territory by Beijing, significant accords on peace and tranquillity in 1993 and 1996, the 2005 agreement on the Political Parameters and Guiding Principles for the Settlement of the India-China Boundary Question, decreased support and assistance to militant groups active in the northeastern region of India, as well as expansion of trade and commerce are driving factors for improving relations between India and China. With the arrival of the 21st century, the relationship between India and China was marked by New Delhi's concerns over China's infrastructure build up across the disputed border, its sale of arms and ammunition to Islamabad, Chinese position on the Indian state of Jammu and Kashmir, its issuance of staple visas to the residents of Jammu and Kashmir and Arunachal Pradesh, China's growing footprint in South Asia. The Chinese decision to stop the terrorists from being listed on the UN Security Council's 1267 Sanctions Committee in 2009, months after the 26/11 Mumbai terrorist attack, displayed an extreme level of insensitivity on an urgent matter (Gokhale, 2021)<sup>[7]</sup>. China is also concerned about the growing partnership between India and the US, increased Indian infrastructural build up across the LAC, and emerging Indian capabilities.

The early 2010s witnessed a change of leadership in China and India. China witnessed the emergence of Xi Jinping as

its President in 2013, while the 2014 Indian general elections saw the coming of the Narendra Modi-led Bharatiya Janata Party (BJP) securing a majority on its own after twenty-five years in the lower House of Parliament known as Lok Sabha. India's newly elected Prime Minister Narendra Modi welcomed Chinese President Xi Jinping in Ahmedabad, Gujarat, in 2014. This was the first time in Indian history that the Indian Prime Minister welcomed the foreign Head of a State outside New Delhi. Despite the tensions that had emerged over the past years, the new leaders of China and India promised to maintain their engagement. India and China had a border standoff in Doklam, a tri-junction between India, Bhutan, and China. Doklam plateau, a Bhutanese territory, is claimed by both China and Bhutan, while India supports Bhutanese claims. The Doklam region is of paramount importance as it effectively positions China in closer proximity to the Indian border, in a strategically vulnerable area adjacent to the 27-km-long Siliguri Corridor or colloquially referred to as the 'chicken's neck', which serves to connect the northeastern states to the rest of India (Chengappa & Krishnan, 2017)<sup>[5]</sup>. China wanted to change the status quo; hence, its military moved into the plateau, which made India come forward and help its time-tested friend Bhutan. This led to the border standoff between two neighbours in 2017. Despite the standoff, the leaders held two informal summits in 2018 and 2019 in Wuhan, China, and Chennai, Tamil Nadu. India and China in 2020 have faced a violent clash, leading to the death of twenty soldiers belonging to India posted in Galwan, Ladakh. China had announced that four of its soldiers were killed in action. This violent border clash led to a change in Indian perception of China.

### **Strategic Significance of Southeast Asia**

Southeast Asia is a vibrant, vast region situated in the southeastern region of Asia that encompasses 1.7 million square miles. East Asia surrounds it on its north, Australia and the waters of the Indian Ocean in its south, South Asia and the Bay of Bengal on its West, and the mighty Pacific Ocean in its east. Southeast Asia is a region that is rich in diversity when it comes to geographical areas, political systems, military, economies, cultures, languages, and ethnic groups. Southeast Asia holds significance owing to its population of 688 million and its fifth-largest economy in the world. (Denson, 2024)<sup>[6]</sup>.

Southeast Asia comprises eleven countries: Brunei, Cambodia, Thailand, Vietnam, Malaysia, Singapore, Myanmar, Timor-Leste, Laos, the Philippines, and Indonesia. The foreign ministers of Malaysia, Singapore, Malaysia, Thailand, and the Philippines met in Bangkok, Thailand, to sign the Bangkok Declaration, popularly called the ASEAN Declaration, in 1967. This declaration was the foundation of the Association of Southeast Asian Nations, ASEAN. It became a Southeast Asian nation association much later, joining Brunei in 1984, Myanmar and Laos in 1997, Vietnam in 1995, and Cambodia in 1999. ASEAN was given the United Nations General Assembly (UNGA) observer status in 2006. Though its capability to carry out and enforce policies is limited, ASEAN, headquartered in Jakarta, Indonesia, coordinates policies and activities amongst its ten member states. ASEAN maintains multiple ministerial and working-level meetings to support these three communities and their development goals. The "ASEAN Way" involves extensive consultation, consensus-

building, and cooperation under the Treaty of Amity and Cooperation (TAC). Southeast Asia is strategically situated at the centre of the Indo-Pacific, and its SLOC serves as important maritime commercial routes that connect all of Asia and beyond.

### **India and China Competing Strategic Interests in Southeast Asia**

Asia's two nuclear powers, India and China, have significantly influenced Southeast Asia since the millennium. The Indian and Chinese civilisations have left a lasting impact on the day-to-day lives of Southeast Asia residents. Both nations have their interests in the region and often conflict. India and China's conflicting strategic interests in Southeast Asia often lead to competition between the two nuclear-armed neighbours. As a rising power in Asia, India believes its way of becoming a world power goes via Southeast Asia. India is strategically connected with Southeast Asian states via land and ocean. India and Southeast Asian economies have become more connected since the Indian economic reform in 1991. India and Southeast Asian states share some common concerns, such as securing the SLOC and freedom of navigation; both are concerned with China's rise in the region. India is guided by the "Act East Policy" to achieve its regional strategic interest.

The Act East Policy has identified three strategic interests for India in Southeast Asia: connectivity, trade, and defence. Connectivity means building road, rail, and air infrastructure, which will help ease transportation and increase the flow of people, trade, business, and commerce in the region. In a globalised world, connectivity plays an important role in bringing people closer to one another, promoting the free movement of goods, thereby increasing trade growth and integrating the economy. The Indian government has invested a huge amount of money to improve connectivity. India is working with Southeast Asian nations on connectivity projects such as the India-Myanmar-Thailand Trilateral Highway, Delhi Hanoi Railway Link, and Kaladan Multi-Modal Transit Transport. However, the connectivity initiatives have faced multiple hurdles, such as insurgency in the northeast region of India, political instability after the overthrow of an elected government by the military junta in Myanmar, and financial constraints. Despite all the hurdles, the infrastructural projects to connect India with Southeast Asia are in full swing. It might take longer than the deadline, but India and Southeast Asia will eventually be connected.

India aspires to increase its trade volume and integrate its economy with Southeast Asian nations by increasing connectivity through infrastructure projects. Trade is another important strategic interest of India in Southeast Asia. India's 'Act East Policy' is primarily motivated to improve and strengthen trade relations with ASEAN nations. India aims to strengthen its trade relations with Southeast Asia. India sees Southeast Asia as a gateway through which India can emerge as a global leader. Since India became ASEAN's full dialogue partner in 1995, trade between the two regions has grown significantly. India and ASEAN signed the ASEAN-India Free Trade Area (AIFTA), which has boosted India's trade with the region, but India continues to have a trade deficit with ASEAN. India is ASEAN's eighth-largest trading partner (ASEAN, 2024). Despite growing trade with ASEAN, India is behind

China by more than nine times. The trade imbalance between the two Asian powerhouses and ASEAN is the key reason why India did not join the RCEP, as it was worried about increased competition and job losses. India is also concerned about China's increasing regional trade dominance. India thought RCEP would encourage the dumping of Chinese goods flooding India's market, thus increasing the growing trade deficit with China. The Look East Policy, launched initially for economic purposes, has now incorporated security cooperation with ASEAN. The Policy recognises the importance of strengthening defence cooperation to counter China's rising regional influence and ensure regional security.

India has participated in regional security meetings like ASEAN Defense Ministers + and the ARF meetings. India has also held frequent bilateral meetings between the defence ministers of important ASEAN nations like Singapore, Vietnam, Indonesia, Malaysia, and Thailand. India holds an advantageous position in the northeastern Indian Ocean, especially in the Andaman Sea and the Bay of Bengal, which emerged as a strategic location as major Southeast Asian nations such as Indonesia, Myanmar, Thailand, Malaysia, and Singapore are located near its water. India has its island over here, which gives them an advantage in monitoring and monitoring other activities. India has dedicated an enormous amount to the modernisation program of its Navy in the last decade to improve its capabilities in the northeast Indian Ocean. This is due to the perceived threats that arise from China's naval power at the sea. The Indian Navy has taken a front seat in developing a collective defence relationship with Southeast Asian states bordering the Andaman Sea. By actively opposing piracy, smuggling, and problems like refugees, terrorism, and separatism in the region, the Indian Navy strives to establish itself as the main provider of public goods. The Indian Navy has provided humanitarian aid to Southeast Asian states after the 2004 tsunami in the northeast Indian Ocean and Cyclone Nargis that hit Myanmar in 2008. New Delhi acknowledges the significance and existence of Southeast Asian states in the region; it has taken steps to enhance bilateral relations with Southeast Asia states, particularly regarding security matters. India and Vietnam have built a more substantial security partnership in recent years, with the SCS being the primary focus of defence cooperation as New Delhi must track Beijing's activity in the Indian Ocean. Singapore and India have strong security ties, resulting in joint military exercises highlighting the value of freedom of navigation in the sea. As India's advocate in Southeast Asia since its Look East Policy was launched, Singapore has encouraged New Delhi to deepen its political and economic ties with the region (Nachiappan, 2021)<sup>[14]</sup>.

China has always prioritised its relations with states in Southeast Asia. Modern relations began when the Communists won the Civil War in 1949. The Southeast Asia Treaty Organization (SEATO) was formed in 1955, and the ASEAN was formed in 1967 due to the CPC's backing of the communist movement in Southeast Asia. ASEAN was formed to check on China's support of Communist rebellions in the region. The invasion of Cambodia by Vietnam in 1978 brought China closer to the non-communist Southeast Asian nations. Trade between Southeast Asia and China grew significantly after the signing of the ASEAN-China Free Trade Area (ACFTA).

From the inception of the reform and opening-up period until the 18<sup>th</sup> Party Congress in 2012, Beijing actively pursued a policy of amicable coexistence and peaceful development within its neighbouring countries (Stromseth, 2019) <sup>[20]</sup>. Chinese President Xi Jinping, after coming to power, has prioritised proactive neighbourhood diplomacy to transform China's neighbourhoods into a "community of common destiny". Beijing's "common destiny" concept focuses on inclusion and mutually beneficial relationships, but it also seeks to bring together neighbouring countries into a Sino-centric network of economic, political, cultural, and security relations (Stromseth, 2019) <sup>[20]</sup>. China pursues its regional foreign policy goals and strategic interests, employing several economic, diplomatic, and military techniques. China's strategic interest in Southeast Asia involves increasing its trade, protecting its interests in the SCS, and building connectivity.

Since the Chinese economic reform, opening up and integrating its economy with the global economy in 1978, China's approach towards Southeast Asia has changed significantly. With the execution of the ACFTA in 2010, trade has grown significantly between them. China has succeeded in transforming Southeast Asia into a significant region. China has turned Southeast Asia into a big market for cheap goods manufactured in Chinese factories and, simultaneously, a major importer of raw materials needed to produce goods in China. Developing relationships with Southeast Asian countries has helped China secure a significant source of raw materials and energy to meet its domestic production needs (Vuong & Anh, 2023) <sup>[22]</sup>. To achieve its economic interests in Southeast Asia, China has actively encouraged the signing of multiple agreements for trade and investment with regional countries and the ASEAN. Beijing has proposed the Greater ASEAN-China Growth Area initiative to extend the sub-regional Mekong area and economic cooperation on land and water. This initiative is not merely a collaborative economic development idea between Beijing and ASEAN nations but also a profound and strategically significant economic concept that reflects a commitment from the central to the local level (Vuong & Anh, 2023) <sup>[22]</sup>. China is also implementing its economic border development strategy with countries that share land boundaries, such as Vietnam, Laos, and Myanmar, to foster economic development in China's less-developed industrialised southern regions. President Xi Jinping's Belt and Road Initiative (BRI) is closely connected to Southeast Asia and is thus an essential component of China's broader economic strategy.

The SCS is a small western Pacific Ocean sea bordering the Southeast Asian mainland. It runs from the Strait of Carimata (the strait that connects the SCS with the Java Sea) and the Straits of Malacca in the southwest to the Taiwan Strait in the northeast. China, Taiwan, Vietnam, Thailand, the Philippines, Brunei, Indonesia, Cambodia, Malaysia, and Singapore surround the SCS. Hundreds of tiny islands, atolls, reefs, rocks, low-tide elevations, and submerged features can be found in the sea; much of these are located in the Paracel and Spratly chains, and China, Taiwan, Vietnam, the Philippines, Malaysia, and Brunei all have competing maritime and sovereignty claims over them (Quyet, 2023) <sup>[18]</sup>. The huge natural resources make everyone interested in the SCS. The SCS is strategically significant due to its strategic values to countries surrounding it and others who do not surround it, its natural

resources, and the shipping routes that pass through it. A layer of valuable raw materials rich for manufacturing, such as ilmenite, monazite, zircon, cassiterite, and arenaceous quartz, covers the SCS. Large oil and gas reserves have been estimated to exist in the sea, though there is disagreement over the extent of size and availability. According to the US Energy Information Administration (2013), these underwater gas and oil reserves tend to be 190 trillion cubic feet and 11 billion barrels, respectively (cited in Quyet, 2023, p. 696) <sup>[18]</sup>. The SCS has emerged as an important transit for moving energy resources such as oil and other commodities from Southeast Asia and West Asia to South Korea, China, and Japan.

The sea is a gateway linking the Pacific Ocean to the Indian Ocean and has emerged as the busiest maritime route, with 50 per cent of global trade shipping passing through it. The sea also has an estimated 12 percent of gold reserves globally (Quyet, 2023) <sup>[18]</sup>. South China as SLOC has a significant role in enabling global trade and encouraging economic interdependence. The defeat of China in the Opium War against the British Empire and the victory of Japan in the Sino-Japanese War of 1894-1895 began a century of humiliation in Chinese history that significantly shaped China's strategic thinking on the increasing significance of growing maritime space dominance for China's strategic and economic interests. China has also taken strict measures to uphold its extensive sovereignty claims in the SCS, which are centred on the "nine-dash line," a historical claim that surrounds up to 90% of the disputed waters (Stromseth, 2019) <sup>[20]</sup>. China started carrying out its actions when it took control of the Paracel Islands after defeating South Vietnam at the Battle of Paracel Islands in 1974. Beijing's maritime push reached its momentum in 2013-2015 when it started to dig the Spratly Islands to build artificial islands on seven coral reefs on nearly 3000 acres. This coincided with the rise of Xi Jinping as the de facto leader of China. China's policies in the SCS show Jinping's strong nationalistic personality and the realisation of his Chinese dream. China is projected to prioritise its national interests in the maritime area more seriously under Xi's leadership. As a result of China's rapidly growing economy and rise in domestic consumption, Beijing is trying to seize control over important natural resources and maritime areas (Quyet, 2023) <sup>[18]</sup>.

The SCS is home to energy resources such as oil and gas. The coastal regions of China are the developed and prosperous regions within the country due to their geographical location and national policies. The region is home to 40 per cent of the country's population, has 30 per cent total land, and contributes 60 per cent of the country's GDP. In this context, the sustained economic growth and the escalating living standards have inevitably intensified the country's maritime orientation, prompting Beijing to allocate increasing attention to the safeguarding maritime routes and to enhancing interests in the exploitation of offshore fisheries and raw materials (Quyet, 2023) <sup>[18]</sup>. Protecting the SLOC, since the start of the 21st century, has been Beijing's top priority. The SCS is the most significant SLOC for the Chinese economy as it accounts for over 70% of the country's exports of energy resources such as petroleum and natural gas via the Strait of Malacca and 60% of nations trade flow through the SCS (Paszak, 2021) <sup>[17]</sup>. Beijing's increased dependence on imported petrol, oil, and grain makes it prone to outside pressures. Major share of

China's energy imports come from Africa and West Asia via crucial sea-lanes passing through the SCS. One of China's economic interests is the disputed SCS fisheries. China used to export food grains until 1995 but has become an importer of food grains as the country's agriculture sector is confronted with challenges such as rapid urbanisation, disappearing farmlands, increasing desertification of the Yellow River, and declining regional water tables. The Government of China is encouraging the fishing sector in home and disputed waters. For China, the growth of the fishing sector is a matter of national, political, and strategic importance. Chinese authorities firmly believe that developing the fishing industry will aid in defending their interests in disputed waters in the SCS.

China is known for financing the construction of multiple highways, railway routes, hydroelectric plants, and telecommunication networks in developing countries. Connectivity is one of China's strategic interests in the Southeast Asian region. Through its ambitious project - the BRI, China funds multiple projects that improve regional connectivity. Southeast Asia is important in Beijing's BRI. China focused on the fiscal advantages of the BRI that could be achieved through collaboration on policy coordination, trade facilitation, financial integration, infrastructure development, and societal-level exchanges to lure Southeast Asian states to become members (Gong, 2020) [8]. Two of the six economic corridors built under the BRI are under construction in Southeast Asia, especially the China-Myanmar Economic Corridor (CMEC) and the China-Indochina Peninsula Economic Corridor (CICPEC). China started constructing the Maritime Silk Road (MSR), a significant aspect of the BRI involving marine industry collaboration, port alliances, and logistics.

Additionally, China has proposed the Lancang-Mekong Cooperation (LMC) agreement for Southeast Asia (Gong, 2020) [8]. The Lancang-Mekong Cooperation has provided funding for multiple programs that focus on decreasing poverty and those that support education, agriculture, small and medium-sized enterprises, and training in handling water resources. Since the launch of BRI in 2013, China has invested in many connectivity projects that, in turn, not only help in the movement of goods and people but also help in the region's economic growth. Some of them are the China-Laos Railway, China-Thai Railway, China-Myanmar Economic Corridor, Jakarta-Bandung Railway in Indonesia, Kyaukpyu deep sea port in Myanmar, Kuantan Industrial Park and Kuantan Industrial Park in Malaysia and Sihanoukville Special Economic Zone in Cambodia.

### Areas of Conflict and Cooperation

India and China are the two nuclear neighbours sharing a sour relationship. Both have their interests in Southeast Asia, and their interests often collide. They shared some common interests in the region with potential for cooperation. China and India fought a total war in 1962, and there are frequent border provocations, the latest being in 2020, where twenty Indian soldiers sacrificed their lives. India and China also have border disputes in Ladakh and Tawang. Limited trust exists on both sides, which makes cooperation between the two Asian powers difficult. India and China are keenly competing with one another for political and economic dominance in the region. China, with its BRI, launched in 2013, is making inroads by building infrastructural projects that improve connectivity in the

region or connect Southeast Asia with China, while India, By its Look East Policy (now Act East Policy) launched in 1991, also aims at building infrastructural projects to connect the region with India. India sees the BRI as an attempt to bring the area into Chinese influence. The energy-rich sea is a significant point of confrontation between the Southeast Asian states and China.

The SCS is strategically important because a third of all international shipping and nearly 55% of India's trade with the Indo-Pacific region goes from these SLOC annually, transporting more than US\$3 trillion worth of goods and services, including most of the world's energy and raw materials requirements (Saha, 2021) [19]. India historically has taken a neutral stance in the SCS dispute to the extent that it had never even issued an official statement that would have provoked China's anger. Recent pronouncements from the Ministry of External Affairs indicate that India intends to transition away from its historically balanced approach towards China and disputes in the SCS, opting instead to adopt a more assertive role, as delineated by its Act East policy and its overarching Indo-Pacific strategy (Saha, 2021) [19]. India is interested in safeguarding the freedom of navigation and the rules-based order in these SLOC. India intends to remain neutral in SCS disputes about sovereignty, though India is clearer after a recent border escalation in Galwan. At the 15th EAS in November 2020, External Affairs Minister S. Jaishankar stated that Chinese actions and incidents in the SCS had eroded trust in the ongoing negotiations on the proposed code of conduct in the region (Saha, 2021) [19]. A joint statement between India and the Philippines in 2023 urged Beijing to acknowledge the 2016 International Court of Justice (ICJ) verdict favouring the Philippines and respecting the rule-based maritime order. During his visit to Manila, Philippines, in 2024, S. Jaishankar, the External Affairs Minister of India, said in a joint statement that India fully supports the Philippines in maintaining its national sovereignty. The External Minister's statement came amidst the ongoing SCS dispute between the Philippines and PRC when the dispute ended in 2023 due to frequent diplomatic problems and conflicts at sea.

India and China have historically influenced the region. The civilisations of India and China have left a lasting impact on Southeast Asian residents. India and China both know the significance of the region. Both nations are major trading partners, and a stable and peaceful Southeast Asia favours both. India and China participate in ASEAN-led forums like the ARF and the EAS. Asian giants participate in ASEAN-led initiatives to promote stability and cooperation in Southeast Asia. India and China have engaged in disaster relief whenever disaster strikes the region. The region is vital as one-third of global trade passes through the region. Hence, the region is prone to piracy. India and China can cooperate to solve piracy issues, as they are common threats to both. The world is fighting its biggest fight against climate change among Southeast Asia's regions most prone to climate vulnerability. Rising sea levels, droughts, floods, heat waves, and more intense and unstable weather events will all affect the countries in the region. India and China can cooperate to tackle the problem of climate change in Southeast Asia.

### Conclusion

Indian and Chinese civilisations have greatly influenced the culture and lives of people in the Southeast Asian region, and that impact can be seen to date. As the great powers of

Asia, both nations' strategic interests coincidentally collide in Southeast Asia. The region is strategically vital to both countries. Both India and China compete with each other to achieve their strategic interests in the Southeast Asian region, which frequently causes conflict among them, though not an armed conflict. India is guided by its Act East Policy to achieve its regional strategic interests. The policy is motivated to reduce the physical distance and bring India and Southeast Asian states closer by connecting the region via land and sea. India is working on various connectivity projects, the construction of which is ongoing. This includes Kaladan Multi-Modal Transit Transport, India-Myanmar Thailand Trilateral Highway, and Delhi Hanoi Railway Link. Once completed, it is expected to boost the movement of goods and people easier, thereby reducing goods costs and increasing tourism. Once completed, the trade volume between India and Southeast Asia is expected to increase. Meanwhile, through its BRI launched in 2013, China is making inroads in building infrastructure projects and investments in Southeast Asia and around the globe. Out of six economic corridors built under the BRI, two of the corridors are under construction in Southeast Asia, namely, the CMEC and the CICPEC. India is lagging behind China in trade with the region. India is also concerned with China's claim of territory in the disputed SCS. India favours a free and open Indo-Pacific, freedom of navigation, and a rules-based order in these SLOC. India is concerned with Beijing's growing influence in the region. It has responded by rebranding the Act East Policy, which emphasises building strategic ties with countries in the Southeast Asian region. This region will become more crucial as a strategic location for both China and India as they continue to influence Asia and the world.

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