

Beyond Pessimism: Analysing Prospect for Asian Regionalism with Cooperation Between India, China and ASEAN

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Abstract

This paper presents a case that Asian regionalism is possible provided India and China cooperate with each other and this process is also supported by the ASEAN. While accepting practical intricacies related to Sino-India relation that is discussed in this paper, an attempt is made to look beyond the dominant, prevalent and generally acceptable discourse on this subject. The paper also has policy suggestions based on neo-functional approach of regional integration. It is argued that cooperation in functional areas might potentially pave the way for Asian regionalism with involvement of India, China and ASEAN.

Keywords: South Asia, Southeast Asia, ASEAN, Asian Regionalism, Sino-India Relations

1 Introduction: Theoretical Perspectives on Regionalism

Before World War II regionalism was commonly accepted as state's strategy to promote trade at the regional level. Therefore study of regionalism was predominantly regarded as a subject of economics but European integration has changed this conventional academic understanding on regionalism (Fawcett, 2012). The success of European integration generated interest in academic community drawing attention of scholars from different disciplines and mostly from International Relations (IR). With growing interest and development of regional integration study two significant established notions were challenged. Firstly, European integration has had academically confronted traditional perception that regionalism is endorsed by nation-states only for economic motives. Secondly, it had contested the Federalist assumption that regional cooperation is primarily pushed and directed by supra-national organisation. European integration made the international community to realise the fact that cooperation in functional areas critical for nation-states can start the process of integration. Supra-national organisation could be subsequently established in the process for management and for legally supervising the

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integration process. Critiquing ‘supranational organisation’, Mitrany argued that the League of Nations (LoN), “failed not from over strain but from inanition” (Mitrany, 1966). Mitrany further argued that “social interdependence is all-pervasive and all-embracing and if it will be well organised then the political side will also grow as a part of it”. Mitrany developed functionalist theory of regional integration and he emphasized the relevance of cooperation in functional areas. “Functional integration would be pragmatic, technocratic, and flexible; it would deliberately blur distinctions between national and international, public and private, and political and non-political” (Mitrany, 1966). E. B. Haas revised functionalist theory of regional integration and this addition was later known as neo-functionalism. According to Haas, regional integration cannot be isolated from politics. For Haas, politics is not only a crude clash of interest; but has the potential of leading to problem solving. He asserted that interests need not be “reconciled” if they can be “integrated” at a higher level by engaging actors within a working effort (Haas, 1964). In brief, from neo-functionalist perspective cooperation in functional areas will have spillover effect and will create section of beneficiaries at regional level who will develop stakes in the process. Functionalist theorists assume that with passage of time, political elites will develop their own self-interest in such a regional project and will support regional integration.

Functionalism and neo-functionalism are most accepted theories of regional integration but other schools of thought of IR have also put forth theoretical propositions for explaining regional integration. In this, Realist school of thought of IR supports the idea of cooperation between nation-states for balance of power (Morgenthau, 1967). With time relevance of alliance has not faded and in contemporary era alliance is advocated for balance of the threat (Walt, 1990). Likewise, estimation of relative gains also enthused states to cooperate with each other (Grieco, 1988). Taking cognisance of post-cold war world order, Robert Gilpin is of the view that regionalisation is a mechanism for state to insulate itself from uncertainties that are associated with globalisation. State prefers to be a part of a regional organisation for safeguarding its own interest in the globalised world (Gilpin, 2011).

Liberal school of thought of IR believes that cooperation between states is possible by establishing institutions. According to liberal scholars, international institutions that are established with set of rules and regulations help states in overcoming those uncertainties, which are inherent in anarchic world order. In this regard, liberals support cooperation between states through international institutions and accept cooperation as a political act of the state. According to Keohane, “cooperation by contrast is highly political”. He further argued “cooperation should not be viewed as the absence of conflict but rather as a reaction to conflict or potential conflict. Without the specter of conflict there is no need to cooperate?” (Keohane, 1984). While strongly defending cooperation between states, liberals also support the idea of regional cooperation and much of rationale for it is based in the regime theory. Liberals assume that increasing transnational economic, political and cultural flows will alter the conventional understanding of national interest and will increase compliance by offering focal points ((Wunderlich, 2008); (Mansfield and Solingen, 2010)).

Briefly, we can conclude that major schools of thought in IR support cooperation between states both at international and regional levels. Reasons for accepting significance of regionalism are different but there is a general consensus that it is advantageous. This is also a valid argument both for India and China. These two Asian giants are now participating in several multilateral forums and have shown enthusiasm towards regionalism. Therefore, it does not

make sense as to why these two cannot cooperate with each other to promote Asian regionalism. Notably, India's role in Southeast Asia and China's role in South Asia is well established and acknowledged but prevalent opinion is that 'Dragon' and 'Elephant' are indulging in a strategic competition in these two regions. Although there is no authentic evidence suggesting that race for acquiring prominence in Southeast and South Asia by China and India have led to any direct confrontation between the two Asian powers. Both India and China are cautious about dealing with each other in these two prominent regions of Asia. Consciously avoiding direct conflict is a mature decision and political understanding between two sides at this stage open a prospect of bilateral cooperation. In this if ASEAN will also join India and China then dream of Asian regionalism could be achieved. Said this, this is not an easy task and first we have to seriously contemplate as what issues can bring these two countries together in near future. This paper suggests that there is a possibility of interregional cooperation in functional areas between India, China and ASEAN.

2 Analysing Practical Aspects of Cooperation

Idea of cooperation due to its normative appeal is not often rejected directly by a state. However, acceptance of this idea largely depends on its practicality and state's own calculations about prospects of cooperation. It is even more difficult to pursue such an idea at regional level because neighbours have larger influence on a country compared to something that happens in a far-off region. A good example of this is the integration process of Europe.

Winston Churchill was amongst those pioneers who proposed concept of 'United States of Europe' in his speech at University of Zurich in 1946.

"It is to recreate the European family, or as much of it as we can, and to provide it with a structure under which it can dwell in peace, in safety and in freedom. We must build a kind of United States of Europe" (The European Commission, 2014).

However, when process was initiated for European integration with presentation of Schuman Plan, Britain did not join the negotiations. Britain wanted to maintain its independent identity in Europe and also at the international level, which it calculated would be affected by being a member of Europe based organisation where it has limited maneuvering power (Milward, 2005). Interestingly, Britain did not change its position even after elections of 1951 when Conservative Party won and Mr. Winston Churchill once again became the Prime Minister (Dinan, 2004). This example proves how states can change views with regard to cooperation and regional integration.

Cooperation between two big states that are competing for same space is even more difficult to attain. India and China are two big countries in their respective regions and are not fully comfortable with each other in their regions of influence. In this context proposal of cooperation between them needs to be properly evaluated before such a scheme is presented for serious deliberation. A good proposal of cooperation between India and China cannot be prepared while ignoring political realities between these two countries. Here neo-functional lens can be applied because this theory does not ignore politics, at the same time it supports regional cooperation in functional areas that ultimately have a spill over effect. Neo-functionalism also assumes that regional cooperation in functional areas will create beneficiaries i.e. those who

will develop an interest in such regional projects. Thus, these direct beneficiaries of regionalism will potentially oppose any move of states to sabotage future and ongoing regional projects. This was quite evident in case of France when in 1965 French President Charles de Gaulle was under pressure by own his domestic constituencies, which included a strong peasant lobby, to accept the proposal of Common Agricultural Policy (CAP). French President had raised a number of objections on CAP and criticized functioning of the European Economic Community (EEC). After facing resistance from his own countrymen, President Charles de Gaulle softened his position on CAP (Lindberg, 1966).

There are ample of literature supporting the view that India and China are two big countries and competition between them is natural. Similarly it is reiterated that elites of both the countries do not have a common socio-political perspective and their world views are also different. Hence, power politics mars the prospect of long-term permanent cooperation between India and China. Without rejecting claims of competition, it is equally true that Beijing and New Delhi are cooperating on international issues of common interest. Even though convergences are limited to certain areas, it gives a realistic base for our argument of cooperation between India and China that otherwise may appear as hypothetical. In next part of this paper we will briefly highlight contemporary contours of India-China relations.

3 Sino-India Relations: From Bilateralism to Multilateralism

India and China represent two ancient civilisations that co-existed in peace during the ancient time (Zhu, 2011). India was first country outside the communist bloc that recognised communist China. Both these countries showed commitment for peace and friendship and signed Panchsheel Agreement in 1954. The relationship from 1954 to present day passed through several phases with worst been witnessed in 1962 when India and China had a war over border dispute. Even today border issues between India and China are unresolved. Despite these apparent problems of 'disputed borders' it is also a fact that at present China is amongst the top five trading partners of India. Likewise, India is amongst the ten largest trading partners of China. There is a convincing and good trade relation between these two countries, which in all likelihood will become stronger in future. It is projected that there can be two scenarios: one is 'Chindia' where both the countries emerge as new centres of the world economy. Second could be India-China scenario where there is a possibility of increase in North-South trade rather than South-South trade (Boillot and Labbouz, 2006). In the second scenario it is projected that Sino-India bilateral trade will not increase substantially in future but at the same time volume of trade between the two will also not going to decrease. Therefore from economic perspective it is been argued that India and China will avoid any major political and military confrontations in future. This is because both these growing economies will avoid any negative image that will affect their own economic prospects. Scholars are of the view that political cooperation for economic benefits will characterise the Sino-India relations in near future (Rusko and Sasikumar, 2007).

While discussing bilateral relationship of India and China it is also important to highlight that "between India and China they have a population of 2.5 billion, whose "creative energies" are being unshackled and only a cooperative relationship would ensure that both could benefit

from the Asian economic resurgence” Acharya (2008). This indicates that without a healthy closeness between India and China, it is impossible to realise the dream of an Asian century. Both sides also acknowledge the relevance of their partnership and this is accepted in the joint statement issued by India and China during the visit of Chinese Premier Wen Jiabao to India in 2005, “*the two sides agreed that India-China relationship has now acquired a global and strategic character*”¹. Moving ahead another joint declaration was issued in 2013 this time on the occasion of the visit of Chinese Premier Li Keqiang to India. The joint statement of 2013 accommodated several points highlighting willingness of Beijing and New Delhi to work in conjunction in international fora on issues of common interests. As per the joint declaration, “*strengthen coordination and cooperation in multilateral forums including Russia-India-China, BRICS, and G-20 to jointly tackle global issues ... and to establish a fair and equitable international political and economic system*”².

Another shot in the arm to bilateral ties of India and China was Chinese President Xi Jinping’s visit to India in 2014 when he unveiled his intention to make massive investments in India. The visiting Chinese President announced \$ 20 billion worth of investments in India over the next five years. This was a milestone in Sino-India relations and it came with an admission that both countries are emerging economic powers and it is a time for them to cooperate closely. This cooperation is vital because economic growth of both India and China is not insulated from rules and regulations of international trade. It is not necessary that rules and regulations governing international economic systems be loaded in favour of the emerging powers. Status quo is generally preferred by established powers and they will resist changing rules of the game for new emerging powers (Thompson, 2002). This entails cooperation between emerging powers. Therefore, India and China are rationally expected to collaborate economically and cooperate politically for safeguarding and promoting their economic interests at the international level. While talking of cooperation at international level it is a fact that first test of this relationship will be in Asia as how India and China could cooperate with each other particularly at the regional level- this will pave the way for Asian regionalism.

While discussing ‘Asian Regionalism’ we need to be cautious with use of this term. Asia is a very big continent and consists of several regions. Each region has its own characteristics and we will be indulging in an adventure if we try to analyse role of India and China in whole of Asia. In this paper we use the term ‘Asian regionalism’ to refer to our analysis of South Asia and Southeast Asia. As a matter of fact South and Southeast Asia are ‘integrated regions’ and have their own regional organisations. Although, level of integration are different for example Southeast Asia is a better-integrated region than South Asia. Notably South Asia is considered as one of the least integrated regions of the world in terms of trade in goods, capital and in involvement of ideas (Ahmad and Ghani, 2007).

4 China’s Role in South Asia

Let us first discuss the case of South Asia. India due to its geographical size, economic growth and strategic depth is presumed as a regional hegemon and this image of India affects prospects

¹This document can be accessed at URL: <http://www.mea.gov.in/bilateral-documents.htm?dtl/6577/Joint+Statement+of+the+Republic+of+India+and+the+Peoples+Republic+of+China>

²This document can be accessed at URL: <http://www.mea.gov.in/bilateral-documents.htm?dtl/22379/Joint+Statement+A+vision+for+future+development+of+IndiaChina+strategic+and+cooperative+partnership>

of South Asian integration (Dash, 2008). Contrary to this prevalent opinion scholars also defend an affirmative role of India that is related with its powerful position, as being a positive leader in South Asia (Bhashin, 2008). India is also blamed for not playing a proactive role despite its powerful position in South Asia, which according to few is essential for regional integration of South Asia (Prys, 2013). In brief, there are different interpretations about India's role, for some it being a big power is detrimental for the regional integration of South Asia whereas other scholars have different viewpoints on this powerful status of India.

We can critically examine India's role by looking into the history of South Asian regionalism. It is a noteworthy fact that small neighboring countries of India had taken the first initiative for establishing a regional organization of South Asian countries. These small neighbors were uncomfortable with the size and strategic strength of India and felt a need to coordinate with each other. This is one of the reasons why New Delhi initially was not enthusiastic about the idea of South Asian integration. It is also believed that for a long period of time South Asia was not a priority for New Delhi. Indian foreign policy after independence supported a number of normative agendas like decolonization, non-alignment and solidarity between Afro-Asian countries, etc. Interestingly India had a policy for promoting the cause of Asian solidarity but the same was not true for South Asia. Therefore, initial Indian interventions in its neighborhood were not primarily intended to win friends but to establish its hegemony (Crossette, 2008).

In fact, regional integration was not in priority for many countries of the world but success of the European integration in 1970s had changed discernment about regionalism. Cooperation with neighboring countries at the regional level started getting prominence and New Delhi was no exception to this new development in international relations. India joined efforts of its neighbors and showed keenness for regional cooperation and this common South Asian aspiration led to the formation of South Asian Association for Regional Cooperation (SAARC) in 1985. The SAARC for the first time stirred regional consciousness in South Asia but it failed to translate these creative ideas into practical projects and programmes of integration (Muni and Jetly, 2008). The question that follows is why SAARC is still struggling to achieve its set objectives, whereas the Association of Southeast Asian Nations (ASEAN) has been able to provide a necessary environment to its members stimulating economic growth and fostering political cooperation.

What has restrained the integration process in South Asia? Analysts have identified a number of factors for lack of integration in South Asia. Political discord particularly between India and Pakistan is one of the most serious problems and even creation of SAARC has not improved this situation. These two neighbours have yet to learn the art of living together. Similarly, rampant poverty, lack of democracy, despotism, religious fundamentalism, and terrorism are some of other noticeable factors dampening the prospect of regional integration in South Asia. Undoubtedly, there have been a sense of pessimism in regard to regional integration in South Asia; however, the situation is changing since the last decade. There is a silver lining and this optimism is due to recent economic growth that is being witnessed in every South Asian country. In fact South Asia is one of the fastest growing regions of the world (see Table 1).

Economic growth of the region is widely believed to have been stimulated after South Asian economies were integrated with international economy. After the end of cold war, India and other South Asian countries opted for liberal economic system. The opening of economy helped in initial growth as visible in terms of growth rate of South Asian countries but now it requires a regional effort to sustain this growth in the long run. Economic growth in future is

Table 1: Annual GDP Growth Rate of South Asian Countries (in %) (2008-12)

Year	2008	2009	2010	2011	2012*
Afghanistan	3.6	21	8.4	7.2	11.9
Bangladesh	6.2	5.7	6.1	6.7	6.3
Bhutan	4.7	6.7	11.8	5.6	7.5
India	3.9	8.5	10.5	6.3	5
Maldives	12.2	-4.7	5.7	7.5	5
Nepal	6.1	4.5	4.8	3.9	4.6
Pakistan	1.6	3.6	3.5	3	3.7
Sri Lanka	6	3.5	8	8.3	6.4

Source: World Bank

possible by economic collaboration at the regional level. At this stage, promotion of trade in the service sector, building of regional infrastructure and creating better regional institutions will induce economic growth and subsequently it will promote regional integration of South Asia (Ahmad and Ghani, 2007). In brief, economic growth has opened up an opportunity for regional integration of South Asia (Tripathi, 2013).

New economic opportunities in South Asia will probably act as a catalyst for regional cooperation but for deep integration, political unanimity and willingness is of paramount importance. For political integration, firstly India and Pakistan must resolve disputes between them, which at present appears to be a daunting task. There is always an uncertainty on bilateral cooperation between India and Pakistan but collaboration at multilateral forum will be comparatively easy to attain. Secondly, India's image of a big brother has to be changed. Smaller neighbours of India should feel comfortable with the idea of regional integration and not be apprehensive of it been an Indian project. In the second scenario, there is a role for China in South Asia but it has to be first agreed by the New Delhi.

China has always been watchful of South Asia and in last couple of decades there has been a change in its policy towards the region. Initially China perceived South Asia as a region dominated by western powers and ideologically opposed to it. 'China believed that South Asia was likely to be used by the western powers for undoing China's communist revolution' (Singh, 2003). Thus, it was a security centric approach of China towards South Asia that became India-centric approach after Sino-India war of 1962. After the 1962 war China developed a closer strategic partnership with Pakistan that is regarded as an anti-India alliance by many Indian analysts. Although, with time things changed due to development of closer economic ties between India and China. In short, there remained three different phases of Chinese policy towards South Asia. Firstly it was the security centric policy towards South Asia that was changed to an India centric policy but contemporary policy of China towards South Asia is of neutrality and engagement (Singh, 2003).

Foreign and strategic policy of a country is not permanent. This is a common phenomenon in international relations and for China big shift started in late 1970s. Promoting economic interest became guiding principles for Chinese foreign policy and due to this South Asia also acquired prominence in the overall foreign policy discourse of Beijing. Economic engagement of China with South Asian countries has increased lately. Chinese trade to South Asia increased from \$40 billion in 2006 to \$85 billion in 2011; bilateral investment increased from \$500 million

in 2005 to \$2.8 billion in 2010. Seeking profit motivates this massive investment of China in South Asia (Brunjes, Levine, Palmer, and Smith, 2013). With this substantial economic investment, China would logically prefer a stable South Asia for safeguarding its economic interests.

Old paradigms have changed and issues of yore may not be of contemporary relevance. Keeping in mind the present reality one cannot discard role of China in South Asia. Whether China is a full-fledged member of SAARC or not its strong presence in South Asian region is quite visible (China is an observer of SAARC). There is a viewpoint that India's changed policy of constructive engagement in South Asia is also due to increasing role of China. It is difficult to establish these claims that Chinese policy in this region is India centric but it is quite apparent that China is active in South Asia ((Parajuli, 2010);(Mohan, 2013); (Sitaraman, 2013); (Malik, 2001)). China is making huge economic investments; increasingly making diplomatic moves to strengthen bilateral ties with South Asian countries that include India. It is also a noticeable fact that Pakistan and few political groups in Nepal support China's membership to SAARC but this proposal do not have support of India. Pakistan's support for China can be dismissed as an anti-India position but the same is not the case with other countries of South Asia. In the recently concluded 18th SAARC summit (2014-Kathmandu) demand for inclusion of China as a full-fledged member has become more strident. Even though demand of full membership was not approved, the declaration of 18th SAARC summit accepted enhancing of partnership with observer countries. Observer countries can now be dialogue partners of SAARC. According to the 18th SAARC Summit declaration,

“[I]n furtherance of earlier decisions on establishing dialogue partnership with States outside the region, the Leaders appreciated the Study undertaken by the SAARC Secretariat to review and analyze the engagement with the existing Observers to establish dialogue partnership. The Leaders directed the Programming Committee to engage the SAARC Observers into productive, demand-driven and objective project based cooperation in priority areas as identified by the Member States”.³

This is an indication that SAARC is now more open for collaboration with observer countries and China could play a bigger role in South Asia. China had already taken a number of leads in this direction. Chinese Vice Foreign Minister Liu Zhenmin who attended 18th SAARC summit at Kathmandu announced \$ 30 billion for infrastructure development in South Asia and 10,000 scholarships to young South Asians (Muni, 2014). China is increasing its engagement in South Asia and barring India other South Asian countries are not adherently opposed to the idea of its membership to SAARC.

Since in this paper we are making an argument of Sino-India partnership for Asian regionalism we need to examine reasons for India's discomfiture with the suggestion of Chinese membership to the SAARC. It is not that Indian foreign policy is guided by past events and Indian foreign policy establishment is not willing to look beyond 1962. India has few strong reasons to be suspicious of China. In this, foremost is Beijing's strategic closeness with Pakistan. Second is linked to border issues. China has resolved boundary disputes with number of countries including in South Asia but not with India and Bhutan. Thirdly, some of the

³For full declaration is available at:

<http://www.narendramodi.in/ebooks/KATHMANDU%20DECLARATION%20d2014112801.pdf>

international positions of China are opposed to India like, "China did restrain both the Asian Development Bank and lately even Japan, from supporting projects in India's northeastern state of Arunachal Pradesh. China is also opposing Indian oil exploration projects in what it considers disputed waters of Vietnam in the South China Sea" (Muni, 2014). With all these issues a cautious approach towards China from New Delhi is not unexpected. There is another apprehension and it is related to the functioning of SAARC. According to the prominent expert of South Asia Prof. SD Muni, a full-fledged membership of China to SAARC might create hurdles in taking prompt decisions. Prof. Muni is indicating to article X of the SAARC charter that is on decision-making. According to article X (i), "decision at all levels shall be taken on the basis of unanimity". He is also of the opinion that China's inclusion in SAARC may stimulate tension between India and Pakistan⁴.

Without discarding India's apprehensions in regard to China there is another perspective. China is a growing world power and in all likelihood it will try to expand its range of influence just as India is trying to reach Southeast Asian region. Thus, Chinese role in South Asia is inevitable and with its economic power subsequently it will create a space for itself. If China is active in South Asian region and India is not averse to the Chinese presence then it opens up a prospect for cooperation. Earlier we have discussed that cooperation as a concept may not be objected but states can have its own calculations about such a proposal. In case of China, Indian position can change provided former also makes similar concessions. Testing ground for China will be Southeast Asia where it wants to limit Indian involvement. In next part we will discuss India's association with countries in the Southeast Asian region.

5 India's Role in Southeast Asia

We have presented a case that China has a role in South Asia in the changed scenario. Number of South Asian countries is more than willing to provide space to China in SAARC. Likewise, it is also important to note that the ASEAN members accept India as their partner. India and countries of Southeast Asian region shares historical and traditional relationship but there was considerable gap in this relationship during the cold war. Before collapse of the Soviet Union (1991), India and many countries of Southeast Asian region had different strategic perspectives. For ASEAN, India was a friend of the Soviet Union. Similarly, India perceived ASEAN as close to the Western bloc. Meanwhile international relations have changed after fall of the Berlin Wall (1989) and it also influenced India's foreign policy. After collapse of the Soviet Union, India started establishing new relationships and partnerships in international relations. This was the time when New Delhi introduced its Look East Policy (LEP) to develop economic and political ties with the ASEAN (Amador, Bobillo, and Peñalber, 2011). The LEP delivered and India - ASEAN relationship entered into a new phase of political and economic closeness. As a result total trade between India and ASEAN that was \$ 2.9 billion in 1993, within a decade it shot up to \$ 12.9 billion in 2003 and in 2012 this figure crossed the \$ 70 billion mark. Similar to economic partnership India and ASEAN also developed a strong political and strategic partnership (see Table 2).

India is an active partner of ASEAN and this relationship in all likelihood will get strengthened in future. There are two specific reasons for this fast growing smooth economic and

⁴Please see Institute for Defence Studies and Analyses (IDSA) video, URL: http://www.idsa.in/video/ChinaandSouthAsianCooperation_sdmuni

Table 2: India - ASEAN Relationship

Year	Milestones
1992	India became a sectoral dialogue partner of ASEAN
1996	India became a full dialogue partner of ASEAN
1996	India became the member of ASEAN Regional Forum (ARF)
2002	India-ASEAN started annual summit
2005	India became a member of East-Asia Summit
2009	India-ASEAN signed Free Trade Agreement (FTA)

political partnership of India with ASEAN. One, after the breakup of the Soviet Union, India started looking for new avenues for expanding its economic ventures and political horizons. Southeast Asia was certainly a region that was most suitable for both economic and political requirements of India in the post-cold war world order. India had good relations with countries like Vietnam and it easily established strong diplomatic ties with Cambodia, Laos and Myanmar. Two, ASEAN member states also embraced India as a country that could provide a balance to China. India is a strong military and nuclear power of Asia and has considerable naval presence in Indian Ocean. This makes India a formidable partner for ASEAN members who are apprehensive of asserting China and also of its monopolistic claim on South China Sea (Hong, 2007). China is well aware of deepening strategic partnership between India and ASEAN. For this reason time and again China has attempted to block India's role in Southeast Asia. For example China is opposed to Indian state owned oil company's contract for oil exploration in Vietnamese maritime boundary (Pant, 2013).

Ironically both India and China are not comfortable with each other in South and Southeast Asia almost for similar reasons. Still the case of South Asia is somewhat different from Southeast Asia because the latter is a better integrated region compared to former. ASEAN is a notable regional organization carrying weight in international relations and also has a distinct identity. Therefore, in South Asia we can discuss the role of China but in case of Southeast Asia it has to be a trilateral cooperation between ASEAN, India and China. Some of the international political and economic positions of ASEAN, India and China are similar. All three are supporters of multilateral world order, impartial and fair international trade regimes, less interference by global powers in the internal affairs of Asia, etc. These converging positions in international relations can be a cementing factor between the three. There are other possibilities of deepening economic ties because according to some estimates economies of these three are all set to double in size to that of the American economy by 2030. The ASEAN, India and China with their present economic status and by future estimate are likely to dominate international relations and thus, trio needs to be more active in different international forums to pursue their agendas and should also contribute in international rule making (Zhang and Shen, 2012).

Cooperation between India, China and ASEAN is necessary but for this China must accept India's role in Southeast Asia. Although, China don't have much choice provided ASEAN has already keen on developing closer ties with India. Still Chinese opposition to India in this region will only make things complicated. On the other hand, we can approach this complex

situation from a different perspective. Cooperation at international level and economic and political linkages if not interdependence could possibly bring India and China close to each other. Such cooperative ventures will make India comfortable while dealing with China and vice-versa. On a more optimistic note, we can hypothesize that if China accepts and also facilitates a bigger role for India in Southeast Asia it will only help in promoting closer ties between the two countries and may prove advantageous for Asian regionalism. It is difficult to assume that without a complementary role for both China and India in South and Southeast Asia; Asian regionalism would meet projected targets (Francois, Pradumna, and Wignaraja, 2009).

It is also argued in this paper that nations do not remain reluctant to the idea of cooperation but circumstances sometimes influence their decisions. This paper presents that India and China have covered a long distance in their bilateral relations. The old memories of border disputes doesn't eclipse present ties between India and China; instead pragmatism is the guiding principle of contemporary partnership. It has also been established that China is actively engaged in South Asia and regarded as an important economic partner by all the South Asian countries. Similarly, the Indian role is also projected in Southeast Asia. Additionally, South and Southeast Asia by virtue of their economic growth are now in a position to influence the international economic system, provided the two giants i.e. India and China along with ASEAN cooperate with each other in promoting Asian regionalism.

Next question is how to proceed in the direction of interregional cooperation that we believe will open the prospects for Asian regionalism and here we have to search some functional areas of cooperation. What will be those areas of functional cooperation, which will link both South and Southeast Asia by involvement of India, China and ASEAN? Some prospective functional areas of cooperation such as infrastructure projects, energy security, collaboration in developing green technology, and collaboration in space technology are discussed in last part of this paper. There are few suggestions regarding how these functional areas will promote interregional cooperation between South and Southeast Asia with a definite role for India, China and ASEAN. Further research is required for making more concrete recommendations in regard to functional areas of cooperation.

6 Prospective Functional Areas of Cooperation

South and Southeast Asia are regarded as two fastest growing regions of the world. These enhanced economic activities have created several demands at regional level. The first and foremost is need for improved interregional infrastructure that will connect South Asia to Southeast Asia. A better physical connectivity is essential for increasing trade and for bringing people close to each other by providing cheap transportation. India, China and ASEAN can contribute in building this interregional infrastructure with their expertise as well as by financially supporting such big projects. Likewise, energy security is another sector in which India, China and ASEAN can work together. India is energy deficient country; also China is looking for improving its energy security. Southeast Asia can be a source of cheap energy both for India and China. Competition for securing energy resources between India and China in Southeast Asia will have its own repercussions on their relationship. Cooperation in this regard is essential and this is another functional area of cooperation for India, China and ASEAN.

Developing countries of both these regions are under constant international pressure for

adopting green technology. Particularly India and China comes under the category of highly polluting countries. India and China have drawn up joint strategies on climate change but these have been limited to resisting pressure from developed world on cutting the emission of greenhouse gases. While joint strategies at international forums are justified considering convergence of interest but this is not a solution to the problem. Climate change is a reality and green technology is the future. India and China along with ASEAN are capable of working together on research and projects for development of green technology. The three should promote joint ventures in the sphere of 'green industries'. This can become a game changer as far as the relationship of India and China is concerned.

Another important functional area where there is a possibility of collaboration between India, China and ASEAN is space technology. India and China have considerable achievement in space technology and this can appropriately be used for benefit of both the regions. Advantages of satellites and other space technologies are manifold. Both these regions will derive immense benefits if India and China were to work together to develop facilities related to space technology for common use of South and Southeast Asian countries. Collaborative functioning on sophisticated areas of science and technology will also help in fostering better ties between these two countries.

Service sector related to information technology, tourism and health could be developed in both the regions through joint projects supported by India, China and ASEAN.

While arguing for cooperation in functional areas it is also important to note that one should not make too many ambitious plans but take small steps in the beginning. Success has to be assessed and shortcomings have to be rectified.

7 Conclusion

To summarize, this paper has four specific points. First, theoretically neo-functional perspective is applied for supporting the idea of Asian regionalism with an assumption that it is possible only by cooperation between India and China and with the support of ASEAN. Second, there is an important role of China in South Asian regionalism. China is already active in the region and criticism of India as being a regional hegemon will dilute with China getting more space in South Asia. Third, India can be supportive of China's role in South Asia if the level of cooperation between the two countries improves. For this, China should desist from blocking India's role in Southeast Asia and the three (India, China and ASEAN) should work together in functional areas. Fourth, joint projects in functional areas between India, China and ASEAN will lead to interregional cooperation and this is the way for Asian Regionalism.

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