

**INDO-THAI RELATIONS [1989-99]:
AN ANALYSIS OF SOCIO-ECONOMIC
INTERACTION**

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JULY 17, 2000

CERTIFICATE

This is to certify that the Dissertation titled **INDO-THAI RELATIONS [1989-99]: AN ANALYSIS OF SOCIO-ECONOMIC INTERACTION**, which is being submitted by **MR. ANIL KUMAR SINGH JHA** in partial fulfilment of the requirements for the award of the degree of **Master of Philosophy (M.Phil.)**, carried out by him under my guidance and supervision, is original to the best of my knowledge. This dissertation has not been submitted for any award of this university or any other university.

We recommend that this Dissertation be placed before the examiners for evaluation.

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PREFACE

An appreciation of the basic social and economic characteristics of a society is essential to understand almost any of its aspects. This study attempts to explain the socio-cultural and economic interaction of India vis-à-vis Thailand and to trace the pattern of their relationship. This dissertation has been studied into five chapters. First chapter contains introduction and analyze the socio-economic setting of India and Thailand. Besides, there is an analysis of bilateral relations between these two countries, which explains the genesis of fluctuating trends.

The second chapter is devoted to socio-cultural contacts between India and Thailand. At the same time the role of religion in maintaining time-honoured close relations between India and Thailand has been discussed.

The third chapter analyzes economic contents in bilateral relations between India and Thailand. It highlights expanding trade and commercial ties. Trade and investment contacts between India and Thailand are gradually improving, which have been facilitated after India became full dialogue partner of the ASEAN.



The fourth chapter examines sub-regional grouping of five countries, known as BIMSTEC involving India, Thailand, Myanmar, Sri Lanka and Bangladesh and its relevance in the post cold war era. The fifth chapter sums up the major findings of the research.

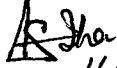
It is utterly beyond my ability to acquire appropriate words for expressing my gratitude towards the people, who helped me in my studies. First of all, I acknowledge the help rendered by *Dr. Ganganath Jha*, Associate Professor, Division of Southeast Asian and South-West Pacific Studies, School of International Studies, Jawaharlal Nehru University, who supervised my work. His generosity and encouragement have been invaluable and have inspired me in my efforts to carry out this study.

I express my heartfelt gratitude to *Prof. Nancy Jetly*, Chairperson of the Centre, *H.E. Prof. P.K.Das*, High Commissioner, Trinidad and Tobago, *Prof. S.N. Jha*, *Rev. P. Mahaviro*, *Dr. M.M. Kaul*, and *Dr. Anand Kumar* of J.N.U., who have been a constant source of help, inspiration and encouragement for my research work.

I express my deep respect and sincere gratitude to my father, *Dr. Yoganand Singh Jha* and mother *Smt. Meena Singh Jha*. Possibly words may limit my expression I have for them, whose judicious help, guidance and inspiration rendered the present work possible.

I would like to express my respect and gratitude to my elder brothers, *Aravinda* and *Anand* and sisters-in-law *Amrita* and *Aarti* for their moral support and similarly I acknowledge the assistance of my nephew *Atul* and niece *Anjali*. Among friends, I am indebted to *Nirbhay* and *Birendra*, whose assistance since my first day in J.N.U. have proved crucial.

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(ANIL KUMAR SINGH JHA)

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CHAPTER-1

INTRODUCTION

Indian society is a panorama, which absorbed diverse languages, culture, religions and people of different social origins at different points of time in the past. These diversities are reflected in patterns of life, styles of living, land tenure systems, occupational pursuits, inheritance and succession rules and *rites-de-passage*.

The Indian cultural tradition is unique. The notions of Dharma (normative order), *Karma* (personal moral commitment) and *Jati* (caste) as the hierarchical principle of social stratification are basic to Indian culture. A certain level of configuration of these elements and consensus has resulted in persistence and equilibrium in Indian society and hence no major breakdown has taken place in its culture. Basic cultural and social values and norms still continue with some modifications. The values of *Dharma*, *Karma* and *Jati* continue to guide social and cultural activities to a large extent.

The uniqueness of the Indian culture does not simply refer to its esoteric nature. Absorption and assimilation are trends of social and cultural change. Aryans and Dravidians lived together. Hindus and Muslims lived in

close proximity, socially and culturally. Later on Christians joined them. Today Hindus, Muslims, Sikhs, Christians and people of other faiths participate together in the government, industry, commerce and other sectors of public life. Thus, there has been a continuous unity, even in the greatest diversity. The diversity is reflected in thousands of caste groups each having its rituals, rites, rules and customs. It can be seen in terms of linguistic, religious and other ethnic variations. The styles of life differ from religion to religion and even between different caste and religious groups within the same village. Hierarchy and inequality are deeply rooted in Indian's tradition and are also found in practice in the form of unequally placed caste and class groups. These have resulted into persistence and equilibrium because of the organic linkages and inter-dependence of different socio-economic groups.

The primary mooring of Indian society happens to be religion which may be either *Hinduism*, Islam or Christianity. What is known as Hinduism is a vast network of structures, institutions, beliefs, values, norms etc. The religious life is not disintegrated from the normal mundane life and therefore religion by itself does not play the role of an agency of social control ; instead religious values and norms, as reflected in various social structures, make the people readily conform to them. Similar is the case of

political and economic system. So the cultural moorings of Indian society clearly reveal that there has been one basic anchor for the whole society and that itself happens to be primarily a cultural entity, but not a structural one and the structural aspects figure in the other areas of society, but under the surveillance and guidance of the cultural entity.

A nation wedged like a keystone into the heart of Southeast Asia, Thailand is one of the few countries which always remained independent* Thailand was never colonized by the Europeans in the era when there was a scramble for colonialism. Though a typical in that, she was never formally colonized, Thailand's efforts to fulfill the European 'standard of civilization' preserve a remarkable record of what it meant in terms of cultural development for one Southeast Asian country to come to terms with the European world order. It is undoubtedly true that a fortunate geographical position and a timely French and British agreement that Thailand remain a buffer state between their respective interests contributed to maintain

* For a study of the cultural aspect of Thailand, reference may be made to the following books: Coedes, G: The Indianized States of Southeast Asia (Honolulu, 1964), Blanchard, W: Thailand: Its People, Its Society, Its Culture (New Haven 1958), Le-May, R: The Culture of Southeast Asia (London, 1954), Sarkar, H.B.: Cultural Relations between India and Southeast Asian Countries (New Delhi, 1985), Wyatt, D K: Thailand: A short History (New Haven, 1982).

Thailand's independence. But it is also true that Thailand's foresighted kings were able to maintain continuous self-rule by making the 'civilizing' their country in tune with European standards.

The literal meaning of the country's name 'Thailand' (meaning 'land of free') is analogically consistent with the country's actual history. The integrity of Thailand has never been hampered by racial or religious prejudice, but on the other hand, the country has smoothly prospered due to a natural habit for eclectically accepted values through a process of simplification and embellishment. The vernacular name for Thailand is *Muang Thai*, though Europeans since the 16th Century have habitually referred to the country as Siam, a usage derived from *Shan*, which is the Burmese name for the ethnic family, also known as *Thai or Lao*. However in June 1939 the government of Phibul Songram decreed that the of the State should henceforward be known as Thailand. Although this name was temporarily dropped when Phibul was ousted in 1945, it was reintroduced as the official name shortly after his return to power in 1948.

Thailand is ethnically not a homogenous country. It consists of Mons, Khmers, Chinese, Vietname, Cambodians, Malays, Indians (Hindus and Sikhs) and, more recently, many small groups from the Middle East. In

addition to these, there are many communities of the Hill People, who have their own distinct cultures and norms. The people of Northeast (Isan) make up the largest ethnic group and are the poorest. About 95 per cent follow Buddhism. Islam is the second largest religious group, accounting for 4 per cent, Christians and others one percent.¹ The Thai society is essentially based on agriculture, with 80 per cent of its population living in the villages.

The geographical proximity, historical ties and the present day interdependence among the nations make India and Southeast Asia of paramount importance to each other from political, economic and cultural point of view. Indian influences on Southeast Asia was so widespread, as is apparent from the evidence of inscription and stone temples and statues that the period during which they were paramount is known as *Hindu Period* or the period of *Indianization* in Southeast Asian history.

1. Kearney, RN: Politics and Modernization of South and Southeast Asia. New York, Shenkman Publishing Company, 1975, P-220.

This period lasted from about the beginning of the first till the end of 12th century. The process of *Indianization* was stimulated by local rulers and was bent to their local needs. The fame of the Brahmin and Buddhist priesthood for their marginal powers was widespread.

Indian National Army (INA) played a great role in Indian freedom movement. If we analyze the organization, mobilization and role of INA, Southeast Asia comes into the picture. It was on Southeast Asian soil that INA was raised. The various Southeast Asian regimes, i.e. Thailand and Singapore, had supported the INA for its organization, training, funding and propaganda. Overseas Indians based in Southeast Asia whole-heartedly worked for the success of the INA. Armed wing of INA had not only the Indian recruits, but a large number of Southeast Asians. Thailand and Singapore radio were regularly broadcasting the achievements of INA. India has sought friendship of Southeast Asia since times immemorial. India actively supported the independence movements in that region even before it got its independence. A study of meeting of Indian National Congress from 1885 to 1947 shows that in its deliberations, it used to devote a session for discussing the freedom movement in the Afro-Asian World.

Southeast Asia was dotted with native and Indianized principalities, with close trade and cultural connections with India. While cultural

connection is reflected in the art of writing, the appearance of Sanskrit epigraphs, mythology, the introduction of Indian religious systems, etc. in different parts of Southeast Asia, the echo of the growing volume of trade has also been caught in some verses of the *Silappadikaram*, which dates from the fifth Century.

There is a very simple explanation of how the Indian travelers, missionaries, sailors and traders managed to have cultural influence in Southeast Asia. The travellers included Chinese, Indians, Greeks and Persians (or Arabs) as well as indigenous people who were living by the sea and could sail a boat of these people, the Indians left the most formidable imprint on these lands culturally speaking. The reason was because the journey were dangerous and the travellers had to pray to their favourite Gods for protection against untold dangers, particularly pirates. The Indian traders and sailors, however, did not like to say their own prayers. So they brought with them their own *Namans* (technically called Brahmins) to do the praying for them. Portable Indian images have been found over wide areas of Southeast Asia. Presumably the *Shamans* brought by the traders in turn brought their portable Gods. Then, when trading centres were set up and kings came into existence, these same *Shamans*, or perhaps their descendants, became the court soothsayers and officiated at ceremonial

functions. In this way Indian culture in the form of religion, art, language and writing was transported to Southeast Asia.² The migration of earlier countries, however, have little relation to the contemporary Indian communities in Southeast Asia. The current Indian population is a result of 19th and early 20th century British colonial rule in Southeast Asia. Indian labourers, businessmen and financiers followed the European rulers to take part in the commercial development of colonies.

The compulsions that led Indians emigrate to other countries, were the colonial rule in India, which led to the destruction of the local economy. These happened in so many phases, in the main are two – the first phase, there was a ‘drain of wealth’ which resulted in dislocation of trade and industry and recession in agriculture. In the second phase, the local handicrafts declined due to the markets being flooded with manufactured goods from the Metropolitan countries.³

2. Winstedt, S.R.: “Indian influence in the Malay World”, Journal of Royal Asiatic Society, London, 1944, P.186

3. Rajani, MC: in an article review of Prof. Walter’s Early Indonesian Communities: A Study of the Origin of Sri Vijaya; Journal of the Siam Society, Vol-6, Part-1, January 1974, P-203.

Indo-Thai relations date back to time immemorial. The two countries, India and Thailand, both have a long history of civilization and development. Their territorial links had been established in antiquity and has been maintained in some form or other ever since. Thailand was a part of *Svarnabhumi*, which finds mention even in the Ramayana of Valmiki written c.1000 .C.⁴ Ashoka turned Buddhism, which was a local religion of Gangetic Valley, into a world religion. In the words of H.G. Wells “.....His name is still honored from the Volga to Japan”. Thus India’s contact with Thailand, according to historians, began in the third Century B.C. in the course of the propagation of Buddhism. Prof. Subhadradis Diskul viewed that When Buddha died, his creed had spread. Buddhism went beyond the confines of India. Emperor Ashoka sent missionaries to spread the gospels of Buddhism. There is a passage in *Mahavamsa* (History of Ceylon) defining various countries to which Ashoka had sent his mission, of which this is an extract”.⁵

4. Suvarnabhumi had been described by Valmiki in the part entitled ‘Kishkindha Kanda’ of the Ramayana.

5. Diskul, MCS: “Phran Pattom Chedi”, 1984,

Prof. Rhys Davis and others have agreed that this land of Suvarnabhumi was a kingdom stretching from the land of the Mons (Southern Burma) to Annam and from Burma to the Malaya Peninsula, but the location of its capital is not yet known. There is a difference of opinion about it. The projection maybe that the site of Nakorn Pathom may have been the capital of this ancient kingdom. Phra Pathom Chedi is one of the most important evidences that Nakorn Pathom was the capital of *Suvarnabhumi*.⁶

Suvarnabhumi was known to the early Indians as the land of gold. Early Indian traders, missionaries and adventurers made a number of voyages to this land of gold to seek their fortunes. Some Indian legends describe the early Indian migration to this part of the world. Inferences can be found in the Buddhist Jataka stories.

The Nanchao Kingdom is believed to be the first organized kingdom of Thailand. Buddhism was quite popular at Nanchao during this period. The Kingdom was located in the north and northeast of Yunan province in China from the middle of the seventh Century untill 1253A.D. The bells with Buddhist inscriptions in Chinese and Sanskrit dated . 11th Century have been found.

6. Ibid

The folk-lore current these also refer to the Brahman advisors to the government as well as Indian settlements in Nanchao. It is interesting to note that the most important Thai Kingdom in Yunnan was called *Videh rajya*⁷, whose capital was named as *Mithila*.⁸ The king of this *Videhrajya* was titled *Maharaja*, who was reportedly the descendent of Ashoka,⁹ the great.

The people of Nanchao region were so thoroughly *Indianized* that they used an alphabet of Indian origin. According to a legend current in the region, Avalokitesvara came from India and converted the people to Buddhism which in course of time became so popular that even the names of places and symbols came to be associated with it such as the sacred hill *Graddhakuta*, the *Bodhi* tree, the *Pippala* cave, etc. A tenth Century Chinese traveller refers to a local tradition which asserted that the Buddha attained enlightenment in Yunnan itself. Writing in the 13th Century Rushiduddin not only calls the country Gandhara but asserts that its people came from India and China.¹⁰

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7. Majumdar, RC: History and Culture of Indian People, Vol.III, 1963, P-684
8. Thakur, U: History of Mathura, Chap.II
9. Ibid.
10. Quoted Majumdar, RC, Op. Cit. P-237.

King Ashoka of *Magadha* (now called Bihar) lived in Tali in Yunnan, where he married a princess of Tali-fu. One of his direct descendants became king of Nan Chao.¹¹ Evidence of many settlements, identified as belonging to the *Indianized Mon* people¹² and dating back to the early centuries before Christ, is available through archeological and inscriptional¹³ material dug-up in Central Thailand. *Mon* kingdom, known as Dvaravati (name of a town in Gujarat) might have existed before the 7th Century, but if so, it was only as a vessel state of the Funnan Empire.¹⁴

The most important *Indianized* states in South Thailand was Ligor (Nakorn Sithammarat) and it was essentially a buddhist settlement.

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11. Carthew, M. "The History of the Thais in Yunnan", *Journal of the Siam Society*, Vol.XL, July 1952.
 12. Coedis, G.: *Recuell des inscriptions du Siam*, Vol.II, *Inscription de Dvaravati de Crivijaya et de Lave* (Bangkok, Royal Institute, 1929),pp-17-19.
 13. Halliday, R: "*Les inscription Mon de Siam*", *Bulletin de L' Ecole Francaise d Extreme Orient*, XXX, (1930), pp.82-85.
 14. Briggs, LP: "Dvaravati : the most ancient kingdom of Siam", *Journal of the American Oriental Society*, LXV (1945), V(1938), pp.24-30.
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It is interesting to note that some of the fifty temples that encircled the stupa belong to a very period and there are also Brahmins of Indian descent at Patlung, who trace the arrival of their ancestors by an overland route from India across the Malaya Peninsula.¹⁵ In addition, numerous relics from India of Hindu origin excavated there include sculptures – both Buddhist and Hindu images – which in the past were supposed to have been important indirectly to Southern Thailand by the Srivijaya Kingdom, especially the Mahayana form of Buddhism, first was introduced in Thailand at this time.

The history of successive waves of merchants and colonists creating Indian colonies in Siam began before the Sukhothai period. A Tamil inscription of 8th –9th Century describes the life of Indians in Siam engaged in extensive trade with India.

15. Thakur, U: "The Brahmins in Early Siam", in the proc. 9th Conference IAHA, Manila, Philippines, 1983.

Some of the Brahmin priests, who first fled to Pegu and then to Thailand in the 5th and 6th Centuries are said to be the predecessors of the present Brahmins living at Wat Bot Pharm. The present Royal Brahmin Phraguru Vamdeo Muni (*Javen Rangsi Brahmin Kul*) claims to be the 5th descendant of his first ancestor to settle in Thailand. John Crawford has mentioned also an interview with Court Brahmins, who claimed to be the 5th descendants of his first ancestor to settle in Thailand. They had come from the island of Rameshwaram in South India.¹⁶ Although no record, but their way of living and love towards *Vedic* literature and *Karmakand* gave the impression about their relations with ancient India. At present this family is the oldest example of Indians in Thailand. Strong Indian influence was also apparent during the Ayudhya period. King Utong wanted a Brahmin to serve in his capital. He is reported to have acquired such a Brahmin directly from India. According to C. Kaset Siri,¹⁷

16. Crawford, J, *Journal of an Embassy to the Courts of Siam and Cochin China*, Oxford University Press, 1967, p.119.

17. Kaset Siri, C: *The Rise of Ayuthaya*, Oxford University, press, 1976, p-100

King Utong decided to have a genuine Brahministic coronation rite to celebrate his accession to the throne. He, therefore, sent a mission to ask for eight Brahmins from Benaras (Varanasi), a request which was favourably received. King Chulalongkorn wrote that the verses recited at oath taking ceremonies probably dated from the reign of king Utong.¹⁸ The kings of Ayudhya continually strengthened the Thai relations with India originally fostered by Sukhothai's king Ramakhamhaeng. Indeed Indo- Thai relations were so close that the Indian priests and merchants occasionally used Thais as intermediaries when dealing with other Asian countries. In addition, the kings of Ayudhya were treated as reincarnations of the Hindu Gods *Vishnu* and *Shiva*. This can be inferred in part from the reign names of the early kings of Ayudhya, for example, Ramathibodi (the name of king Uthong, which is derived from Rama, the hero of Ramayana, a reincarnation of Vishnu).

1. Ibid , p-101

The Ramayana is better known to the Thais as *Ramakien*, a freely adopted Thai version. As a matter of fact, there are at least four Thai versions of the *Ramakien*. Four crowned heads of Thailand had each to their credit a version of this great epic.

As early as the 16th Century. Indian legal experts were called in to revive ancient Thai laws. During the 17th Century the royal ships were manned by the Indians. The chief of the Royal Ships was replaced by a British adventurer, Samuel White in 1677. Indians of the Court were also active in trading. Portuguese sources give account of Indians, long settled community engaged in trade. R.C. Majumdar wrote the during that Ayudhya period, in Thailand large number of Indians were involved in government and court life. Economic relations between India and Thailand is also very old. India exports to and imports from Thailand were a number of items. Main Indian exports Thailand included drugs and pharmaceuticals, synthetic dye and dyestuffs, bicycle parts, oil cakes, diesel engines, typewriters, building hardware, duplicating machines, hand tools and handbite, electrical equipments and accessories, cables and cardage and stranded wires. Iron and steel items, machinery, metal products and transport

equipment, entered Thai market in the middle of 1960's. Main items of engineering goods exports included transmission line, towers and poles, steel structures fabricated, water treatment plant, air conditioners and refrigerators etc. The list also includes jute and textile machinery electrical wires and cables, power machinery and sugar machinery and equipments. In rupee terms the total value of engineering goods exports touched a figure of Rs.101.62 million by 1978-79 (when they shared 50 per cent of the total exports to Thailand) as against Rs.27.67 million during 1971-72. The share of engineering goods in the total exports to Thailand during 1976-77 stood at 36 per cent.

To help boost Indo-Thai trade, the Federation of Indian Chambers of Commerce and Industry (FICCI) and the Thai Board of Trade (TBOT) came closer since March 1979, when a Joint Business Council (JBC) was set up. Further a meeting reviewing Indo-Thai trade which concluded on June 24, 1984 at Bangkok (Thailand) suggested to establish Joint Trade Committee (JTC) to boost bilateral trade and economic ties.

India signed maritime agreement with Thailand to settle 94 nautical miles long maritime boundary in the Andaman Sea with that country on June 22, 1978 with which the stage was ready for signing a trilateral pact on sea bed boundaries between India, Thailand and Indonesia for which

negotiations were going on simultaneously. The trilateral agreement was signed by the Foreign Ministers of the three countries the same day.¹⁹ It identified the trijunction point of their sea-bed boundaries about 100 nautical miles from the nearest point of their respective coasts. Dr. Upadit, the Thai Foreign Minister described the occasion as memorable and that the agreement represented an important step towards Asian solidarity.

Thailand appears to have developed increased interest in co-operation with India in the past few years. The first ever visit of Permanent Secretary of foreign affairs of Thailand to India in October 1984 was a significant event which symbolized growing desire on the part of that country to develop close cooperation with India especially in the economic and International field.²⁰ Later in March 1985, the foreign Minister Air Chief Marshal Siddhi Savetsila visited New Delhi. He described his visit as a national consequence arising out of the present state of Indo-Thai relations. He was highly appreciative of India's role in leading the developing world to get justice.

19. The Times of India, June 23, 1978.

20. Govt. of India, Ministry of External Affairs, Annual Report, 1986-87, p-12.

He also expressed his government's desire to work closely with India on all issues affecting international peace and development in the United Nations as a fellow Non-Permanent Member of Security Council from Asia.

Close cultural and religious connections between India and Thailand was also recalled by Ta Rajdhan, leader of the Thai delegation to the Asian Relations Conference at Delhi in 1947. In an interview with the 'Globe' on March 20, 1947, Ta Rajdhon Said:" India is the cradle of civilization with her 400 million people and is the 'Pole star of Asia'. As a saviour of oppressed and down-tradden nations, she will lead the rest of Asia towards peace and prosperity."²¹

21. The National Herald, March 23, 1947.

CHAPTER-II

SOCIO-CULTURAL RELATIONS

Buddhism opened the door to Indian cultural penetration of Thailand. From their birthplace in India, the great religion of Hinduism and Buddhism found their way to Thailand, where they mingled with the indigenous belief systems to become an enduring and integral component of Thai culture. Ever since the 13th century. A.D. up to present, Buddhism has all along been the national religion of Thailand, the only nation in the world that adopted it as a national creed. It has, therefore, exercised a tremendous influence on its politics, economy, culture, thoughts etc.

The majority of the Thais are receptive to concepts and ideas that are incompatible with the tenets of the religion. In their everyday religious practice, the average Thai is influenced by beliefs, ideas and concepts of religions like Hinduism. This strange situation has induced certain scholars to consider the Buddhist practices in Thailand as '*Siva Buddhism*'. Moreover the Thais are very religious and even though they are Buddhists, they have no aversion to other religions. They can be seen paying homage to Hindu deities in the Hindu temples. This view can be confirmed by the behaviour of the Thais on the closing day of the '*Tiruvempavai* –



Tiruppaavai' festival, celebrated in the Brahmin temple at Bangkok. Thais used to pay homage to Hindu deities in the past also. Innumerable specimens of the idols of the Hindu deities that are now housed in different National Museums of Thailand bear testimony to the religious practices of the Thais in the past.

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The Thais are essentially superstitious by nature. They believe in auspicious and inauspicious times, astrology and palmistry and witchcraft to some extent. In Thailand, even in the modern sophisticated city of Bangkok, one can see the wayward astrologer and the palmist carrying a lucrative business. Such persons can be seen even in the precincts of Buddhist *wats* or temples. Even among Buddhist monks a few are learned in astrology and palmistry. The presence of these occult practices in Thailand is the result of cultural contact that existed between India and Thailand.

From the point of view of spread of Buddhism in Thailand, the Thai history is normally divided into four main periods, viz. The Sukhothai Period (nearly 700 to 800 years ago), the Ayudhya Period (before 1767 A.D.), the Thonburi Period (after 1767 and before it shifted to modern Bangkok) and the Rattanakosin or modern Bangkok Period. From the Sukhothai era up to the present Rattankosin era, most of the Thais have accepted Buddhism as their religion.

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For the Thai society, there are three important national pillars, viz. the religion, the nation and the monarchy, which have been the source of their socio-cultural solidarity. These three recognized national pillars, on which the unity of the nation rests, are very important which unite the Thai people and give them strength and resilience to remain free.

Buddhism in Thailand rests in a position at par with the king. The constitution obliges the king to be a follower of Buddhism and its highest protector. To be respected in society a male citizen must have renounced his family life and centred the Buddhist order at least once in his life time and the period in which he stays at the temple varies from several days to several months or the longest runs through his whole life. Without exception this is the practice of the king above and the common people below. The government orders that no monk is allowed to be engaged in anti-government activities and no communist is allowed to be ordained as a Buddhist monk. The Buddhist calender is used nationwide, with the date of Birth of Sakyamuni reckoned as the beginning of our era, which dates back to 543 years before Christ.

Buddhism in Thailand has its great influence not only in the political field, but also in the economic realm. Land utilized by temples and monasteries all over the country counts for one fourth of the area covered



by all the capital cities of the nation combined. Though it was decreed that all the land belongs to governments, pieces of the land possessed by the temples and monasteries are called '*offered*' gift and cannot be lightly retrieved. Thus monastic lands continuously expanded and became large. Moreover, they are free from taxation. Yet taxes and rents are collected by monks from farmers and residents who leased the land.

There are also intimate connections between Buddhism and the mores and customs of the common people. Popular rites and ceremonies among the mass with regard to birth, senility, marriage, death and funeral are adopted from Buddhism. As a rule, on every festive occasion ceremonies are held in Buddhist temples. After a man passes away, he is cremated according to Buddhist rites. Monks are invited to recite scriptures and mantras and to do worship before Buddha statues, the bier can only be bound with 'holy ropes', ropes blessed by monks beforehand and the procession can only be led by them. For the purification of the departed soul, coconut juice must be sprinkled on the face of the head with the monk chanting certain '*sutras*', at the same time, after cremation the ashes must be collected by the relatives accompanied only by monks. All in all, by any funeral service every step must be guided by men of this religion. In every aspect of the socio-cultural perspective, the penetrating role of Buddhism in Thai's life is very clear.

Religion prevades the Thai life in totality. The Thai monks, the wats and the Thai society are so closely integrated that it is very difficult to make a live of dichotomy or one cannot understand the Thai society or the Thai individual without understanding the roles of religion in Thailand.

Thailand, inspite of its predominantly Buddhist character, has nourished Brahminical culture in the form of religion, literature, art and architecture for more than two thousand years. Although scholars are divided in their opinion as to the time when Brahminism made its appearance in the penisula, it may not be far from truth to suggest that the Indian traders popularized the worship of Brahma, Vishnu, and Shiva from the remote period of history and during the ascendancy of Kambiya in the 18th and 19th Centuries and Brahminical religion spread to the nook and corners of Thailand.¹

1. Daweewarn, D: Brahminism in Southeast Asia New Delhi 1982, p 102.

The efforts of missionaries and scholars and the influence they exerted in the courts of the ruling dynasties provided necessary impetus to the expansion of Brahminism. On account of their profound influence in the court, the proponents of Brahminism introduced numerous ceremonies, magico-religico-religions practias and conducted as the royal priests, the coronations of kings, tonsorial ceremonies of the royal Children, wedding and cremation as and when necessary.² Those proficient in astrology could drive many advantages from royal farour, even during war and peace, the rulers solicited their guidance for auspicious moments. As a concomitant of this, Brahminical cults became widely popular in Thailand, which is testified by the discovery of idols and religions shrines in large number throughout the country.³ Epigraphic evidence suggests the establishment of shrines for Vishnu in Thailand.

2. Vella, WF: Siam under Rama III, New York , 1957, pp-29-31.

3. Boisselier, J: The Heritage of Thai Sculpture, New York, 1971, pp. 65-170.

This is further supported by the place names such as *Ban Phra Narai* (village of Vishnu); *Khao Narai* (mountain of Vishnu) and the large number of Vishnu images discovered in various forms like Vishnu with Lakshmi, Vishnu on Garuda, two-armed and four-armed Vishnus and several varieties of Garuda, the divine bird.⁴

The popularity of Brahminism led to the growth of the institution of kingship which elevated the Thai kings to the status of Brahminical deities. Soon after the coronation ceremony the king was treated as an incarnation. Royal patronage for the Brahmins was always more than liberal. King Ram Kam Hang, his queen Nopomas was the daughter of a Brahmin priest, encouraged Brahminism along with Buddhism and entrusted the Brahmins of the Court the responsibilities of state craft, law, religious festivals and many other important matters.⁵ Lu Thai was another king who engaged artists to make statues of Vishnu and temples for worshipping the deities. Still another king Lu Thai of Sukhodaya caused the erection of Brahmin temples for enshrining the image of Shiva and Vishnu in them.⁶

4. Daweewarn; D; op. Cit, p-103

5. Wales, H.G: Siamese State Ceremonies, London, 1931, p-12

6. Shyamananda, R.: A History of Thailand, Bangkok, 1973, p-48.

Apart from this, the growing influence of Brahminism in ancient Siam (modern Thailand) is indicated in the details of the Law Code of king Rama Tibodi I, which contains several features of Manu's Dharmasastra.⁷ The Puranic literature and epics too had a profound impact in formulating Siamese culture. This can be discerned in the place names, language, literature and other manifestations of culture, like drama and dance.⁸ Brahminical mythology as contained in Ramayana and the Sanskrit language left an indelible imprint on Siamese society.⁹

The influence of Brahminism is equally evident in the temple architecture of Thailand. Though one observes a curious combination of Cambodian, Burmese, Indian and Ceylonese style of architecture in Thailand, scholars have specifically referred to the close resemblance between the curvilinear tower of *Sikhara* of the Mahathat Temple at Svargaloka with those of the temples of Bhubaneswar in Orissa.¹⁰ Alongwith Brahminical religion the technique of building temples

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7. Blanchard, W: Thailand: Its People, Its Society, Its Culture, New Haven, 1958, p-27.
 8. Jumsai, MLM: History of Thai Literature, Bangkok, 1973, p-151
 9. King Rama I; Ramakien, Vol.I&II, Bangkok 1923.
 10. Brown, P: Indian Architecture (Buddhist and Hindu Period), Bombay, 1971, pp-187-190.

must have gone from the Eastern coast of the Indian peninsula and that explains for the architectural affinity between Thailand and the Pallavas, Somavamsis and the Palas. The massive ruins of monuments at Phimai, Sri Deva, Visnuloka, Nakon Pathom, Vijrapuri, Lopburi, Sukhothai and Ayodhya bear testimony to the glorious achievements of the Thai architects for whom Brahminism served as the perennial source of inspiration.¹¹

A brief survey of the architectural remains of Hindu monuments of Thailand may not appear out of place here. In the monumental remains of Pong Tuk, Nakhon Pathom and in the peninsula of the Thailand the earliest traces of Hindu influence have been noticed. At Pong Tuk are seen the remains of a rectangular and a circular buildings identified as a temple and a *stupa* respectively. The temple had entrance at one end and recessed chases on the sides like the early temples of India.¹² The *ratha* architecture of Mamallapuram in the ancient Pallava country of South India finds a close replica in the monolithic temple with typical roof at Kedah.¹³

11. Ibid

12. Coedes, G.: Indian Art and Letters, Vol.II, (1928) & Vol-IV(1930

13. Brown, P.: Op, cit, p-188.

Such infiltration of building method probably followed the sea route either directly or via Ceylon.

The magnificent building and the exquisite sculptures of Wat Phra Keo which glitters like gold has wonderful *Sikharas* in the pattern of medieval North Indian temples. Several stories of the Ramayana have been drawn as wall paintings on its outer gallery. These wall paintings denote the extent to which the Ramayana influenced the Thai Artists.¹⁴

The temple at Pimai of the 10th century represents yet another powerful centre of Brahminism. As examples of 11th and 12th century architecture these are the temples at Panom Wan and Panom Rung respectfully. Being the earliest in this group, the Pimai temple is established with profuse decorations from Ramayana stories suggesting comparison with the patterns and designs of Pala art in Bengal of the 9th Century. In this category of temples may be grouped the temple of Culamoni at Vishuloka of the 12th Century, the temple of Wat Pra Pai Laung at Sukhothai and the magnificent temple at Pr Vihara on the top of the Dangrek range.¹⁵

14. Daweewarm, D, op.cit. pp-291.
15. Coedes, G. op. Cit, Vol-III (1935)

Although the above temples were originally used as either Saivite and Vaisnavite Shrines, in course of time the Buddhists used them for their religion. This conversion is most manifest in the triple shrine of Phra Prang Sam Yot, which changed over from Brahminical to Buddhistic.¹⁶ From structural point of view the triple shrine was probably dedicated to the famous trinity: Brahma, Vishnu and Shiva. Its entrance towards the East and the non-Buddhist character of sculptures bear unmistakable proof that the temple was used for worshipping Brahminical deities.¹⁷ For identical purpose some of the temples of central Thailand like the Wat Pra Pai Luang and Wat Sisawai in Sukhothai were built for Brahminical deities, but later on converted into Buddhist Shrines. The Wat Kampheng Luang at Ratchaburi reveals in its architectural plan and treatment Brahminical character. As a temple, the sculptures of Vishnu, Garuda and Dvarapalas once adorned the walls but subsequently, the Buddhists used it for their faith. It is interesting to note that in central Thailand a group of three temples built inside an enclosure contains several idols of Hindu of various sizes including those of a colossal Mahadeva and Many small images Parvati, Vishnu, Brahma and Padma.

16. Le. May, R, *The Culture of Southeast Asia*, London, 1954, pp-79-81.

17. *Ibid.*

Another building enshrining Ganesha has at least four statues of Shiva. In the third temple the altar had a large gilded linga surrounded by numerous brass statues of Shiva, Ganesha, Nandi, Narayana and Hanuman. Scholars trace the origin of these statues to Western India.¹⁸

In the field of language and literature, there are many words of Sanskrit and Pali origin in the Thai Language. The literature being essentially religious, is full of mythological tales of Buddhism and Hinduism. *Ramakien* or *Ramakirti* is the most exalted of literary works in the Thai language. Though there is a slight difference in the presentation of Thailand's the *Ramakien* and India's the Ramayana, yet basic history is the same. In India Hindu attach a religious significance to the Ramayana, but in Thailand, the state religion being Buddhism such a significance is held by the holy. *Tripitaka*. Thai classical dance and drama the *Khon* (masked play) and *Lakorn* derive their themes mainly from the *Ramakien* and the Mahabharata. The folk dances of Thailand remind us the Manipuri style of dance in India. The Thais are very fond of seeing Indian movies and they import Indian movies on a large scale. They translate the dialogue into the Thai language before seeing them. Indian movies attract huge crowds.

18. Raman, K.V. and other (eds.): Perspective of Indian Archeology, Art and Culture, Madras, 1983, P-221.

In Thailand both Hindu and Buddhist rites are observed. The ceremonies at which the Brahmins officiate are the coronation of the King, *Piti Rack-Na-Kuan* (a ceremony connected with ploughing), the tonsure ceremony and the swing ceremony.

The Brahmins perform most of the rituals relating to the coronation of the king. They conduct the *homa* (fire sacrifice). They also supervise the ceremonial bath, the elaborate preparation of consecrated water, purification and anointment. Then along with men of the highest rank they lead the king to the Octagonal Throne. During the actual ceremony of coronation it is the Chief of the Brahmins who hands the Great Grown of Victory and the royal regalia to the King. The chief of the Brahmins also takes precedence of all others in paying homage to the King.¹⁹ The King then receives benediction from the other Brahmins, who are the first to receive his commands.²⁰ The Buddhist benediction follows later in ceremonies in which the Brahmins take no-part.

The second important ceremony in which the Brahmins play an important role is *Piti Rack-Na-Kuan*. The king chooses the Minister of Agriculture to play the part of *Phya Rack Nah* (Lord of the Festival).

17. Bartlett, A. Bangkok's Brahman Priests, 1968, P-13.

18. Ibid.

The Brahmins give him a choice of three *Panungs* (lower garments). If he chooses the longest, rain is supposed to be abundant during the year. *Phya Rack Nah* ploughs a number of furrows and plants rice, which the farmers eagerly gather and plant with their own paddy seeds for good luck. The bulls that pull the plough during the festival are then presented with seven varieties of grain to eat, from the variety they choose, the Brahmins foretell the year's best crop. *Piti -Rack-Na-Kuan* is a national ceremony of Thailand. Both the king and his Ministers attend it. It is usually celebrated in the month of May.

The Brahmins play a similar important role in the tonsure ceremony. Now this ceremony is private one for princes between eleven and thirteen years of age. Lastly, there is the swing ceremony, which is celebrated each year during the second lunar month in the Vishnu Temple opposite Sao Ching-Cha on Dinsaw Road. Before the accession of king Mongkutl (1851-68) to the throne this was also a state ceremony. The Brahmins carry the image of Lord Vishnu and place it on a swing on this occasion. In India, too, the image of Lord Krishna is placed on a swing on the occasion of Janmashtami, the date of His birth. The ceremony is called '*Palana*' in Delhi

and Uttar Pradesh, '*Jhula Parva*' in Bihar and *Oonjal* or *Thottil* in Tamil Nadu. This ceremony is still widely celebrated all over India.

Some Thai festivals like *Sonkran* and *Loi Krathong* remind us of Holi and *Chhatha Parva* in India. On the occasion of *Sonkran*, which is celebrated in April every year, all the paraphernalia of Holi are followed. The only difference is that the Thais do not use coloured powder (*avir*), but they use water, mud, dust and other things. The streets in Thailand are full of jolly boys and girls participating playfully in this festival. On the occasion of *Loi Krathong*, which is usually celebrated in November, little lamps are set afloat on the water in the canals and rivers with great pomp and show. In India, too, on the occasion of *Chhatha Parva* in Bihar and Uttar Pradesh lights are found afloat even in small ponds. Patna (Bihar)'s *Chhatha Parva* is famous India for its illuminations and general participation.

The *Guru-Shishya* relationship, which is in sad desuetude in India, remains strong in Thailand. Every year on Thursday (associated with the Jupiter known as the teacher star) students make offerings to their teachers. This custom is known as *Wai Kru*, almost the same as the Sikh word for God *Wah-e-Guru*.

In India caste has never been more than an ideological screen behind which the idea of class remains hidden. As in India caste divides the society,

so in Thailand class divides the society. There are four important occupational classes: the rural agrarian-fishing class, the labouring class, the governing class and the commercial class – these group lines in some cases coincide with group divisions.

In India the *Jajmani* system bind together the different castes living in village or group of neighbouring village. The relationship between the *jajman* (patron) and his '*Kamin*' (client) is unequal as the later is regarded as inferior. Patron-client relationship is inherited and stable in India. In Thailand, the patron-client (class based) relationships and their modern equivalents still determine power, status, authority and the citizens' role in society. Powerful people (Patrons) in all walk of life often dominate their followers (clients) through unequal relationship.

In Thailand, after the birth of a child a soothsayer is called in an in the presence of an assembly of relatives, the horoscope of the child is drawn on and appropriate name selected-this ceremony is similar to '*namakaran*' ceremony of India . Custom of Thailand decrees that between the age of ten to thirteen, children should undergo the ceremony of headshaing (known as topknot cutting) as a formal proclamation of adolescence, which is similar to '*upanayana*' ceremony of Dwija in India. Again marriage is a religious aspect in Thai society, like India.

Besides customs, there are ethnic similarities. Ethnic *Ahoms* and ethnic *Thais* have same origin. They came from Southern China to India and Thailand respectively and they have linguistic and cultural similarities. 'Tai' and 'Thai' had the same route of migration and lived as a neighbour for long time, contacted frequently, shared affection by Buddhism, so they share a lot of features in culture which is strikingly similar.

The *Tai Ahoms* of Northeast India is one of the important branch of the great *Tai* race. Their ancestors ruled ancient China, which was then known as 'Chung-kuo', the middle kingdom. They are at present scattered in parts of China, South and Southeast Asia. The *Tai Ahoms* first established an independent kingdom of their own in the beginning of the 13 century A.D. called "*Mung Dun Hsum Kham*" under their king *Chao-Hsu-Ka-Pha*. That *Mung-Dum-Hsum Kham* has become the present Assam in India.²¹ The first king of the *Tai Ahoms* traces back their mythological history of *Chung-Kuo*, the so called ancient China. The ancestors of *Tai* race while living in *Tient-Kuo*, the Heavenly Kingdom of so called ancient

21. Gogoi, K.K: "Religions Culture of *Tai Ahoms*", Proceedings of the 4th International Conference on Thai Studies, 11-13 May 1990, Vol.III, Institute of Southeast Asian Studies, Kunming, China, P-386.

China adopted a Mahayana form of Buddhism before their migration to the South and Southeast Asia in addition to their old religious belief of Taoism and Confucianism.

The *Tai Ahoms* while came to Assam for carving out an independent land of their own in the first part of the 13th Century had brought with them the '*Phra-Lung*' cult along with their own religious rituals of Taoism and Confucianism.²² It is needless to mention here that the *Tai Ahoms* brought with them their own language culture and religion. But they did not impose their language religion and culture upon other tribes and sub-tribes who had lived in the *Tai Ahom* kingdom. The *Tai Ahoms* rather have respected the other local dialects, languages and culture and they had patronized assimilation of local culture and dialects in order to give birth to a language easy to understand and express for reciprocation between the Royal family and the other subjects. In this *Tai Ahoms* kings at later stage introduced the Assamese language as their court language, which becomes the lingua-franca of the different tribes and sub-tribes lived under their sway.²³

22. Ibid
23. Ibid

Thai people in the broad sense contains not only the *Thai* nationality in Thailand, but also the *Tai* nationality in China. Both of them have a common historical origius and specific cultural feature.

The language is one of the cultural expressions and the historical traces of the cultural phenomena having existed in the world should be found out in language. On the basis of this point of view, there is close cultural relationship between *Tai* and *Thai*. The *Tai* and the *Tahi* nationalities are from the ancient *Tai* tribe.²⁴

While *Tai* and *Thai* had the same route of migration and lived as a neighbour for a long time, contacted frequently, shared affection by Buddhism, therefore they share a lot of features in culture which has made them distinguishing from the other *Thai* people in a broad sense. The real meaning of *Tai* and *Thai* is only 'native people'. *Tai* culture cannot be separated from Buddhism and to restore Buddhism is to restore *Tai* culture.²⁵

The advent of *Tai* to the Brahmaputra Valley and the founding of a *Tai* kingdom in its south-eastern corner during the second quarter of the 13th century is an historical fact and is well documented.²⁶

24. Ibid

25. Ibid.

26. Phukan, J.N.: "The Ahoms: The Early Tai of Assam and Their Historical Relations with Yunnan", Proceedings of the 4th International Conference on Thai Studies, 11-13 May 1990, Vol.III Institute of Southeast Asian Studies, Kunming China, P-257.

The descendents to these *Tai* came to be known as '*Ahoms*' and their kingdom as Assam. They now live in several pockets in upper Assam and the eastern part of Arunachal Pradesh. These *Tai* are Buddhist of the Hinayana School.²⁷

The six centuries of *Ahom* rule forms a very distinct and significant phase in the history of northeast India. By scrupulously preserving their independence and integrity of Assam against the repeated foreign invasions from the Muslim powers of India, the *Ahoms* gave it a distinct political entity. By either absorbing or subjugating the frontier chiefs and minor tribes, they made themselves the paramount power of the region. In fact, the history of medieval northeast India is the history of the *Ahoms*.²⁸

The early *Tai* had their own political system, administrative structure, social institutions, religions, beliefs and customs, which they brought with them and maintained these in their new land. But with the incorporation of more and more people of Hindu faith speaking Assamese language. In the same way the non-*Ahom* people also adopted many cultural elements of the ruling people. this process continued and by the end of the 18th Century, the distinction between the *Ahom* and the local culture almost disappeared.²⁹

27. Ibid

28. Ibid

29. Ibid

The *Ahom* chronicles also bear reference to a state called *Mong Tai-la* or *Bi-Thi-La*, believed to be *Mithila* (Bihar).³⁰ The chronicles state that *Then Kham* was the king of this *Mong-Thi-La* state and much later it was ruled by *Pa-Meo-Pung*, the maternal uncle of *Siu-Ka-Pha*. *Mithila* was the Indian Buddhist name for *Mong-Khe* or *Yunansen Videha* (Wideharit) is another name also given to Yunnan. R.C. Majumdar writes that Yunnan was also called *Gandharva*. Its king had the title of 'Maharaja' and the people probably used an alphabet of Hindu origin and it was a great centre of Buddhism.³¹

30. Ibid

31. Ibid.

CHAPTER-III

ECONOMIC RELATIONS

The economic interaction is the most important aspect of bilateral relations and it is an important asset to promote mutual trust and understanding. The countries in the region attach significance to this aspect. After the signing of the Association of Southeast Asian Nations (ASEAN) on 8th August 1967, of the Foreign Ministers of Indonesia, Malaysia, Philippines, Singapore and Thailand economic cooperation amongst Southeast Asian States were institutionalized. A Declaration of Concord and a Treaty of Amity concluded in Bali in 1976 reaffirmed the willingness of the five countries to cooperate in a number of fields, despite historical, political legal, linguistic, economic, social and cultural differences. Presently all the ten Southeast Asian countries are the members of the ASEAN. India is a dialogue partner of ASEAN.

As the importance of ASEAN started growing, India in the mid-1970s tried to rediscover the economic relationship, which was bound to fail for two reasons. First, India's economic policies that were restrictive and inward-looking and supported import-substitution were in total contradiction

to those of ASEAN countries which pursued an open, market oriented export promoted development philosophy. India, in fact, actively discouraged the Indian private sector to invest abroad. Secondly, ASEAN, despite its public pronouncements of economic and cultural cooperation, was a political organization borne out of certain political conditions rather than economic exigencies.

India's efforts to normalise relation with ASEAN, both bilaterally and as a regional association, had limited success in the late '1980s. It is against this background that the then Prime Minister Narsimha Rao came to power and took some bold and far reaching initiatives to restore normal relations with ASEAN and the countries of Southeast Asia. His '*Look East Policy*' was well calculated and thought out. He saw the end of the Cold War as an opportunity to broad-base India's relations and to focus on countries which were our traditional and long standing friends of special importance to India.

Southeast Asia, under the ASEAN umbrella, had already become one of the new growth areas: countries like Thailand, Malaysia, Singapore and even Indonesia were making rapid strides.

1. Ram, AN: "Historical Perspectives", Seminar 487, March 2000, P-27

They were variously being described as newly industrialized countries (NICs) and success stories.¹ In the mid 1990s after joining ASEAN, Vietnam also showed what was possible given pragmatic policies and the right opportunities. ASEAN, in short, was seen as a model for India to emulate. ASEAN had also become a rapidly growing source of investments, technology, trade and tourism for India (see table 1). It was impossible for India not to take note of this dynamic region which offered a real opportunity and a new, diversified option.

Table-I

Recent Trends Pertaining to ASEAN-INDIA Trade

India's Exports (in million US \$)

Country	1993-94	1994-95	1995-96	1996-97	1997-98	% change
Brunei	0.38	2.16	6.93	6.26	2.08	-66.77
Indonesia	210.54	249.11	633.07	592.91	434.97	-26.64
Laos	0.21	0.11	0.31	0.41	0.64	56.10
Malaysia	221.62	257.01	375.75	531.98	480.78	-9.62
Myanmar	19.30	20.32	28.84	28.84	46.06	59.58
Philippines	52.19	89.19	137.85	185.55	235.56	26.95
Singapore	673.90	691.03	861.71	977.51	738.20	-24.48
Thailand	319.46	364.75	451.97	450.61	337.27	25.15
Vietnam	25.11	52.54	118.86	117.57	121.21	3.10
Total	1522.70	1726.22	2615.29	2891.64	2396.79	-17.11

India's Imports (in million US \$)

Country	1993-94	1994-95	1995-96	1996-97	1997-98	% change
Brunei	0.00	0.11	0.05	0.06	0.00	-100.00
Indonesia	107.23	289.07	440.71	608.98	729.07	19.72
Laos	0.00	0.53	NA	NA	0.01	
Malaysia	223.53	439.65	862.75	1030.91	1184.18	14.87
Myanmar	108.46	113.72	155.16	168.65	218.19	29.37
Philippines	5.33	10.56	20.52	16.76	27.85	66.17
Singapore	561.71	807.12	1064.00	1080.94	1186.80	9.79
Thailand	51.27	153.95	162.18	199.92	230.15	15.12
Vietnam	39.28	239.62	14.81	1.75	7.34	319.43
Total	1096.80	1854.33	2720.18	3107.97	3583.59	15.30

Source: WEF and AT Kearney Web Pages

ASEAN, too surfeit with capital and exportable goods and technology, was looking for new markets to further its growth prospects. Many ASEAN Heads of states had declared their intention of making their countries members of the 'richman's club' by 2020.² This vision needed to be translated through a pragmatic foreign policy in regard to potential

partners – China, and more recently India, for obvious reasons, being on top of the list. ASEAN found it of great interest to launch a '*Look West Policy*' of its own, primarily focusing on India.

The early 1990s were a propitious time for India to vigorously launch and pursue a policy of intensifying, deepening and expanding relations with the countries of Southeast Asia. At the same time, in some ASEAN quarters, there were still lingering reservations about India's reliability as a partner in view of the entrenched perception that India had failed the ASEAN countries during their most trying times. Mindful of the difficulties that existed about opening up, Narsimha Rao first wanted to dismantle the barriers and create a climate of confidence between India and Southeast Asia. His first visit abroad outside the Indian subcontinent after becoming Prime Minister was planned to Thailand, the closest ASEAN neighbour.

2. Ibid

The Thais took their own time to respond to this initiative but when the Rao visit eventually took place in April 1993, it was a resounding success. Both countries agreed to expand bilateral linkages in trade, investments, joint ventures, education, HRD, culture and the people to people level. In a symbolic gesture, visa fees were waived for Thai monks visiting India on pilgrimage. An India Study Centre, the first of its kind was inaugurated by Prime Minister at the prestigious Thammasat University and academic links were intensified. It was decided to increase slots for Thai students desirous of pursuing studies in India, research proposals were identified for implementation, political level dialogue between two countries was initiated and an ambitious trade target agreed upon.

So, Rao succeeded in opening new avenues for evolving a mutually beneficial partnership with Thailand. He was received by the king of Thailand and given an audience for nearly two hours. Much credit is due to Rao for his foresight and vision that led to our '*Look East Policy*' of which he was the unquestioned author and architect. He also made several short visits to other ASEAN countries during the next few years. This gave impetus and substance to the rapidly growing bilateral relations with ASEAN which was reflected at the regional level in India's evolving links

with ASEAN. He directed that special attention be paid to strengthening and deepening bilateral relations with ASEAN countries recognizing that at the regional level it is the sum total of bilateral interaction which would make us a desired partner.

India's *Look East Policy*, to a great extent, was propelled and conditioned by the difficult economic situation in the country in the early 1990's. India had unfortunately missed the first wave of economic reforms in the late 1970s and 1980s and failed to benefit from the ongoing process of globalization. Our economy was under great stress and strain and needed an infusion of new ideas, economic reforms, capital technology, a large dose of investments in socio-economic infrastructure and modernization. India's domestic and regional economic space was too constrained for a large country like India to grow in a rapidly globalized world economy.

An obvious and natural extension of India's economic space, it was perceived, was ASEAN which in the 1980s had emerged as a significant and promising growth area of the world. With a combined population of nearly 400 million today and a land area larger than India's, ASEAN's GDP is in the region of US \$ 400 billion;³ its exports, already significant, have grown steadily and are in the region of US \$ 220 billion;⁴ it is an important

destination for foreign investments and a major source of investments abroad.

In so far as India is concerned, in less than four years from 1992, our two way trade has more than doubled; in 1996-97, it stood at US \$ 6 billion and a target of US \$ 15 billion set for the year 2001 seemed attainable. From negligible investments in 1992, investment approvals from ASEAN upto 1997 were in excess of US\$ 5 billion (see table 2). In the reverse direction, ASEAN account for a significant proportion of Indian investments abroad. Significantly, the region has emerged as a promising growth area in trade, investments, joint ventures, tourism etc. The potential for increased cooperation, though immense, is largely untapped.

3. Ram. A.N.. Op. Cit P.28

4. Ibid.

Table-2

ASEAN Investments in India (in Million US \$)

Country	1991	1992	1993	1994	1995	1996	1997	Total approva
Brunei	0.000	0.00	0.000	0.00	0.00	0.00	0.00	0.00
Indonesia	0.00	0.54	0.11	0.00	89.51	10.71	2.20	103.67
Laos	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Malaysia	0.05	1.27	2.42	7.21	396.03	12.09	565.96	985.03
Myanmar	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Philippines	0.00	1.43	3.78	1.17	20.84	81.05	1.31	109.58
Singapore	0.39	17.20	19.07	7.59	283.15	91.362	231.69	650.45
Thailand	0.00	0.72	105.26	2.85	562.31	21.86	6.97	699.97
Vietnam	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.01
Total	0.44	21.16	130.64	18.82	1351.84	217.08	808.73	2548.71

: Source : *WEF and AT Kearney Web Pages.*

Just as for India, ASEAN has emerged as a major growth centre, for ASEAN, too, India was an attractive destination for export of goods, services, technology and capital. Faced with growing difficulties in accessing and sustaining growth in traditional markets, both players see opportunities to develop a mutually beneficial partnership.

The recent financial crisis in Southeast and East Asia, in fact, should have been seen as an opportunity for enhanced economic and commercial interaction. Unfortunately, India was slow to appreciate the nature and extent of the crisis and failed to make use of this opportunity to explore new avenues of partnership. While China and the other major regional powers not only demonstrated solidarity with ASEAN by providing financial support (*bailout package*) as also specific bilateral cooperation measures, India did not come up with any meaningful proposals.

The crisis could have hastened and helped ASEAN investment flows and trade with India. In the end ASEAN investments and trade with India actually decreased (as indicated in the tables).

It is precisely this rationale that hastened the process of India being invited to become a 'sectoral dialogue partner' of ASEAN in 1992 and thereafter in a relatively short period being elevated to full 'dialogue partner' status in 1996. Many ASEAN leaders openly conceded that they found India's participation in their activities very useful. The four areas of cooperation, viz, trade, investment, science and technology and tourism have since been enlarged and given content through the setting up of working groups on trade and investments and science and technology

A notable feature of cooperation in trade and investment is a study of India-AFTA (ASEAN Free Trade Area) linkages aimed at exploring enhanced trade and investment opportunities. Simultaneously, at the level of business and industry, an ASEAN – India Business Council (AIBC) and an India-ASEAN Economic Cooperation Committee (AIECC) have been functioning. Direct meetings between the business entities and industry associations of the two sides have been held regularly. The working group on science and technology has registered notable success and joint programmes have been evolved.

The setting up of an ASEAN-India Informatics Centre at India's initiatives and through Indian funding has opened up a potentially important area for Indo-ASEAN cooperation. The other areas of enlarged cooperation include human resource development, people to people contact, tourism and cultural and academic exchanges. That all this has been achieved in a short span of 5-6 years speaks for itself and demonstrates that both India and ASEAN look at this evolving partnership with hope and expectation.

India has also participated as a full member in the ASEAN Regional Forum (ARF) since 1996. ARF is an ASEAN driven regional security forum, which has as its members all the ASEAN countries and the major non- regional powers including the US, Russia, China, Japan, E.U. Australia,

Canada and India (there are at present 21 members). India's participation in the ARF meetings has largely been unspectacular though quite pragmatic. It has given us an opportunity to understand in the changed context ASEAN perspectives on strategic issues having economic and political ramifications as also explain our perspectives on major regional and other issues.

In order to understand India's relations with ASEAN, it invariably becomes necessary to keep in mind the earlier foreign policy of India and the changes that have been brought about since the early 1990's. For the first time, some signs of renewed activism became noticeable with a sense of purpose and diction being injected into India's foreign policy. These had been conspicuously absent since the late 1950s especially with regard to India's interaction with Southeast Asia. On the surface it may appear as though India is mired in domestic and South Asian regional issues, especially the Kashmir issue, the nuclear and ballistic missile question, but the quite diplomacy New Delhi has put into practice starting from the early 1990's in its relations with Southeast Asia have yielded more than satisfactory results. It is rather unfortunate that major diplomatic gains such as India becoming a full 'dialogue partner' of the ASEAN and a membership in the ASEAN Regional Forum (ARF) underpinned by strong economic factors that India have forget, have not received the kind of attention they

deserve. These are also a testimony to the fact that India has made remarkable progress in establishing closer political, strategic and economic links especially with the ASEAN countries, particularly in view of the fact that till recently India hardly figured in any discussion on or analysis of the Asia-Pacific region.⁵ It would not be an exaggeration to state that India is gradually emerging as an important power in the changing equation of the region and its views and actions as also its overall approach and policies will come under close scrutiny. It is expected that India will pay greater attention to the developments in this region so that it finds a rightful place for itself both in the economic as well as the strategic calculus of the Asia Pacific.

In some sense, the end of the Cold War was a good opportunity for India to seriously introspect and review its economic policies and relations with the external world. A greater economic orientation to the foreign policy since the early 1990s has been an important feature. Now that it has, by and large, been accepted that Indian economic liberalization programme will continue notwithstanding which political party (or parties) is at the helm of

5. Naidu, GVC: India and ASEAN, New Delhi 1998, P-33

affairs in New Delhi, this aspect of foreign policy is expected to acquire greater significance in the coming years. Creation of an Economic Division in Ministry of External Affairs under the charge of a senior diplomat (the rank of a secretary) and the talk of merging the Ministeries of Commerce and External Affairs are testimony of this fact.⁶ This, in turn, has been expected to facilitate the forging of closer links with countries of Asia Pacific. India's intense diplomatic efforts to become a member of the Asia Pacific Economic Cooperation (APEC) and the Asia-Europe Meeting (ASEM), considerably enthusiasm to create a South Asian Free Trade Area (SAFTA) by early next decade are some examples.⁷

It was against this background that one could see a dramatic transformation in India's approach and policies towards Southeast Asia. Towards a betterment of its relations with ASEAN, India adopted a multipronged approach with the aim of addressing a number of issues simultaneously on all major fronts, economic strategic and political under the rubric of '*Look East Policy*'.

6. Naidu, GVC, op. Cit. P.-37

7. Ibid.

Refurbishing of India's image as a responsible major power and convincing ASEAN that it has greater stake in peace and stability rather than extending its influence to fill the so-called power vacuum in Southeast Asia became an utmost priority. The emergence of ASEAN as an autonomous regional entity and the phenomenal economic success, these countries achieved further added to the urgency. By then, ASEAN, too, was responsive to Indian initiatives as the regional organization itself faced the trauma of an uncertain future in the midst of an unprecedented post Cold War atmosphere of political flux. The earlier Cold War image of ASEAN and India belonging to different political camps in the superpower dominated global bipolar system dissipated India from the ASEAN bloc of nations disappeared so that ASEAN could appreciate, understand and positively respond to Indian overtures. Although India took the initial steps, ASEAN could no longer ignore India.

From Indian viewpoint, trade with ASEAN has done exceptionally well witnessing the fastest rate of growth compared to any other region. Two way trade with ASEAN is already critical to India constituting nearly 16 per cent, though India's share in ASEAN's total trade is still miniscule. India is yet to emerge as a major trading partner of ASEAN. India would have to address this imbalance.

In pursuit of our extended neighbourhood policy in 1997, India had made a good beginning in sub regional cooperation with some immediate neighbours in the Bay of Bengal region. This nascent cooperation arrangement involving two countries of ASEAN, viz. Thailand and Myanmar and three countries of SAARC, viz. Bangladesh, Sri Lanka and India, called BIMSTEC, was meant to explore and optimise cooperation in trade, transport, tourism and infrastructure by developing sub-regional linkages and synergising opportunities on the basis of mutual advantage and complementarity.

This is a sound approach and needs to be pursued more actively. Here again, our authorities have failed to grasp the importance of sub-regional cooperation and follow up on some agreed upon arrangements at the 1997 meeting of BIMSTEC ministers. Our initial response to such proposals as the setting up of a regional airline, shipping services and connecting the region by a road network has been hesitant and slow. The other sub-regional SAARC grouping involving India Bhutan, Nepal and Bangladesh, has also failed to take off effectively.

A financial crisis sparked by a decline in the value of Thailand's 'Baht' swept across Southeast Asia in 1997. The financial crisis, perhaps, had the power to turn Thailand – the "*fifth tiger of Asia*" – into an "*ill kitty*".

From July 1, to September 1, 1997, Thailand's 'Baht' depreciated by more than 33 per cent.⁸ The currencies of Indonesia, Malaysia and the Philippines have all seen a depreciation of 14 per cent.⁹

Many factors have contributed to the crisis, which fundamentally originated as a result of unbalanced economics in Southeast Asia. First, with the breaking up of "real estate bubbles" (economics mainly based on such industries as real estate or tourism) and the increase in bad or inactive accounts, the financial base of these countries and especially that of Thailand, has grown seriously eroded.

Second, most Southeast Asian countries have maintained a single trade structure that can easily lead to weak export power and a sharp decrease in exports, thereby destroying the equilibrium of payments. For example, a sharp decrease in international market demand for electrical products brought about a slide in Southeast Asian countries' exports.

8. New Age Weekly, October 12-18, 1997

9. Ibid.

Third, most Southeast Asian countries have a poor financial base, an improper exchange- rate policy and a backward financial adjustment system. As the increase in Bank loans grows faster than increase in bank deposits, the financial base is further weakened.

Furthermore, with the rising conversion rate of US dollars in the international market and an unfavourable balance of current account in the domestic market, some Southeast Asian countries did not adjust their exchange rate systems in time and suffered from heightened inflation.

The financial crisis in Southeast Asia provides warnings for countries with newly developed markets. First, the opening of new capital markets must be done prudently regarding international short term capital speculation. Most countries with newly developed markets have defects in micro-economic and financial agency management. For the time being, short-term capital of as much as US \$ 1,500 billion¹⁰ has been speculated into markets across the world by way of modern communications, technology and this seriously threatens the financial stability of these countries.

10. Ibid.

Second, a mechanism to guard against financial risks should be set up so that risks can be minimized in time. Third, economic structures should be thoroughly adjusted so a 'bubble economy' can be avoided. Fourth, a sufficient evaluation of the global and regional economy is needed to prevent a situation in which "a world without national boundaries may turn into a place where the weak fall victim to the strong".¹¹

The Southeast Asian currency crisis follows in the wake of the twin liberalizations: the liberalization of the domestic financial system and the opening of the capital account. In the case of Thailand, these liberalization efforts began in 1990.

In the agro-based economy of Thailand, agriculture is the main source of livelihood and it employ 77 per cent of the labour force.¹² Rice is the major and staple food crops, rubber and coconut are the chief cash crops. Most of the farms in Thailand are owned and cultivated by small scale farmers. But many of these farms are modest plots and their owners work as tenants or employees on other farms. Agricultural techniques are primitive and labour-intensive.

11. Ibid.

12. Debey, TN: India and Thailand: A Brief History, 1990

The use of modern techniques and equipment's are being used in the agricultural sector. Thailand is one of the world's largest exporters of rice.

Industrialization in Thailand is very less, there is virtually no heavy industry, the most important industries are textiles and the processing of agricultural products.¹³ Thai economy is relatively free of controls on private enterprise, that is common in other developing countries also. Government funds have been directed to private enterprise projects, but despite the governments commitment to private enterprise, there is relatively large public sector known as the '*Ratwisahakit*',¹⁴ the concentration of economic and political power within a small elite group and relative freedom from economic control are the two factors that have helped to create a favourable climate for foreign investment.in Thailand.

Thailand and India have not enjoyed the best of bilateral relations during the past four decades, despite the common heritage of Buddhism. During the Cold War divide, India was close to the Soviet Union and Thailand moved closer to the U.S. incurring the wrath of China and involved its troops in the Vietnam War on the side of the Americans.

11. Ibid.

12. Ibid.

A happy features of all these years, however, has been the fact that despite the not so happy relations, trade and commerce have continued. Indian companies ventured to set up plants in Thailand even 25 years ago, recognizing the potential and utilizing the opportunities in an economy that was opening up fast. The thaw in Indo-Thai relations came with the end of the Cold War and the sweeping changes in international relations.

Despite years of India's imminent disintegration into a squawking headless mess since the country became Independent in 1947, signs of economic changes have been visible everywhere.

The combination of Thailand's high growth profile and India's diversified industrial and agricultural base, technological capabilities and human resources provide a sound basis for mutually beneficial economic cooperation. Negotiations would begin soon for an early bilateral investment promotion and protection agreement. It was also agreed that a Memorandum of Understanding in the agricultural science and technology, agribusiness and environmental science should be expedited. A substantive discussion by a Joint Working Group would soon begin on concluding an agreement in the fisheries sector. Given the sensitive nature of this sector and the involvement of the livelihood of the fisherman in the eastern coastal states from West Bengal to Tamil Nadu, the Government of India has already set-

up a Committee to examine all aspects of a treaty with Thailand in the fisheries sector.

In November 1993, talks in New Delhi, occasioned by the second meeting of Thai – Indian Joint Commission emerged in the eyes of many officials as a coming together of long lost friends. Bilaterally, Thailand and Indian agreed to set up a sub-committee on fisheries in what was seen as a compromise formula. Two countries signed a Memorandum of Understanding. On the private sector level, The Thai Board of Trade (BOT) and the Federation of Indian Chambers of Commerce and Industry (FICCI) – which met in parallel with the government to government Joint Commission – agreed to come together to strengthen their economic ties.

In June 1997, the Bang Pakong Industrial Park Public Cooperation, a member of the Amata Group has signed an Memorandum of Understanding with the Orissa Industrial and Infrastructure Development Corporation to create an industrial park in the state.¹⁵ Two of the Thailand's bank had opened branches in India – the Siam Commercial and the Krung Thaik bank in 1995 and 1994 respectively.

15. National Herald, New Delhi, June 16, 1997

India – Thailand Joint Commission o Bitateral Cooperation was set up in 1889 to discuss about the cooperation in trade, investment, fishery, science and technology, culture and aviation. In its second meeting in 1993, a three – day visit of Indian Prime Minister Narsimha Rao to Thailand was of greater moment that is generally realized.¹⁶ In the past India had never entertained any great inclination to get closer to her nighbours in Southeast Asia and Rao’s visit not only enabled the two countries to exchange idea, but also resulted in substantial gains in terms of trade and commerce. Already, in their initial statements, Rao and his Thai counterpart Chuan Leekpai agreed to promote trade between the two countries by identifying specific areas of economic cooperation. The Thai Prime Minister’s support to India’s efforts to become a full ‘dialogue partner’ of the ASEAN was another welcome sign, for the ASEAN represents a splendid example of regional cooperation, quite unlike the SAARC, which has become something of a platform for mutual bickering. All of this was of a piece with the globalization of Indian economy, which has been stressed by the Prime Minister in his initial talk with his Thai counter part.

16. News Times, Hyderabad, April 9,1993.

In the third meeting of India – Thailand Joint Commission on Bilateral Cooperation, held in January 1996, Indian’s External Affairs Minister Pranab Mukherjee cochaired with his Thai counterpart Kasem S. Kasemsiri. During the meeting, the two sides exchanged the Instruments of Ratification of the Maritime Boundary Agreement between India and Thailand. The External Affairs Minister also addressed a gathering of eminent scholars, senior level officials and prominent businessmen of Thailand, on “Trade and Economic Potential between India and Southeast Asia”.¹⁷

This was very relevant component of the visit, considering that Indo-Thai businessmen have helped create an environment which would encourage the trade and investment interaction between the two countries. Besides enhancing India’s business image in Thailand through their phenomenal success stories in the country which is now second home to them, many of them, such as Kirit C. Shah of the G P Group. Shivnath Raj Bajaj and other have begun investing substantiatively in real estate in India (see tables 3,4 and 5). India born businessmen in Thailand have prospered in the country of their adoption.¹⁸

17. Fanancial Express, Bombay, January 5,1996

18. Ibid

Table-3

Approved Thailand's Investments in India

(US. \$ million)

1991	92	93	94	95	96	Total
0.00	0.97	120.82	3.18	606.93	21.60	753.50

Source: Monthly SIA Newsletter (New Delhi: India Investment Centre)

Table- 4

Indian Joint Ventures in Thailand

(Rs. Million)

Upto Dec. 95

Jan. – Dec. 96

No.	In Operation	No.	Under Implementation	No.	In Operation	No.	Under Implementation
10	156.0	14	260.3	24	416.3	3	1.6

Source: *India Investment Centre*

TABLE -5

India's Trade With Thailand

1990	91	92	93	94	95	96
Export/Import	Ext/Imp.	Ext/Imp.	Ext/Imp.	Ext/Imp.	Ext/Imp.	Ext/Imp.
201/62	199/49	242/67	318/54	374/146	461/146	570/264

Source; *IMF Direction of Trade Statistics Year Book 1997*

S.S. Mahansaria, Executive Director of the Birla Group of Industries in Thailand, which launched its industrial activity in Thailand with the commencement of its synthetic yarn unit way back in 1969, points to the factors which have attracted Indian businessmen to set up shop in Thailand is “the single window clearance system that operates very effectively here. All needs to do is approach the Board of Investment of Thailand and I can expeditiously get all the concessions and permissions to set up a unit here”¹⁹ India could take some tips from this Thai model of encouraging investors and entrepreneurs.

19. Ibid.

CHAPTER-IV

BIMST-EC

Thailand took the initiative in 1995 to propose a sub regional economic cooperation grouping involving countries in its neighbourhood. The proposal originally centred around Thailand, Sri Lanka and India and was later expanded to Bangladesh and Myanmar. The sub regional economic cooperation grouping BIST-EC (Bangladesh- India- Sri Lanka – Thailand Economic Cooperation) was formally launched at a Ministerial Meeting held in Bangkok on June 6, 1997. It was a historic moment and a milestone in sub-regional cooperation. The significant aspect was the cordiality and near-unanimity in the discussions and decisions. That is why, it was considered crucial to keep the group small, yet started with key pilot projects, demonstrate the success of the spirit of cooperation and then expand at a comfortable pace.

A Special Ministerial Meeting of BIST-EC took place at Bangkok in December 1997. Myanmar was formally admitted to the grouping, which was renamed BIMST-EC.

The aims and purposes of the BIMSTEC, identified by the Ministerial Declaration,¹ are:

1. To create an enabling environment for rapid economic development through identification and implementation of specific cooperation projects in the sectors of trade, investment and industry, technology, human resource development, tourism, agriculture, energy and infrastructure and transportation.
2. To accelerate the economic growth and social progress in the sub region through joint endeavours in a spirit of equality and partnership.
3. To promote active collaboration and mutual assistance on matters of common interest in the economic, social, technical and scientific fields.
4. To provide assistance to each other in the form of training and research facilities in the educational, professional and technical spheres.
5. To cooperate more effectively in joint efforts that are supportive of and complementary to national development plans of Member States

1. Declaration on the Establishment of the Bangladesh -India - Sri Lanka- Thailand Economic Cooperation (BIST-EC), Bangkok, June 6, 1997.

which result in tangible benefits to the people in raising their living standards, including through generating employment and improving transportation and communication infrastructure.

6. To maintain close and beneficial cooperation with existing international and regional organizations with similar aims and purposes.
7. To cooperate in projects that can be dealt with most productively on a sub-regional basis among the BIMST-EC countries and that make best use of available.

BIMST-EC observes some principles in all its activities. Cooperation within the BIMST-EC is based on respect for the principles of sovereign equality, territorial integrity, political independence, non-interference in internal affairs, peaceful co-existence and mutual benefit.² Cooperation within the BIMST-EC constitutes an additionality to and not be a substitute for bilateral, regional or multilateral cooperation involving the Member Countries. Member countries of the BIMST-EC share a primary

2. *ibid.*

responsibility for strengthening the economic and social stability of their sub-region and ensuring peaceful and progressive national development.

The economic and Trade Ministers of BIMSTEC met in Bangkok on August 7, 1998 at the invitation of the Thai Commerce Minister, Dr. Supachai, India was represented by Commerce Minister, R.K. Hegde. The meeting of the underlined BIMSTEC's substantive economic agenda and marked a significant step towards further institutionalization of BIMSTEC cooperation. Senior Economic Officials Committee (SEOC) was established. The responsibilities for the various sectors identified for cooperation were delegated amongst the five countries, as follows:

- Bangladesh – Trade and Investment
- India - Technology
- Thailand - Transport and Communication
- Myanmar - Energy
- Sri Lanka - Tourism and Fisheries

BIMSTEC is significant in that it adds a new dimension to *India's 'Look East' Policy* and Thailand's *Look West' Policy* as well as the Asian

paradigm of cooperation. Thailand's relations with India have been further strengthened with the creation of regional economic grouping, BIMSTEC.

BIMSTEC is an odd name for an Regional economic Group. Indeed, there is no Regional Economic Group anywhere in the world which is named of each of its member countries. This is an untidy formula which has forced BIMSTEC to change its name at least once, from BISTEC, when Myanmar joined it.

The defining feature of the BIMSTEC is that its members are the rim economies of the Bay of Bengal Community (BOBCOM), there is good reason to include the two landlocked countries in South Asia which are completely dependent on the Bay of Bengal for their national economic needs – Nepal and Bhutan. In this case, BIMSTEC or BOBCOM becomes SAARC (South Asian Association for Regional Cooperation) *minus* Pakistan *plus* Myanmar and Thailand. India, Bangladesh, Myanmar, Singapore, Sri Lanka and Thailand should come closer and create the Bay of Bengal Community to facilitate speedier trade liberalization and increased, intra-regional capital flows within such a community.

CHAPTER –V

CONCLUSION

As in the case of other countries of Southeast Asia, India had a certain sentimental attachment for Thailand – which looked to India as ‘*Grandmother India*’. The culture of India had influenced the culture of Thailand and this could be seen from Thai temple, scripture, painting etc. The Thai language and many Thai institutions trace back their ancestry to India.

In his classic treatise, “*The Indianized States of Southeast Asia*”, the French historian and doyen of Southeast Asian Studies, G. Coedes describes much of Southeast Asia and Indochina as ‘*Indianized*’ states, where two great civilizations of Asia, the Chinese and the Indian, merge and converge in unique harmony. Coedes calls this area ‘*Farther India*’.

The same thought, in a different context, is echoed by historian K.M.Panikkar, who in his brilliant exposition, “*India and the Indian Ocean*”, speaks about the influence of the Indian Ocean on the shaping of Indian history. For Panikkar, “the geographical imperative of the Indian Ocean has conditioned and shaped the history and civilization of this (Southeast Asian) subcontinent. The importance of geographical path on the development of history is only now receiving wide and general recognition”.

The Southeast Asia has always been an integral part of the Indian consciousness is borne out by the fact that the countries of Southeast Asia so comprehensively embraced Buddhism in all its aspects. This spiritual and cultural affinity became an inseparable part of their ethos and way of life.

There is no doubt that in relating to our Asian neighbours both cultural and economic factors play a role. In Thailand, senior Thai Officials and diplomats openly refer to '*Buddhist Diplomacy* and *Buddhist Tourism*' as important factors in their relations with India. However, in rediscovering Asia to its East, India has given a primacy of place to economic relations. Indians interact both economically and culturally on a regularly basis and have done so for a reasonably long period of historical time. Admittedly, there is a history to this geography and the geography itself changes as we go back in history from the British Empire to the Mughal empires and further back to the many seafaring empires of the peninsula.

In building new bridges of understanding and trust, the economic factor appears to be the most promising. Like India, in the agro-based economy of Thailand, agriculture is the main source of livelihood. The combination of Thailand's high growth profile and India's diversified industrial and agricultural base, technological capabilities and human resources provide a sound basis for mutually beneficial economic

cooperation. Thailand's *Look-West Policy* is very much in tune with India's *Look-East Policy*.

The conceptual basis of the *Look West Policy* of Thailand is to cope effectively and efficiently with the rapid changes in the international political and economic environment in accordance with the reality of the Post Cold War era. The *Look West Policy* is also derived from the fact that Thailand recognises promising economic potential of other regions beyond Southeast Asia. The target states are countries in the regions of South Asia, the Middle East and Africa. The main objectives of the *Look West Policy* are to strengthen the existing bilateral relations with the target states and to seek potential markets and investment opportunities overseas and to promote foreign investment in Thailand.

One of the major features of the Post Cold War India's foreign policy is the so-called *Look East Policy*, in which Southeast Asia, especially the regional organization, ASEAN, has been identified as central to India's policy in the Asia Pacific. India seems to be adopting a three-pronged approach in its *Look-East Policy*: first, to renew political contacts with the ASEAN member nations, second, to increase economic interaction with Southeast Asia (trade, investments, science and technology, tourism etc) and three, to large defence links with several countries of this region as a means

to strengthen political understanding. India has been fairly successful in all these three aspects.

It is not so that Indian interest in Southeast Asia or Far East (China, Japan, Pacific) or Australia or New Zealand was nil or negligible before the arrival of the so-called *Look East Policy*. In international relations, no country in the second half of the 20th Century can afford to remain isolated and that too after experiencing a World War which embraced virtually the entire world.

The first seeds of *Look East Policy* can be said to have been sown even before India became free, but somehow, due to Cold War, the initiatives taken in the mid forties, Late forties and fifties never were taken to their logical end. The convergences and dissonance in Indian Southeast Asia relations was determined by four factors India's general foreign policy concern, that is, maintenance of its autonomy and territorial integrity, its variable relations with the major powers (U.S., U.S.S.R. and China), its close understanding with the Indo-China part of the Southeast Asian regional and its Post Cold War concern to align its foreign policy to the requirements of its newly reformed economic policies. Tracing the background of the part, unfortunately India's relations with the economically and strategically important Southeast Asian region were marred by whims

and fancies of individuals tinged at times with total lack of understanding and insensitivity. Hence one could see the pendulum swinging from one extreme of over-enthusiasm to another extreme of benign negligence.

India's links with Asia to its East are ancient and civilizational. Yet two centuries of European colonialism and a near half century of the Cold War have weakened this ancient link. The end of the Cold War, India's own increasing outward economic orientation and the view that in the emerging multipolar world many Asian Powers, particularly China, Japan, Korea and the ASEAN nations are likely to be important players, has shaped India's renewed eastward journey.

The one region where India's foreign policy has been extremely successful in the last few years, is Thailand, but unfortunately it has now received the attention it deserves. If India plays its cards carefully, Thailand can emerge as a success story in the Indian diplomacy in the coming years. India's dialogue partnership with ASEAN, its membership of the ARF and BIMSTEC and its involvement in the *track two* process are symptomatic of greater involvement in this region.

India along with other countries contributed to the growth of the cultural and racial mosaic that Thailand is. A culture is not born, it is a complex phenomenon fed by the streams of other civilizations coming from

different lands at different point of time in manifold ways through various agencies. The process is continuous one and is transmitted from one generation to another. The Indian civilization was itself fertilized with elements flowing from the Austric, Indo-Aryan, Persian, Greek, Central Asian, Mongoloid, West Asian and other components of culture at various points of history, with the Europeans leading their quota at the last stage. The people of Southeast Asia, too have received Austric, Mongoloid, Indo-Aryan, Perso- Arabic, European transfusion of culture at different points of time in the march of its civilization.

Historical and geographical linkages between India and Thailand strengthens the social and economic relations between these countries. Religion plays dominant role in maintaining the interaction between India and Thailand. Buddhism is a permanent asset in Indo-Thai relations.

The most basic reason to India's deep impact on the cultural developments in Thailand for centuries lay in the fact that Thailand had a relatively under developed economy and social organization. This explains the nature and extent of the success that religions like Buddhism and Brahminism, Indian social institutions, methods of production, way of life and pattern of behaviour, literatures and languages, art and architecture, etc

had once achieved in this region. In brief, a relatively more advanced social economy operated in a stagnant and digressed socio economic area.

Our emphasis on Indian cultural influence on Thailand has very often proved self-defeating. This cultural factor sometimes provokes reactions. Whatever the history of cultural interaction between India and Thailand, it is an exaggeration to maintain that the culture of Thailand is derived from India. Such a claim, which the Thai elite never Publicly endorse, only convicts us in their eyes of nurturing a superiority complex of cultural imperialism. It is also galling to their national pride of regional consciousness. We can legitimately say that we share common cultural traditions, ideas and the way of life. There is a family resemblance that we understand each other, that we react alike in a given situation. Hence, India has deep rooted socio-cultural interaction with Thailand and this is an asset in promoting economic strategic and political relations in the 21st Century.

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