

## Malaysia's Role as ASEAN Chair in ASEAN – India Cooperation: An Analysis of Sustainability and Inclusivity

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### **ABSTRACT**

*This article analyses Malaysia's role as the 2025 ASEAN Chair in advancing the ASEAN-India partnership with the focus on sustainability and inclusivity. Using a liberal institutionalism theoretical framework, the study highlights how Malaysia as a middle power and founding member of ASEAN can utilize institutional mechanisms to enhance strategic cooperation with India. The study employs a qualitative method, desk based approach using secondary data from scholarly literature, official ASEAN reports, Malaysian government reports, policy documents and the news. Key areas explored include Malaysia's capacity to shape the ASEAN agenda, the role of ASEAN institutions in promoting regional integration and the significance of Malaysia-India relations the broader context of ASEAN-India cooperation. The findings suggest that Malaysia is well positioned to promote inclusive economic growth and sustainable development within ASEAN, while leveraging India's strategic and economic strengths. This paper concludes that liberal institutionalism provides a robust framework for understanding how Malaysia's leadership could institutionalize ASEAN-India cooperation beyond traditional economic diplomacy.*

**Keywords:** ASEAN-India relations, liberal institutionalism, sustainability, inclusivity, middle power diplomacy

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### **INTRODUCTION**

The Peace of Westphalia in 1648 laid the foundation for the emergence of the modern nation-state system, replacing the dominance of city-states and empires. Prior to this treaty, the international structure was largely governed by imperial rule, characterized by vast territories under the direct authority of emperors or monarchs (Croxtton, 1999). At that time the notion of statehood based on fixed territorial boundaries had not yet taken form as imperial domains were ruled centrally by sovereign monarchs. The population within these empires was typically unified through political

structures particularly colonial policy. However, the sustainability of imperial conquest gradually diminished with the rise of national consciousness among the colonized populations. Consequently, the international system began to transition toward the nation-state model as we know it today. Former colonies gained independence from their colonial rulers, leading to a more complex and decentralized international political system. The newly established nation-states, driven by varying forms of nationalism emerged as primary actors in international affairs. This evolution introduced heightened competition and conflict, given the frequent clashes between divergent national interests.

Southeast Asia is one such region that experienced centuries of colonial rivalry with nearly all of its territories having been subjected to colonization except for Thailand (Lee Jun Jie, 2018). Modern states such as Malaysia, Indonesia, Singapore, the Philippines, Brunei, Vietnam, Laos and Myanmar were all once under the rule of various colonial powers. The legacy of colonization has had a profound impact on the governance and administrative systems of these states, where colonial frameworks were often adopted as models in shaping the structures of post-independence nation-building (Go, 2010).

Recognizing the anarchic nature of the international system, post-colonial Southeast Asian states began to consider the importance of establishing a regional organization to manage their shared interests as neighboring nations. This initiative arose from the security dilemma confronting newly independent states, which feared external threats from the broader international system that could undermine their sovereignty and national security. Lacking robust defense capabilities these states turned to diplomacy as a means of safeguarding their sovereignty and advancing their national interests. Diplomacy, in general is perceived as a process of negotiation and cooperation between actors to reach mutually acceptable outcomes. In contemporary international politics, interdependence has become a defining feature compelling states to engage with one another (Ramli & Kamarulnizam, 2019). This reality, along with other domestic challenges such as political instability, ethnic fragmentation, and underdeveloped economies prompted newly independent states to initiate the formation of regional organizations (Tarling, 1993).

The Ideological rivalry between democracy and socialism during the Cold War further motivated pro-Western states such as Malaysia, Singapore, Thailand, Indonesia, and the Philippines to establish a regional organization. This aligns with the view of Eric Brahm, who contends that the establishment and evolution of regional organizations cannot be separated from the influence of international organizations. During the Cold War era, regional bodies served as substitutes for international organizations such as the United Nations (UN), which was often ineffective in resolving conflicts due to the dominance of great powers within the Security Council. Consequently, then UN Secretary General, Boutros Boutros-Ghali supported the formation of regional organizations to address Cold War era conflicts more effectively. This policy emerged from the recognition that the UN possessed limited influence in developing the human capital necessary for peacebuilding efforts (Brahm, 2005).

To address the uncertainty and potential threats in the region, countries such as Malaysia, Singapore, Thailand, Indonesia and the Philippines reached a consensus to establish a regional organization known as the Association of Southeast Asian Nations (ASEAN) on 8 August 1967 through the Bangkok Declaration. The declaration was signed by Malaysia's Deputy Prime Minister Abdul Razak Hussein, Indonesia's Foreign Minister Dr. Adam Malik, Thailand's Foreign

Minister Thanat Khoman, the Philippines Secretary of Foreign Affairs Narciso Ramos and Singapore's Foreign Minister S. Rajaratnam (Mokhtar A. Kadir, 1991). In this context, Malaysia as one of the first nations to recognize the value of regional cooperation, concluded that the security of Southeast Asian countries could not be assured as long as they remained divided and pursued individual paths. Regional unity was seen as essential for achieving comprehensive development and reducing dependency on major powers.

### ***Problem Statements***

This study seeks to examine the interrelationship between Malaysia's leadership through its ASEAN Chairmanship in 2025 and India's role as a strategic partner in enhancing economic, trade, social and strategic development across the Southeast Asian region. The current international structure is increasingly shaped by the rivalry between two major global powers the United States and China posing a challenge for ASEAN to navigate regional affairs without becoming entangled in their geopolitical contestation. In this context, Malaysia as the ASEAN Chair in 2025 is expected to play a critical role in ensuring that ASEAN derives substantial benefits particularly in the realms of economic and social development. At the same time, fostering closer ties with India offers a valuable alternative partnership beyond the traditional alignments with the United States and China. As noted by Datuk Ramesh Kodammal, Founder of the ASEAN-India Business Council on 6 March 2024, the relationship between ASEAN and India is crucial for addressing regional and global security concerns. Both ASEAN and India must strengthen their cooperation in promoting stability and security across the Indo-Pacific region and its surrounding areas.

## **THEORETICAL FRAMEWORK**

A theoretical approach is essential for guiding the understanding of complex issues within the discipline of International Relations. To achieve greater clarity and to identify viable answers and solutions to the questions posed in this study, liberal institutionalism presents a highly relevant theoretical lens for examining Malaysia's role as ASEAN Chair in the context of ASEAN-India cooperation. This theory elucidates how regional institutions such as ASEAN serve as key platforms that facilitate cooperation among member states and external strategic partners in pursuit of mutual goals and win-win outcomes. As Keohane (1984) argues, institutions not only enable cooperation in an anarchic international system but also reduce uncertainty, create stable expectations, and lower transaction costs in inter-state relations.

Malaysia's ASEAN Chairmanship represents a significant responsibility for the country in ensuring that ASEAN's strategic objectives are realized, while also strengthening the region's resilience against the influence or exploitation of major powers such as the United States and China. Within the liberal institutionalist framework, the Chair of such an institution assumes the role of institutional leadership tasked with coordinating collective actions through pre-existing norms and structures (Acharya, 2014). ASEAN's normative framework known as the "ASEAN Way" must be preserved but Malaysia's approach as Chair in 2025 should also prioritize sustainable development and inclusivity as central pillars of regional cooperation.

Sustainability and inclusivity have become Malaysia's guiding principles in its ASEAN leadership strategy taking into account the increasingly competitive global environment and the likelihood of economic and geopolitical uncertainty emerging from the ongoing shift from a uni-

multipolar to a multipolar world order. As a middle power in international politics, Malaysia has consistently demonstrated an active diplomatic role in promoting peace, security, and prosperity through multilateral engagement. The country's contributions to United Nations peacekeeping operations serve as evidence of its commitment to upholding international mandates and maintaining global peace and security. Malaysia is also committed to continued active participation in international dialogue and multilateral efforts to find peaceful solutions to global issues through platforms such as the United Nations and various global forums. Malaysia firmly adheres to the principles of inclusive engagement and cooperation, while rejecting isolationist and unilateral actions (Prime Minister's Office, 2019).

The ASEAN-India partnership is governed by various institutional mechanisms, including the ASEAN-India Summit, the ASEAN-India Plan of Action (2021–2025) and the ASEAN-India Green Fund. Through the liberal institutionalist lens, this cooperation is understood not merely in terms of short-term strategic gains, but in relation to long-term objectives such as interdependence, norm-based trust, and collective development (Keohane & Nye, 2011). Moreover, institutions do more than align national aspirations they also facilitate and enforce compliance with international agreements made between states (Martin & Simmons, 1998). Institutions help build long-term commitment and trust, as reflected in Malaysia's ongoing efforts in clean energy development and digital transformation under ASEAN-India cooperation.

Institutions such as ASEAN also serve as diplomatic channels that enable states to mitigate security dilemmas caused by the anarchic nature of the international system, through the establishment of shared norms and structured diplomatic interaction (Milner, 1992). Hence, ASEAN plays a pivotal role in coordinating cooperative actions among its member states. Although ASEAN operates without binding treaties, it continues to embrace a spirit of collaboration anchored in the core principles of liberalism.

## RESEARCH METHODOLOGY

The methodology employed in this article is grounded in social science research design, specifically utilizing a qualitative research approach. For the purpose of this study, the author adopts secondary data collection methods to obtain a comprehensive background and conduct in-depth analysis of all relevant aspects pertaining to the research topic. The secondary data were gathered from a range of existing sources including scholarly articles, journal papers, conference proceedings, official government and ASEAN reports, academic books, as well as official websites of both governmental and ASEAN institutions. These secondary sources serve as essential references for developing the theoretical and conceptual frameworks underpinning the study. Their use allows the author to construct a well-informed analysis based on existing academic and policy-oriented literature related to Malaysia's ASEAN Chairmanship and ASEAN-India cooperation.

### *Regional Organization as a Set of Shared Interests Among Member States*

Established in 1967, the Association of Southeast Asian Nations (ASEAN) has become a pivotal regional organization that significantly contributes to the stability of Southeast Asia. Since its inception, ASEAN has expanded to include all Southeast Asian countries, now comprising ten member states. Myanmar, Laos, and Cambodia were among the last to join ASEAN in 1997 (Lee Poh Ping, 2009). Over time, ASEAN has evolved beyond its early pro-Western image by

prioritizing multilateral cooperation among its members and adopting a neutral stance in international affairs. The inclusion of Southeast Asian countries has positively impacted both the organization and its member states. Although ASEAN is not a defense pact, its collaboration in political, economic, social, and educational spheres has generated long-term benefits for all members. This has also supported the emergence of Southeast Asian nations as influential middle powers in the international system.

Economic development and political stability among member states have attracted significant international investment, thereby opening new markets across ASEAN. Furthermore, ASEAN actively engages with major global powers to stimulate economic growth, demonstrating the organization's substantial and positive role in advancing the interests of its members (Hisyam Basabah, 2019). The close cooperation among ASEAN countries has contributed meaningfully to preserving the region's autonomy and reducing dependency on external powers. Even countries like Singapore and the Philippines historically aligned with the United States now advocate for a consensus-based approach among all members to preserve the region's independence and neutrality, irrespective of global power shifts. ASEAN's diplomatic prudence in navigating political and economic pressures has been critical to its continued relevance. As a coalition of small states in the international political arena, ASEAN employs a "hedging" strategy asserting its relevance while avoiding alignment through "bandwagoning" with major powers. This approach mirrors Malaysia's own foreign policy of maintaining balanced relations with all global powers in pursuit of national interest (Acharya, 2014).

As a regional organization comprising ten member states, Malaysia, Indonesia, Thailand, the Philippines, Singapore, Brunei, Vietnam, Cambodia, Laos, and Myanmar ASEAN's collective cooperation has been continuously strengthened to promote regional development. Each member state maintains distinct national interests, expressed through their respective foreign policies, aimed at maximizing national benefits. The concept of a "region" may be defined as a structure, process, and system that aims to achieve greater alignment within a specific international area, encompassing economic, political, security, socio-cultural, and other forms of interconnection. This definition underscores the link between regionalism and geographical proximity, as well as the sense of shared identity among member states (Dent, 2008). The regional spirit shared by ASEAN members is embodied in a distinctive approach known as the "ASEAN Way." ASEAN actors regard the organization as a platform for collaborative efforts that can uplift the entire region. From an idealist perspective, states and global structures are viewed as part of a community capable of cooperating to address shared challenges. The principles of idealism or liberalism underpin ASEAN's decision-making processes, as the goal of the "ASEAN Way" is to reach consensus with a mutual understanding that all member states possess equal standing.

Although most regional and global organizations are founded on liberal principles, there is ongoing debate about the extent to which some operate under realist assumptions. For example, the South Asian Association for Regional Cooperation (SAARC) serves as a platform for South Asian countries, but the disproportionate influence of India its most powerful member has hindered the organization's effectiveness as a genuine vehicle for regionalism. In contrast, ASEAN's balance of power and shared cultural dynamics have fostered a more conducive environment for pursuing the organization's idealistic goals. Moreover, the "ASEAN Way" as a decision-making process reinforces efforts to enable collaborative governance and lays the groundwork for institutionalized cooperation (Susy Tekunan, 2014).

### ***Malaysia's Role as ASEAN Chair in 2025***

Malaysia must play a clear and effective role not only as a member of ASEAN but also as the ASEAN Chair beginning on 1 January 2025. Under Malaysia's leadership, economic sustainability and inclusive regional solidarity will be key priorities. According to Prime Minister Anwar Ibrahim, ASEAN under Malaysia's Chairmanship will also focus on enhancing global cooperation as the current global landscape is increasingly complex and demands that ASEAN adopt new roles and responsibilities. This responsibility arises from ASEAN's growing stature as a region of 671 million people and a combined GDP of USD 3.8 trillion, making it the fifth largest economy in the world. Accordingly, Malaysia's Chairmanship theme for 2025, "Inclusivity and Sustainability," reflects ASEAN's vision of equitable growth, where all member states regardless of size or economic capacity benefit from development (Anwar Ibrahim, 2024). The theme aims to bridge development gaps, improve quality of life, and mitigate the impact of climate change. Implicit within this theme is a call for enduring unity and resistance to any divisive efforts. "Many envy our unity, and that is what we must defend," remarked Minister of Foreign Affairs, Mohamad Hasan (2024). The central task is to preserve ASEAN's unity as a zone of peace, neutrality and sustainability for the future.

One of Malaysia's core priorities as ASEAN Chair in 2025 is the sustainability of regional security, particularly as ASEAN states face global security dilemmas arising from economic and strategic uncertainties between the world's two major powers the United States and China. Each ASEAN member is working to safeguard its own national security across various domains economic, human, food and beyond through collective action and mutual support within ASEAN. This shared commitment reinforces the ASEAN spirit and strengthens organizational cohesion. Through ASEAN, cooperation across sectors such as economy, security, politics, culture, technology, and education can be further enhanced for the benefit of all members. The differing levels of development among ASEAN member states have led to mechanisms of mutual assistance, particularly to support less developed members, thereby narrowing intra-regional development disparities. This approach ensures that the economic prosperity generated through development is equitably distributed among nearly 700 million people in Southeast Asia (ASEAN, 2007; ASEAN Secretariat, 2023). A more effective ASEAN also increases its attractiveness to foreign investors, contributing to regional growth and stability.

In addition to prioritizing regional security sustainability, Malaysia's Chairmanship also emphasizes economic inclusivity. Malaysia recognizes that for ASEAN to emerge as a viable "third bloc" in the international system, it must possess economic strength and capability without leaving any member behind. According to the United Nations Conference on Trade and Development (UNCTAD), Southeast Asia received USD 156 billion in foreign direct investment (FDI) in 2020. This figure has continued to grow, driven by the political and economic stability of ASEAN countries. For instance, major U.S. companies such as Tesla, Amazon, and Google have chosen Indonesia as a key investment destination, largely due to confidence in the leadership of former President Joko Widodo, who brought political stability following the presidential election. Meanwhile, Hyundai has selected Thailand as a strategic base for expanding its presence in Southeast Asia. These rising investments have had a direct and positive impact on the economies of ASEAN member states (Hisyam, 2021).

The ongoing U.S-China trade conflict has become a critical factor influencing global economic and political dynamics especially in Southeast Asia. Both superpowers hold significant interests in the region, and ASEAN states maintain strong economic ties with both. This conflict has disrupted global supply chains, prompting companies to diversify and relocate production operations out of both China and the United States. The resulting uncertainty in international trade has exerted pressure on financial systems and posed challenges to economic growth. Nonetheless, this volatility has also created new opportunities for ASEAN countries, particularly as they adapt to shifting trade patterns and global economic trends. ASEAN states are collaborating to address the financial disruptions caused by the trade war. To mitigate negative impacts and capitalize on emerging opportunities, these countries must align their investment and trade policies to maintain competitiveness in an evolving global landscape (Esquivias, 2024).

As highlighted, ASEAN's "hedging strategy" plays a pivotal role in maintaining regional stability amid intensifying U.S.-China rivalry. ASEAN's consensus-based approach encourages strategic cooperation with external powers while fostering balanced bilateral relations with key global actors. Among ASEAN's primary strategies are partnerships such as ASEAN + China, ASEAN + United States, ASEAN + Russia, ASEAN + Japan and ASEAN + India. These arrangements not only help ASEAN sustain beneficial relations with major powers but also generate significant returns for member states. Southeast Asia with a population nearly 700 million and a strategic position in global trade, politics, and economics represents a highly valuable market. It is clear that ASEAN's cooperation with major powers such as the U.S., China, Russia, Japan, and India is driven by mutual interest and the potential for substantial economic gains (Bajpae, 2022). This paper highlights the ASEAN-India partnership in particular, given India's status as the world's most populous country and its potential to serve as a vast economic market not only for Malaysia but for all ASEAN member states.

## DISCUSSION

### *The Importance of ASEAN-India Cooperation Through Economic Sustainability and the Inclusiveness of Member States*

The relationship between India and the Southeast Asia region has been harmonious since ancient times. This early connection led to the process of Indianization (Coedes, 1971), wherein Indian cultural influence spread extensively across the region. This process significantly impacted the culture and development of the countries in Southeast Asia. India, being one of the oldest civilizations in the world, contributed greatly to the spread of Hinduism, especially in Indonesia. Early civilizations such as Kedah Tua and Srivijaya adopted Hinduism as their faith, largely due to the influence of Indian missionaries (Abdullah Sidek, 2021).

Through the theme of "Inclusivity," Malaysia leads ASEAN member states in pursuing strategic cooperation in areas such as economic development, political collaboration and technology sharing pillars that form the foundation of ASEAN-India cooperation. India has been a member of the ASEAN Regional Forum (ARF) since 1996, which underscores its commitment to regional security. India's engagement with ASEAN gained further significance after the tragic events of September 11, 2001, when Southeast Asia was labeled as a terrorist stronghold. India's active role was seen as a valuable contribution to regional security, particularly in the western flank of ASEAN (The Hindu, 2002).

India's trade and investment with ASEAN have expanded dramatically. ASEAN is now India's fourth-largest trading partner, while India ranks as the seventh-largest trading partner of ASEAN. Over 20% of foreign investments flow into ASEAN, with Singapore leading the charge. ASEAN is also a key source of investment for India, and the region is essential for India's long-term economic ambitions. Free Trade Agreements (FTAs) with ASEAN countries are among the longest-standing in India's foreign policy and carry high aspirations. Furthermore, air connectivity has grown rapidly, facilitating closer ties between India and ASEAN, as well as improving access to Southeast Asia. This has contributed to India becoming a prominent source of tourism for the region. The extensive Indian diaspora, numbering over six million people across Southeast Asia, also strengthens the ties between India and ASEAN, fostering deeper cultural, social, and economic connections (Narendra Modi, 2018).

The cooperation and strong relationship between ASEAN and India have yielded significant outcomes for both parties. Looking ahead, both ASEAN and India are focused on strengthening their partnership to achieve sustained mutual benefits. During the 23rd ASEAN-India Senior Officials Meeting on 2 April, 2021, senior officials from both sides discussed various areas of mutual interest, including counterterrorism, violent extremism, transnational crimes, maritime cooperation, and regional connectivity. They also addressed issues like trade and finance, investment, economic cooperation, and crucial matters like climate change, agriculture, disaster management, education, cultural ties, sustainable development, narrowing development gaps, science and technology, and digital transformation and cybersecurity (ASEAN, 2021).

The potential of ASEAN-India cooperation is significant, given the combined population of both regions, which approaches 2 billion people, or nearly one-quarter of the global population. This vast demographic offers immense opportunities for economic growth. If these opportunities are maximized, ASEAN and India could emerge as a new global economic powerhouse (ASEAN, 2023). Additionally, India's relatively low labor costs present an attractive proposition for ASEAN member states looking to invest and operate there, which would lower production costs and further strengthen economic ties between the two regions. Clearly, ASEAN-India cooperation can yield numerous benefits for both parties across various sectors (Naina Bhardwaj, 2023). As Malaysia chairmanship to ASEAN in 2025, its role will be pivotal in enhancing the strategic partnerships and inclusivity within ASEAN, ensuring that these collaborations, including with India, move beyond mere dialogue and lead to tangible results for mutual prosperity.

### ***Multilateralism of Malaysia and ASEAN + India, Now and in the Future***

Multilateralism refers to interactions involving three or more states, typically conducted through organizations or cooperative frameworks that encompass multiple countries. It is also understood as the practice of coordinating policies among participating states—either formally or informally through governmental institutions, regional organizations, or international bodies. Since the end of World War II, multilateral engagement has become a defining feature of global governance (Muldon, 1982). According to Robert Keohane, international institutions support multilateralism by reducing transaction costs, providing information, and facilitating the enforcement of agreements. Even in the absence of hegemonic power, cooperation can be sustained through rule-based institutions (Keohane, 1984). Multilateralism can also be interpreted as the sharing of common values, norms, ideas, and identities among states, given that the international structure itself is socially constructed. As such, multilateral institutions represent the aspirations and values

of their member states (Wendt, 1999). In this context, states gather in multilateral forums not merely for practical purposes, but also to promote shared ideals and cultivate a collective identity. The legitimacy of an international institution derives from its ability to reflect shared values, thereby facilitating cooperation and enhancing the stability of international relations.

From the perspective outlined, it can be understood that ASEAN plays a pivotal role as a regional institution aimed at maximizing the interests of its member states. Consequently, the relationship between ASEAN and India focuses on cooperation in various domains, including politics, economics, defense, culture, and education. India began its engagement as an ASEAN dialogue partner in 1996 and subsequently joined the ASEAN Regional Forum (ARF), marking the beginning of a significant period of regional economic integration. The first India-ASEAN Summit was held in Phnom Penh in 2002, and the signing of the Long-term Cooperation Agreement for Peace and Prosperity in 2004 marked a milestone in India's Look East Policy, further solidifying its engagement with the region. As a dialogue partner of ASEAN, India's involvement is crucial in ensuring the expansion of markets and fostering multilateral relations through ASEAN with other regions, which is essential for maintaining and enhancing the stability and development of Southeast Asia. The prospects for long-term cooperation between ASEAN and India are substantial, as this partnership potentially engages a population of over 2 billion people, underscoring the significance of such regional collaborations (Anwar Ibrahim, 2024).

### ***Global Challenges and Malaysia's Leadership of ASEAN 2025***

The current international structure is characterized as uni-multipolar, with intensifying competition as each nation strives to enhance its national interests through various methods, including cooperation or force. The North-South exploitation, a term that refers to the domination and exploitation of wealthy and developed countries over poorer and developing nations, is becoming more pronounced. China, for instance, is an emerging economic and military power with growing capabilities to exert its hegemony in Asia. This strength is underpinned by China's politics, economy, military, and technology, all of which have been significantly developed since 1978 under the administration of Deng Xiaoping (Michael E. Marti, 2002).

This is further compounded by China's membership as a permanent member with veto power in the United Nations Security Council, granting it greater access to exert its foreign policies on smaller nations. The dependency theory provides a suitable framework to explain the reliance of smaller nations on great powers. Through this dependency, peripheral countries often rely on aid and financial support from core nations to sustain their operations. This theory, which emerged in the late 1960s, was originally developed to explain the socio-economic conditions in Latin America (Ahiakpor & James, 1985).

Recognizing the potential risks that could lead Southeast Asian countries to become proxies for core nations, ASEAN has decided that it is essential for its member states, which are primarily peripheral nations, to engage in dialogue and cooperation with major powers. Although India is not a veto-holding member nor a core power in the international system, its status as a "sleeping giant" in the economic field allows it to bring significant value to this partnership. Through mutual interests, both ASEAN and India continue to safeguard their respective interests collaboratively. India is particularly concerned about security threats in Southeast Asia, fearing that such threats could undermine its position and interests in the region. Furthermore, India has

shifted its energy dependence away from the Middle East, increasingly turning to Southeast Asian countries such as Vietnam, Myanmar, and Indonesia for its energy needs (Pandya & Malone, 2010).

Thus, the ASEAN-India dialogue and cooperation present a dual-purpose approach, not solely focused on economic and trade interests. ASEAN member states, such as Malaysia, benefit from greater access to bilateral relations with India because ASEAN as a regional organization has earned India's trust, and India views ASEAN member states as crucial partners. Malaysia's Chairmanship of ASEAN from 2025 to 2027 will usher in a new chapter in bilateral cooperation, as Malaysia has long maintained excellent relations with India, reinforced by the personal rapport between Prime Ministers Anwar Ibrahim of Malaysia and Narendra Modi of India. In light of the competitive global challenges, Malaysia has outlined three key strategies as ASEAN Chair in 2025: strengthening regional value chains and regulatory cooperation, fortifying the foundations of member states through collaborative economic restructuring, and leveraging the strengths of ASEAN member states for collective benefit in the region. Additionally, Malaysia has set ambitious goals for ASEAN to achieve a resilient economy, becoming the fourth-largest global economy by 2030, increasing trade and investment values, and promoting digital transformation across the region (Jabatan Penerangan, 2024).

## CONCLUSION

This study has examined Malaysia's anticipated role as ASEAN Chair (2025) through the lens of liberal institutionalism, emphasizing how regional institutions like ASEAN can facilitate sustainable and inclusive cooperation with strategic partners such as India. The findings indicate that Malaysia is well-positioned to lead ASEAN in institutionalizing deeper economic and strategic ties with India by leveraging its long-standing diplomatic credibility, non-aligned posture and middle power identity. Malaysia's foreign policy approach grounded in engagement, consensus-building and economic diplomacy, provides a comparative advantage in navigating complex geopolitical realities and balancing interests among ASEAN member states and external powers.

This paper further argues that ASEAN-India cooperation, if broadened beyond traditional trade and investment frameworks, holds transformative potential for regional development. Malaysia's chairmanship could champion targeted initiatives such as regional value chain integration, inclusive digital infrastructure, clean energy partnerships and SME capacity-building programs. These efforts would not only enhance ASEAN's collective economic resilience but also narrow intra-regional development disparities particularly benefiting less developed member states such as Laos, Cambodia and Myanmar. As the ASEAN Chair, it is a priority for Malaysia to lead efforts to strengthen regional peace, stability, and prosperity. Furthermore, Malaysia is committed to promoting strategic relations among member states through dialogue and diplomacy, as well as collaborating to develop economic partnerships. Malaysia will continue to advocate for stronger commitments to enhance trade and investment between ASEAN countries (Mohamad Hasan, 2024). This statement reflects Malaysia's determination to ensure that the ASEAN region remains a focal point for global investment. As a result, Malaysia has made considerable efforts to cooperate international trade blocs such as BRICS, which are seen as offering substantial trade opportunities not only for the Malaysian economy but also as having the potential to positively impact the Southeast Asian region as a whole.

Malaysia holds a strategic opportunity to reframe ASEAN-India relations through the lens of sustainability and inclusivity. This involves advocating for institutional reforms that integrate long-term cooperation mechanisms into the ASEAN-India framework, such as regularized policy dialogues, jointly funded sustainability initiatives, and cross-border innovation platforms. In doing so, Malaysia can assume a central role in shaping a more cohesive and future-oriented ASEAN, while reinforcing the liberal institutionalist principles through its ASEAN Chairmanship. The application of liberal economic principles promoted by Malaysia may offer significant benefits to ASEAN as an effective regional organization as trade interdependence raises the cost of conflict, thereby creating incentives for cooperation and reducing the likelihood of war. By opening markets and enhancing economic integration, states construct a network of interconnections that strengthens both stability and economic prosperity (Keohane & Nye, 1997). Liberal internationalism is rooted in an open global economy, where free trade fosters cooperation, mutual dependence and shared prosperity. By liberalizing their markets, ASEAN countries contribute to a broader system of global economic governance that supports long-term stability and inclusive growth (Ikenberry, 2009).

Accordingly, under Malaysia's Chairmanship, ASEAN is well-positioned to further promote economic cooperation with major economic powers such as India. In light of the current international structure, this necessitates comprehensive and dynamic efforts by middle powers and smaller nations such as ASEAN member states to ensure the sustainability and resilience of their national and regional development.

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