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The States of South Asia: A Politico-Strategic Reality Check

We are in the midst of a rapidly changing world where old paradigms are shifting, and traditional alliances and linkages are also transforming. Tensions in some parts of the world are rising. At such a time it is incumbent upon the States of South Asia not to allow their energies to be sapped by crises and disputes peripheral to their interests and to focus, instead, on progress and development in their own region, expand cooperation and connectivity, or run the risk of lagging far behind other parts of the contemporary world.

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In his inaugural speech, the new President of the United States, Donald Trump, gave the world an unexpected lesson in economics, unconventional, as it was coming from the head of State of a nation that had been seen, to date, as a bastion of free trade: "Protection", said Trump, "will lead to great prosperity and strength". Paying no heed to subtleties, he declared: "We must protect our borders from the ravages of other countries making our products, stealing our companies, and destroying our jobs". The underlying theme of his policies would be "America first" at all times, and he listed these thoughts as the ingredients of his aspiration and agenda

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to “make America great again”. He appeared to want to put the world on notice that, henceforth how America relates to the rest of the world will change, so all nations take heed!

The current international order is in the cusp of changes, some normal, others abnormal. There are new sets of people in charge of governance in Washington in the United States (US), and New York at the United Nations. A sense of dynamism, negative as well as positive, seems to be engulfing much of the globe. China is rising, eager to fill up any void created by a possible withdrawal of the US into a kind of “Fortress America” from its earlier global commitments and engagements. Onetime critics of free-trade and globalization are transforming into champions of these ideas, and their votaries of the past appear to be changing their hearts and minds. Major powers are switching their roles. At the recent World Economic Forum in Davos, Switzerland, at which Chinese President Xi Jinping made this switch very apparent, a Berlin-based private equity manager, Andre Loesekug–Pietri quipped: “We heard a Chinese President becoming the head of the free world”! New policies are being initiated that are likely to impact heavily on global politics. One region that appears to remain constant to the point of being inert in this evolving scenario appears to be South Asia. It remains mired in its intra-mural conflicts that are beginning to significantly erode the region’s potentials.

With the former ‘globalisers’ turning inwards and protectionists, and with the announcement by President Donald Trump to withdraw from the Trans-Pacific Partnership (TPP) and renegotiate the North Atlantic Free Trade Agreement, many regions in the world will soon begin to buttress their own organizations and deepen their intra-mural cooperation. The South Asian Association for Regional Cooperation (SAARC) seems to be bucking this trend. Mostly for reasons of India-Pakistan rivalry, the body is on the verge of disintegration. The India-Pakistan trade, in the words of the Association of Chambers of Trade and Industry in India, is “abysmally low”. Out of India’s total goods trade in 2015-16 of US$ 641 billion, that with Pakistan has been only US$ 2.67 billion, which is a very paltry 0.41%. As an example of a non-Indo-Pakistan South Asian State, Bangladesh’s exports worth US$ 37.61 billion (2015-16 figures) are almost entirely destined for the US and Europe, and imports of US$ 40 billion are largely from China. Trade relations are at their nadir. Pakistan has not reciprocated India’s offer to it of the Most Favoured Nation (MFN) status, which now India is said to be reviewing. Both the initial grant and current review by India are unlikely to have any impact on the actual substance, which goes to underscore the tendency to politicize the processes for other unrelated gains (such as electoral benefits of nationalist sentiments).

Knowing full well that there can be no victors in a total war between India and Pakistan, both sides have around 110 to 120 nuclear warheads apiece, some of which might surely be used to avert an ultimate defeat, resulting in consequences of Armageddon proportions, there is no dearth of jingoistic pronouncements, only to advance political interests domestically. The danger is that such verbal escalations could unwittingly lead to changes in the current deterrence policies, should an advocacy of ‘nuclear war-fighting capability’ have greater public resonance. Incautious remarks could result in the laying of a ‘Thucydides trap’, meaning miscalculations might inadvertently cause a calamitous war. As the Greek historian of that name had famously observed, explaining the Peloponnesian War (431-404 BC), “when Athens grew strong, there was great fear in Sparta”.

Domestically in India, the rising star of Prime Minister Narendra Modi appeared to suffer no set-back even from such initiatives as ‘de-monetization’ of 86% of the currency notes in circulation, and the resultant pain to the ‘man on the bullock cart’ (India’s equivalent to the proverbial ‘man on the Clapham omnibus’), who seemed to buy the argument that it was directed against the dealers in ‘black money’. The main opposition party, the Congress seems to be in utter disarray, and whatever might be the challenge Modi is facing from the regional parties in various State polls now, his Bharatiya Janata Party (BJP) appears to be staying the course. His choice of the Crown Prince of Abu Dhabi as the guest of honour at India’s Republic Day this year will go down well with the Muslims at home and abroad, who were perhaps wary of the burgeoning pro-‘Hindutva’ sentiments across the country.

In Pakistan, Prime Minister Nawaz Sharif remains unfazed by the allegations of corruption against him, and has indeed succeeded in presiding over a change of guard among the top brass in the all-important military. The terrorists keep striking intermittently, but as an American diplomat had once warned “if you nurture a nest of vipers (for whatever reasons), you are likely to get bitten”! A silver lining is the planned massive Chinese investment of over US$ 46 billion in the China-Pakistan Economic Corridor which will pass through the impoverished Balochistan province too. This can lift the quality of life in and around that region.

Non-Indo-Pak South Asia has been muddling through. In Bangladesh, Prime Minister Hasina Wazed seems firmly entrenched, particularly vis-à-vis her perennial rival, Begum Khaleda Zia of the Bangladesh Nationalist Party. There is a sense that a modicum of progress is being achieved economically. Exports and grain production are satisfactory, and extremist violence, though still sporadic, can be said to be largely under control. Political instability continues to haunt Nepal, with 24 Prime Ministers in office since it became a Republic in 1990. In Sri Lanka, the end of the fierce civil war and the democratic transition from President Rajapakse to President Sirisena bode well for stability, but the intensity and the turmoil of the past conflict continue to pose huge developmental and emotional challenges. The Himalayan Kingdom of Bhutan, a constitutional monarchy since 2008, is happy to project itself as a Shangri La of peace with the 'happiness index' its main contribution to global governance culture, as long as too many tourists do not flock to modernise, or mar, the values the people hold dear! Tiny Maldives, with a population of 350,000 or so (none but a Muslim is allowed citizenship) and its resplendent scenic beauty, has become, sadly, a paradise in peril, given to extremist tendencies and the enthusiasm of many to get involved in foreign 'jihads', which, of course, the government is seeking to counter.

The South Asian countries would clearly need to watch out for a Sino-US-Mexico trade war which appears to be just beyond the rim of the saucer. On the basis that Chinese exports take away US jobs, the Trump Administration may be about to slap as much as a 45% tax on Chinese merchandise, and around 20% on Mexican. This would not be quite explicable as the three countries are deeply intertwined in the supply chain. For instance in the auto industry, China makes components (also manufactured in the US as auto parts) but which are thereafter used to produce vehicles that are sold in the US market. If the US were to levy such tariffs, China would most certainly retaliate, and the WTO norms would be thrown to the winds. This could not be an ideal situation for South Asian countries, which require the WTO to either create 'a level playing field for them' (India, Pakistan, Sri Lanka) or to ensure 'special and differential treatment' (Bangladesh, Nepal, Bhutan). Of course, the imposition of tariffs cannot be effected through Presidential Executive Orders, Trump's favoured method of administering, and would require Congressional decision-making, which would provide some time to the South Asian countries to make necessary adjustments.

Also, South Asia must try and avoid being dragged into conflicts by getting unnecessarily involved with international issues that may be of peripheral interest to them. There has been a rise in US-China tensions, apart from in trade, in the military sphere as well. At his confirmation hearing at the Senate, the new US Defence Secretary James Mattis categorically stated that China would be denied access to the 'artificial islands' it is said to have 'constructed' in the Pacific, though the earlier US position was to stay clear of the South China sea territorial disputes, but ensure international navigational rights. It is hard to say whether the new Mattis position is a serious one, as it now transpires that his clout on the current decision-making was not great enough for him to be consulted before the President's signing of immigration ban on Iraqis, including on translators who worked for the US Army many of whom are close to him). If, however, the new Mattis line is seen to be credible, the Chinese would be certain to activate their naval assets, which though numerically smaller than those of the US, could be concentrated in a small area. The US would be on the look-out for allies (South Korea, Japan, Australia?), and India could fit the bill. Also Pakistan should not unnecessarily be emboldened (to take on India) by the fact that, perhaps encouraged by China, Russia has recently been warming to it, having lifted an arms embargo in 2014, and now committing to provide four MI-35M attack helicopters.

As for regional cooperation in South Asia, the cancellation of the Summit in November last year, and the various Indo-Pakistan spats thereafter fed an idea that the concept is all but dead. But in January this year at the Davos World Economic Forum, at an event where the Sri Lankan Prime Minister Ranil Wickremesinghe was also present along with the Indian Commerce Minister Nirmala Sitharaman, the Bangladesh Prime Minister Sheikh Hasina declared that "SAARC is very much alive". SAARC, it is well-worth recalling, was originally a Bangladesh initiative and currently comprises 3% of the world's area, 21% of its population, and 9.12% of the global economy. She invited intra-regional cooperation to eradicate poverty, boost trade and expand connectivity. She also spoke out in favour of sub-regional collaboration such as the BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, and the BBIN (Bangladesh, Bhutan, India and Nepal) forum.

As things stand today, most South Asian countries have an element in common. They feel they are paying a price for the Indo-Pak, and Sino-Indian rivalries. China seems eager to embrace them as participants in its massive 'Belt and Road' scheme, in fulfilment of its 'Chinese Dream'. For instance, if South Asia and China cooperate, the resulting huge market and economies of scale could pull them up, one and all. All boats would rise with the tide. But, at least for now, waiting for such times has become like waiting for Godot in Samuel Beckett's famous play of that name, in which, Godot, alas, never comes!

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