



Dynamics of Bilateral Relations amongst South Asian States

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Webinar Notes

by

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On 16th September, 2020 Institute of Regional Studies organized an event by involving seven speakers from South Asian region. The following are the notes of the event. After introduction of the speaker, a transcription is presented.

Dr. Hu Shisheng is a Senior Research Fellow and the Director of the Institute for South Asian Studies at the China Institutes of Contemporary International Relations (CICIR). Dr. Hu received his BA in Hindi and his MA in Sanskrit and Bali languages from Peking University. He did his PhD in International Politics & Relations with a focus in Ethnic and Religious issues from CICIR in 2006. In 2004, he was a Visiting Scholar at the Johns Hopkins' School of Advanced International Studies (SAIS). Dr. Hu's research areas include: the political and security situations in India and Pakistan, ethnic and religious problems in South Asia, and the Tibet issue. His most recent research focuses on South Asia—particularly India, Pakistan, and Afghanistan security issues

Dr Hu Shisheng

He said that the new order is certainly emerging from the horizon. In the international political arena, China and the US are moving towards a new Cold War. Ever since, Trump administration has taken the reign of power in the US, China and the US are fighting a trade war. US is trying to isolate China in science and technology and other domains.

South Asia is also a part of this international political arena, and is affected by the US China confrontation. However, border tensions between India and Pakistan also affect the bilateral relations of other countries as well. More than 70 years of enmity, is affecting bilateral relations between other countries. Nevertheless, great power relationship dynamic is shaping the future of this area.

India has established military cooperation with Australia, US and Japan. India has become part of this alliance, now India is open to the idea of

alignments. Trump administration is talking about Indo Pacific Nato, which is a new concept. So it can send the US army in the region. On one side we have BRI, which is meant for development, on the other, Indo Pacific regional security order.

China promoted a developmental order, and the US promoted a regional security. order. The two kinds of orders are competing in the region. The countries of the region are facing or are forced to face the consequences of this competition. It is also testing the political wisdom of all the nations involved.

He said that in his personal view “through developmental cooperation, we can solve the problem. Security is a challenge, but we should be concerned about developmental challenges, especially in the era of Covid 19. With cooperation in development we can also beat economic recession.”

Dr. Khadga K.C. is a Professor and Head of the Department of International Relations and Diplomacy (DIRD) in the Faculty of Humanities and Social Sciences at Tribhuvan University, Kathmandu, Nepal. He is also an Executive Editor of the Journal of International Affairs and a Board Member of the Institute of Foreign Affairs. Alongside, he is a Japan Foundation Fellow at Graduate School of Asian and African Area Studies, Kyoto University. He has done his PhD from Nagasaki University, Japan, in 2009. His areas of research include Modernization, Democratic Theory, Democratization, Peacebuilding, governance, International Relations, and Japanese Modern Political thought.

Khadga K.C

He said that “We wish to keep focus on Nepal and SAARC. Our foreign policy was balanced and neutral even during colonial era. Since 1955, Nepal relationship with China is problem free. Under the Chinese BRI, a new order is in the making, whether we can work on the sub regional level, needs to be discussed. Nepal because of geo strategic location remains very neutral. Nepal had not been colonized. Even during the colonial era, our policy was balanced between UK and India. Since 1947 Nepal had a very balanced approach. Nepal established diplomatic relations with UK in 1816. Nepal is the oldest country to have oldest relations with US. After UK, Nepal established relations with the US. After discussing different phases of governmental system in Nepal, the distinguished scholar said that Nepal has always believed in ‘One China’ policy. Even after a territorial dispute with China in 1960s Nepal normalized its relations with China.

Mr. Khadga, also talked about Kampa rebellion in Nepal, which was suppressed by Nepali regime with the support of China. He further said that Nepal established good relations with Bangladesh as well. He said that Nepal is a land locked country and is dependent on other countries for transit points. For its trade its dependent on India. Nepal has only Calcutta port for import and export. He said that when Nepal had tensions with India, it suffered a deadlock in 1961, 1988-89 and 2015.

He said there are challenges of a deadlock state. Nepal envisions a diversified foreign policy. He said now Nepal has constructed Lhasa to Kathmandu highway. It is another supply chain for Nepal. In 2016, Nepal and China signed a trade and transit treaty. With that treaty, Nepal can use transit

routes from China. On May 12, 2017, Nepal and China signed BRI. The project of BRI is supported by all the political parties of Nepal.

Nepal and China have various exchange programmes in education and training. China is the biggest FDI provider in Nepal. Earlier, Nepal had an asymmetric relationship with India, but China is actively participating on the development of Nepal. Nepal is more aligned with China, culturally and religiously, there are open borders. But still the dependency syndrome haunts the Nepalese.

In the end of his presentation, he said for activating SAARC, India and Pakistan should come forward. Nevertheless, Nepal wishes to have a neutral, balanced and diversified foreign policy towards all its neighbours.

Professor Shahab Enam Khan is teaching in the Department of International Relations at the Jahangirnagar University in Dhaka since September 2004. He has served as Advisor, Consultant, and Board Member of various international organizations, such as UNDP, UN Women, IUCN, USAID, FCO, and RCSS. Prof. Khan has served as a member of various high-level committees formed by the Government of Bangladesh. He has been credited for drafting several key public policy documents for the Government of Bangladesh, including the National Broadcast Policy 2014 and the National Counter-Terrorism Strategy Paper. Prof. Khan holds a Master's degree in International Political Economy from the University of Manchester.

Shahaab Enam Khan

He said that politically in the region we keep listening to a number of promises and initiatives. But in reality, the situation is completely different in South Asia. The hard core fact is that 22% population of the region is below poverty line. South Asia makes about 1/5th of global population.

if we look at the trade situation of Bangladesh, US is the top most trading partner of Bangladesh in terms of exports. With regards to imports, China is top most. In Bangladesh's trade profile, none of the South Asian countries are in the top ten. In imports however, India is perhaps included in top ten countries. If we look at the overall situation of trade of Bangladesh with the world, China is number one and the US is number two.

This is the ground reality, which does not incline countries like Bangladesh, Bhutan, and Nepal to look at the international politics with the prism of balancing Beijing and Delhi. The balancing of Beijing and Washington is more important for these countries because of trade dynamics.

SAARC is a loosely tied institution, but on the other hand BRI has a clear articulation of facts and figures. He referred to BRI as an instrument of connectivity amongst the South Asian states which is also efficiently providing trade routes to the region

Multilateralism could have made the region better at responding to crises situations in the region, but it has not been materialized. Even if we look at trade between India and China, it rose to multifold over the years. Therefore, China is generating economy in the region. Bangladesh focuses on trade and economy rather than security dynamics.

He said that Bangladesh wishes to connect with Nepal and Bhutan for cooperation in Energy. Prime Minister of Bangladesh is very keen to allow both Nepal and Bhutan to use Bangladesh port for their hydroelectricity project and wishes both countries to invest in Bangladesh. However, third country in the middle is required to allow this trade through a transit route. Therefore, it is not materialized, as yet.

For betterment in the region, technological innovations are needed. Bangladesh is now expanding its cooperation with Middle East countries to meet its energy needs. This is how Bangladesh is trying to make its economy more sustainable. More tensions between China and India will dictate the political discourse, rather than the economic discourse of the region. He further added that as the Chinese economy is a large contributor in the global economy. However, Chinese have to be a little bit more flexible in terms of engagement.

But if we look at Bangladesh debt portfolio, not even 6% coming from China. Most of it is coming from multilateral and bilateral sources of which India is a big part. He further added that South Asian countries need to work together across the region. He said that global transformation will take place in the region owing to great power rivalry.

Washington and Beijing need to settle disputes rather than go to strategic rivalry which will push everyone further into recession. Within South Asia, Confidence building measures are needed. Pakistan and India have to come forward via SAARC. If you can go to bilateral talks, reforms, cooperation issues, SAARC could be much more vibrant. Everyone should be putting their energy into this.

Because of Multilateralism, Bangladesh settled border disputes with India and Myanmar. He said that security paranoia can hamper the economic growth in the region. Bangladesh relationship with India and China is historic. These civilizational linkages won't go away because of political misgivings. Balanced regional economic growth and sustainable development is the key to prosperity in the region.

Mr. Rabilal Dhakal is a faculty of the Department of Political Science and Sociology at the Royal Thimphu College (Royal University of Bhutan). He has been teaching the Bachelors students since 2014 with subjects ranging from politics in Bhutan, contemporary international politics, and political thoughts. Mr. Dhakal holds a Bachelor's degree in Environmental Economics and Master's Degree in political Science

Rabilal Dhakal

He started his presentation by appreciating the institute on organizing this webinar on such an important topic. He said that Bhutan had to take decisions on the basis of its ground realities. It had to choose between states, while having uncertainty about the future. He said that because of situation in Tibet, Bhutan had to close its door on the northern frontiers. Bhutan did not have any engagement with northern neighbor since 1958 onwards.

Later, then prime minister of India, Ms. Indra Gandhi gave assurances and Bhutan sided with India. Bhutan sided with India because of long term engagement and ease with it. Bhutan is unfortunate as it is land locked. He said that linking of Bhutan through land is also problematic as it only shares

border with India and China, making it dependent on these countries for connectivity.

Bhutan and India have good bilateral relations since 1947. Bhutan also has good relations with Sri Lanka and Bangladesh, but it doesn't have any engagement with other South Asian states. The idea of reactivating SAARC did not bear fruit in the past. He said that in his opinion strong bilateral relations among South Asian countries can serve better and are more practical.

He said that Bhutan also has concerns for South Asian security, as it has now become a battle ground for super powers. He said that it is partly the mistake of South Asian states, because they invited trouble by siding with the super powers for their strategic gains. They also allowed super powers to interfere in the problems of South Asian states. He further added that because of differences of India and China, Bhutan is in trouble. If New Delhi and Beijing develop good relations, things will get better for Bhutan.

He said that Bhutan wishes to have good relations with other South Asian states. It wants to sell its surplus energy to Nepal and Bangladesh but it needs to see how new Delhi wants Bhutan to get engaged with other states.

While referring to activating SAARC, he said that it is very challenging. He said that Article 2 and Article 10 of SAARC are problematic. Article 2 of SAARC calls for non-interference in the matters of states, which is indeed impractical. Secondly, article 10 says that contentious issues amongst South Asian states cannot be discussed. Issues between states are meant to be contentious, if they cannot be discussed on the multilateral forum of SAARC, then what would be the purpose of having it. Issues between South Asian

states that hinder development and diplomatic relations amongst states needs to be discussed on the forum of SAARC.

He said that blame game of both India and Pakistan, in the name of political support at home can benefit no one in the region. He said that BRI can be beneficial for Bhutan, but Bhutan cannot gain benefit from it because of India's resistance. He ended his presentation by saying that better bilateral relations amongst South Asian states can bring prosperity in the region.

Dr. Shaheen Akhtar is a Professor of International relation at National Defense University, Islamabad, Pakistan. She got her Ph.D. degree in International Relations from Quaid-i-Azam University, Islamabad. Dr. Akhtar has vast experience of Research and her research mainly covers Regional security, conflict resolution, and peacebuilding issues of South Asia. She worked as a visiting fellow at the Institute of Asia and Pacific Studies, China Academy of Social Science (CASS), and research fellow at the Centre for International Studies and at Stinson Research Centre at Washington.

Dr. Shaheen Akhtar

She started her presentation by referring to economic logic of engagement coming from Bangladeshi scholar and developmental engagement envisioned by Chinese scholar. She said she appreciates both logics, however, the geo strategic narrative is quite dominant in this part of the world. She discussed the dynamics of India Pakistan relations in emerging regional order. South

Asian region is now Sino-centric. This emerging regional order is challenging the aspirations of India of becoming a hegemonic power in the region.

Factors like hyper Hindutva nationalism and massive militarization in India, are securitizing Pakistan India relations. There is rise of unilateralism in India. In the wake of August 5. India changed the status of Jammu and Kashmir without considering any ramifications for the region. It's a blowback for China and Pakistan.

There is Sino India competition going on in the region. It was envisioned that this competition will create a complex interdependence and eventually make the competition more moderate. Both India and Pakistan need to decide how they will respond to this competition; with geo strategic reality or with geo economic needs?

There is convergence of interests between India and the US since the conclusion of Indo US deal. With BRI, Pakistan's strategic importance has been increased. BRI links Pakistan with Russia, Afghanistan and Iran. Sino centric regional order is in the making. India's policy is characterized by hyper Hindu nationalism, militarization and unilateralism. There is total absence of dialogue between India and Pakistan in the issue of terrorism.

Building of Ram temple, abrogation of Articles 370 and agenda of hinduization has ramifications from India and Pakistan relationship. The demographic structure of Kashmir is being changed with new domicile laws, which will allow the Indians to get settled in Kashmir. It has lot of implications for internationally recognized dispute of Kashmir. Water sharing under Indus Water Treaty is also being securitized especially after 2016 when Modi said that 'blood and water cannot flow together' and therefore, IWT

should also be scrapped. CPEC has also been securitized as well by India. Surgical strikes and continuous LOC violations by India, are actually tactics to create space for limited war. It is a dangerous game being played by India, in a region where two states are nuclear powers. Military imbalance, LOC heat up and targeting of public area, and LOC violations are damaging Indo Pak relationship and regional peace. The statement of prime minister Modi on August 15, in which he said that,

“in the midst of so many disasters, there have been vicious attempts to challenge the country's might even at the border. But whoever raised his eyes on the sovereignty of the country from the LOC to the LAC, the army of the country, our brave soldiers have responded to it in that language”

sets the agenda for future actions of India towards the region.

The unilateralism that is quite prominent in India means that Simla accord has lost its relevance. She also quoted A. G Noorani, a prominent Kashmiri Lawyer that, the Aug 5 move has eroded Simla accord as well.

In the end, she concluded her presentation by saying that stalemate in dialogue between the two nuclear powers in the region will lead to no progress in bilateral relations of both India and Pakistan.

Mr. Shakthi De Silva is an Assistant Lecturer at the Department of International Relations, University of Colombo (Sri Lanka). He also serves as a Visiting Lecturer at the Bandaranaike International Diplomatic Training Institute and the Bandaranaike Centre for International Studies. His articles have previously appeared in academic journals such as The Journal of the Indian Ocean (Routledge – Taylor and Francis), South Asian Survey (SAGE).

Shakti De Silva

He said that, “Sri Lanka’s strategic location has invited special interests particularly after the armed conflict of 2009. Islands advantageous position located roughly 10 nautical miles of east west maritime trade has enabled it to account 35 percent of the container trafficking in South Asia. Transshipment to regional economies of India and Bangladesh have seen an uptick, which has upheld Sri Lanka’s lagging economy in last years.

Sri Lanka’s foreign policy needs to be carefully calibrated in regional and extra regional departments. The current regime wishes to capitalize on economic relations with other regional countries to spur Sri Lanka’s lagging economy. Recently, some important developments will shape the island’s future relations.

- 1) Duties and functions of newly appointed foreign minister have been changed. He has been given some special responsibilities to reassess existing bilateral agreements, and investigate the unique clauses and articles that can have detrimental effects on the economy

2) Another noteworthy decision is the appointment of Mr Tariq Bulsoria, a comparatively young member of parliament, is mandated to create good relations with South Asian nations, BIMSTEC countries.

These developments manifest the new government's desire to diversify its partnerships and lift the country's economy. Geo strategic compass of South Asia compels us to see China's recent forays in Indian Ocean and its support in Jagoti. According to some scholars, China's recent activities in the South China sea is taken as demonstrative China's hegemonic designs. This claim needs to be a subject of scrutiny, particularly in its relations with Sri Lanka.

This claim needs to be a subject of scrutiny particularly in its relations with Sri Lanka. Sri Lanka's decision to get 1.1 million dollars from China, does not mean that China will dictate Sri Lanka. Dinesh Gunawardena, foreign minister of Sri Lanka has made some changes to Sri Lankan foreign policy. The newly appointed foreign secretary was quick to address concerns via a vis India. He made several statements indicating that Sri Lanka will never be used to harm India's strategic and security interests. The current regime of Sri Lanka wishes to establish links with New Delhi and Beijing as well.

Sri Lanka is at a vital route of maritime trade and a component of BRI. BRI was included in Communist party's constitution in 2017. Future projects of BRI should be based on commercial benefit and careful review for suitability of Sri Lanka. Other than collaborating with South Asian countries, Sri Lanka is focusing on BOT (Build Operate Transfer) model under the PPP (Private Participation infrastructure Project).

In the end he said that all regional projects should bring prosperity to the region.

Dr. Li Jingfeng is currently serving as Director at the Global Governance and Political Parties Research Center of Sichuan Academy of Social Sciences (SASS). He is also a Deputy Secretary of Chinese Think Tanks Research Center of SASS. He has presided research projects including one national social science fund project and four provincial and ministerial level projects relating to Sino-Pakistan relationship. Dr. Li Jingfeng has earned his PhD from Sichuan University and has also served there as an assistant researcher.

Dr. Li Jingfeng

He talked about geopolitical competition and choice making in South Asia

He said that in recent years, the conflicts between India and neighboring countries, have shown that, there are structural contradictions, between the geopolitical and strategic interests of India and the national interests of neighboring countries. Geo-economics has been unable to pose effective constraints on geopolitics. The order within South Asian states is being reconstructed.

A number of key forces are driving the evolution of the new order in South Asia. Among these driving forces, some are changing factors, others factors remain unchanged.

Changing aspects

1. After the US Indo-Pacific strategy was put forward, one aspect was to strengthen the containment of China in South Asia. First, not only India-Japan, India- Australia, but some U.S. allies in the Indian Ocean, like in middle-east Asia, are gradually strengthening and deepen ties with India, this is promoted by the US.
2. Those in the US strategic circles believe that India has done far from enough. If India wants to gain greater support from the US, it must continue to display its strength against China. India wants to take advantage of the escalation of Sino-US confrontation and reap its "interests" on the Sino-Indian border. That's one reason, why India create conflict on the Sino-Indian border. Also, India has formulated many policies in accordance with the attitude of the United States. In the "China-US trade friction", Indians created obstacles to Sino-Indian trade; when the United States suppressed Chinese high-tech companies, the Indian government ordered to get rid of nearly 200 Chinese app, and as the United States said "free navigation" in South China Sea, the Indian navy went ahead to do some observations near the South China Sea.

Changing aspects about India

First, as more and more neighboring countries participate in the BRI, India's allergic reaction to China's South Asia policy, has become the biggest external factor, in the political turmoil of India's neighboring countries. Blocking the borders of Nepal, and intervening in elections of Bhutan, etc. It seems that all political forces and figures in India's neighboring countries who advocate friendship with China have been suppressed.

Some unchanged factors

India still seeks regional dominance. India considers the Indian Ocean to be India's ocean. Hence of course, South Asian subcontinent and Indian Ocean should be India's sphere of influence. According to India, within this region, it has special responsibilities and obligations to maintain regional order. At the same time, India believes any forces outside the subcontinent should be aware of India's concerns and sensitivity on such regional order.

He said, that according to him, one reason, why the Indian government decided to invite Australia to join the "Malabar" military exercise in July, but till now India has not sent the official invitation to Australia. In fact, from the perspective of the state as an auctioning body, no country in South Asia can threaten India's national security. Even Pakistan has never thought of threatening India. What Pakistan does is only to safeguard its own national interests. However, the geopolitical and strategic interests that India pursues are its maximum security and leadership in the regional order, and India wants maximum superiority and influence over other countries in South Asia. However, any maximum security of one country is the insecurity of other countries. Taking 2019 as an example, incidents of India crossing the line of control of China reached more than 1,500 times.

Recently, in the Sino-Indian border confrontation and conflict, the Modi government has maintained a strong posture against China. Firstly, their goal is to force China to make more compromises. Then, India intends to further deter neighboring countries from getting closer with China. Moreover, they aim to dilute domestic conflicts. Finally, and more importantly, the Modi government is putting on a show for Americans.

He added that the original disagreement between India and the US has not changed. He said that, are Indian interests really in line with that of the US? The answer is, No. In terms of trade issues, energy issues, Iran issues, and

immigration issues, India and the United States have conflicts that are difficult to resolve. (let's take trade issue for example, the U.S. increases tariffs on China and increases tariffs on India as well, recognizes China as a developed country and recognizes India as a developed country as well, do you believe India is a developed country? All these are only temporarily hidden under the contradictions between China and the United States. In a so-called strategic cooperation mechanism, that is completely unequal in strength, what does India has to offer when "cooperate" with the United States?

Other countries in South Asia - which road to take

First of all, these countries need to convey to India that South Asia is the South Asia of the South Asian people. Every country, big or small, should have equal opportunities for development and be able to determine its own future. India's neighbors also expect India to provide tangible benefits to everyone, which will enable the people to live a good life, even though China and Pakistan are not included. In addition, it is hoped that India can maintain peace in South Asia, so that the region can obtain more FDI and better development opportunities.

Secondly, promote bilateral cooperation and multilateralism. He said "We can compare China-Pakistan cooperation with the Bangladesh-China-India-Myanmar Economic Corridor. Multilateral cooperation requires much coordination. Hence, if one party is not active in cooperation or deliberately delays, it will cause difficulty. Therefore, it is recommended that other countries in South Asia can form small groups in two or three based on actual conditions, reduce tariffs, relax visas, to encourage mutual investment, and then expand the scope of the free market through agreements.

Third, I think other south Asian countries can regard China, EU as a boost and opportunity for their own rise and achievement. With the development of the influence of the US, China, EU and other countries in South Asia, the overlap of interests of different countries within the south Asian region will only increase. Therefore, South Asian countries need to get out of the zero-sum dilemma of geo-security and the game of great powers by embracing the idea of win-win cooperation.

Fourth, attracting foreign investment, increasing exports, strengthening the manufacturing industry, and solving the domestic poverty problem, only in this way can a country improve its economic strength and maintain national independence. For example, through the implementation of the China-Pakistan Economic Corridor, Pakistan's power shortage problem has been significantly solved, and Pakistan's economic vitality and resilience have been significantly enhanced, also CPEC has provided more than 75,000 job opportunity for Pakistan.

In terms of attracting investment, I think China is one of the better choices, because China adheres to the principle of non-interference in the internal affairs of other countries. China's investment, trade, and cooperation will not have additional terms attached, and China will not interfere in the internal affairs and economic policies of other countries.”