

Editor's Note

Engaging a Troubled Neighbourhood

There are two divergent trends that are increasingly visible in the politico-economic trajectories of the states constituting India's immediate neighbourhood. One, the largest and the central state in this vast region, India, is a thriving democracy, stable, on a strong growth path and is rising in global significance, and one of the few bright spots in an otherwise struggling world economy. The other trend is the politico-economic crisis or deep malaise that grips the series of states around it – Afghanistan, Pakistan, Sri Lanka, Nepal and Myanmar. Even Bangladesh, which has made economic progress over the past decade, faces political uncertainties and a potentially disquieting future as its internal economic and political problems grow, mass protests rise, and the opposition pro-Islamists forces seek to dislodge the modernising Awami League government of Sheikh Hasina. The impact of instability, internal conflict, politico-economic breakdown in these states have always posed severe challenges for India as millions have over the years moved across the border to escape domestic wars, persecution, poverty, unemployment, rise of terrorism and extremism, and insecurity. Historically, India has borne the huge burden of the political-economic dysfunction of the states around it and their military collaboration with the major external powers – China and the United States.

Peace, stability and growth of the states around it are therefore vital for India's well-being and security. Such an understanding has clearly shaped Prime Minister Modi's 'Neighbourhood First Policy.' Unfortunately, the neighbouring states have largely failed to overcome their weak institutions, fractured polities, fragile governance and rule of law, and Constitutions that are deficient, contested and often ineffective. The incapacity of the leaders and political elites to pursue a self-sustaining development model, build national consensus, and become stable democracies are serious hurdles to growth. The adoption of identity based foreign policy work against their fundamental interest of building long-term strong collaborative ties with India. The political choices have led the largest of them, Pakistan, to civil wars, military rule, corrupt and repressive regimes, mass persecution of religious minorities, state break-up, and a perpetual state of war

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with India, both directly and covertly by training and arming Islamic terrorist gangs. In the process Pakistan has become virtually a failed state.

Next door, Afghanistan, where the Pakistani army and the political elite nurtured Islamist extremist groups for five decades, has broken down after years of civil war and US-Pakistan intervention. Power has been seized in Kabul by the Taliban which has forced the US forces to flee leaving behind a war-ravaged land and a wrecked two-decade old state-building project. Ironically, the Taliban has turned against Pakistan for its interference, manipulations, and the dispute over the Durand Line. In the South, Sri Lanka, after decades of civil war, faces its worst economic and financial crisis, and severe political instability. Myanmar in the east, following a few years of trial with democracy, is once again under military rule. Its ethnic and civil-military divisions have not been overcome and a divisive political system has ensured development suffers and the country is poor and insecure. In the North of India, Nepal suffers from chronic political instability that has hampered economic growth and state-building. Individually and collectively, these states, thus pose significant security and policy challenges for India.

Most of these states began their statehood around the time of India's independence with similar aspirations – development, democracy, strong modern welfare states—but have failed to sustain the course for attaining the stated goals. As a result almost all of them have faced, and some continue to experience, authoritarianism, civil wars, and debt-led development crises. Practitioners of realpolitik, their inability and even insecurity, flowing from internal and regime weakness, often inhibits them from building strong ties with democratic India –their only natural partner, market, politico-economic model, and security enhancer.

The Indian subcontinent is a geographically and environmentally interdependent and intertwined space with the Himalaya protecting it on the north and the Indian Ocean, the Bay of Bengal, and the Arabian Sea flowing around it. The Himalayan rivers flow through Nepal to India and then to Bangladesh in the east and through India to Pakistan in the west. All of them share borders with India. They are mostly new post-colonial states that are part of the ancient Indian civilisation with linguistic, philosophical, religious, cultural, racial commonality and heritage. National identities therefore need to be constructed keeping in view the distinct and common interests. Post-independence politics in the neighbourhood, however, has emphasised the divisions, the separation,

the pursuit of individual interest to the detriment of the region as a whole, and especially of the smaller states.

The Malevolent Shadow

This crisis of the neighbourhood is compounded by China, India's largest neighbour, on the other side of the Himalayas. Seen by the political elites in the smaller South Asian states as the natural balancer to India, China has been embraced and allowed to make deep inroads into their polity, economy and security systems. Lured by huge Chinese tied loans at high interest rates and opaque terms, these states have opted for projects such as highways, railways, ports, bridges, metros, power plants that are built and operated by Chinese companies with Chinese labour, engineers and managers. All construction material and equipment are imported from China. Local economy, industry, technicians or labour make few gains. Many of the projects are financially unviable and the terms and conditions inevitably lead to rising and unpayable debt. To finance the debt more loans have to be taken and national property surrendered to China.

Hambantota, Gwadar, the Colombo Port City, etc., are examples where the states have lost sovereign control for 35 to 99 years! Critical assessment of terms, project evaluation, financing and repayments have been surrendered as a result of China's influence operations among the political, military, journalists and intellectual elites through bribes, travel and trips, commissions, scholarships, propaganda, etc. Despite the pain and loss of economic sovereignty, these states remain firm backers of China, afraid that if they displease Beijing the debt problem will worsen and all the individual, political and expected security gains will be lost. Thus, the Maldives, Sri Lanka and Pakistan are now test cases of China's debt trap diplomacy characteristic of its Belt and Road Initiative.

China is also the largest supplier of weapons to Pakistan, Bangladesh, Myanmar and Sri Lanka. The strategic projects, such as China-Pakistan Economic Corridor, Hambantota port and Colombo Port City that provide China economic and military access to the Indian Ocean, have been actively supported by the local political and military elites, though they threaten Indian security interests and sovereignty, and compromise their own national interests. Pakistan's current debt to China is over \$ 30 billion and it is now a virtual client state. China's trade, projects and military ties in the region follow a imperial expansionist pattern. It is a growing threat to the sovereignty

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of the smaller states, to regional peace, cooperation and security, and to India. This follows Chinese colonial occupation of Tibet and based on it the vast territorial claims and expansion into Indian, Nepalese and Bhutanese territory. China has also actively helped Pakistan become a nuclear weapon state and a missile power, compounding the security problem for India and the entire region. Together, the Sino-Pakistan alliance works to pose a two-front threat to India.

It is not only China, but also the United States and Britain that have historically played a deleterious role and significantly contributed to the current crisis of the states such as Pakistan and Afghanistan. Britain, the former colonial ruler, left the states with weak capacities and institutions, while the United States, guided by its Cold War vision, built an alliance with Pakistan that weakened democracy, strengthened the military and opened the doors to authoritarian rule, undermining secular forces. The US and Pakistan actively promoted Islamist radicals and extremists against the Soviet forces in Afghanistan and waged war, and also collaborated in building ties with China. The 20 year US war on terror in Afghanistan miserably failed, and left a war ravaged country with no Constitution, democracy, economic strength, rule of law, and protection of people's rights. Pakistan, meanwhile, has used many of the radical Islamist groups that it nurtured under the US alliance, such as the Lashkar-e-Taiba, Hizbul Mujahideen, and Jaish-e-Mohammed for hundreds of terror strikes against India over the past three decades. While India suffered, it did not weaken nor did it go to war. Islamabad's strategy, however, has left both Pakistan and Afghanistan as dysfunctional states with strong militaries, armed terrorist groups, and the political spread of radical Islam.

India's Regional Mission

As the central binding power in South Asia, India carries immense responsibilities of promoting peace and stability in the neighbourhood, and securing its interests. India's long conflicts with China and Pakistan, complicate this task, and require two sets of neighbourhood strategies. One to deal with the hostile powers and the other to engage those that are willing to cooperate, trade and not threaten India's security and strategic interests. South Asian regionalism in the form of South Asian Association for Regional Cooperation (SAARC) failed because of Pakistan's non-cooperation and unwillingness to stop terror strikes in Jammu and Kashmir, Mumbai and the Indian Parliament. The Modi government has since 2015 taken hard decisions to stop cross-border trade with Pakistan stating that 'trade and terror' cannot go together. It has also refused to

participate in the scheduled SAARC summit in Islamabad, and in bilateral sports and cultural events. It has done away with the special temporary autonomous status granted to Jammu and Kashmir under the Article 370 of the Constitution and normalised its status. The retaliatory air strikes against terrorist camps in Balakot, attacks on other hideouts in Pakistan Occupied Kashmir, and a crack-down on Pakistan backed extremist, fundamentalist and separatist forces indicate a tough posture against its western neighbour. It has also taken a strong military and diplomatic stand against Chinese efforts to capture Indian territory in Ladakh and Arunachal Pradesh. Troops have been mobilised to prevent further Chinese violations and military encroachments as in June 2020. With both ties could improve if they change their current hostile posture, genuinely seek peace and collaboration, and respect the sanctity of bilateral agreements. This doesn't seem likely any time soon.

With the other neighbours, India has emphasised the need for collaboration and peace for resolving common challenges. Together they need to build stable, prosperous, and an environmentally sustainable future for the region. India has been the first responder in times of crisis – earthquake in Nepal, debt crisis in the Maldives and Sri Lanka, and emergency food and medical supplies to Afghanistan. It has advanced over USD 14 billion to Bangladesh, Sri Lanka, Nepal, the Maldives and Myanmar as credit for funding projects. It provided USD 1.4 billion to the Maldives and over USD 4 billion to Sri Lanka to help them overcome their debt and financial crisis. It funded projects worth USD 3 billion in Afghanistan before it was taken over by the Taliban, and built thousands of houses for Tamil families rendered homeless in the Sri Lankan civil war. It has stepped up road and rail connectivity with Nepal and Bangladesh, and expanded its power grid to supply electricity to Bangladesh, and soon to Nepal and Sri Lanka. Regionally, it has promoted the BBIN (Bangladesh, Bhutan, India and Nepal) and BIMSTEC for cooperation and cross-border projects. Trade with all member countries are growing. India is also engaged in vital road, bridges and other significant capacity building projects in the Maldives. India has also been training Bangladesh civil servants to improve governance. Over 18,000 have so far been trained. Enhanced contacts with youth leaders could enable India to understand the new generations in these countries and their aspirations better. Rupee trade, stronger digital ties, and Indian private sector investments in Trincomalee, Colombo port terminal development, Chittagong, etc., would enhance integration and all round economic gains.

Given the challenges posed by China's expanding role in the region and in the Indian Ocean, India needs to step up connectivity, economic and defence ties with the neighbouring countries, including Myanmar and the Maldives. Integrated water basin development and water sharing plan among Nepal, India and Bangladesh, and easier overland regional trade are desirable. Japan could be a significant partner of India in the integrated development of the BIMSTEC region. With Indo-US partnership growing, the two countries also could get a better understanding on policy approaches towards the region and coordinate their developmental and security approaches. US sanctions on Myanmar and absence of diplomacy has pushed Yangon towards greater dependence on China. Such an approach does not seem to be appropriate from a security perspective, nor for resolving the political problems or the Rohingya refugee crisis that is troubling both Bangladesh and India.

Much, however, will depend on how politics and strategy in these countries evolve in the coming years. Given the instabilities and volatility that have characterised their evolution nothing can be taken for granted. India must prepare itself for dealing with diverse political outcomes and regression, even as it steps up its efforts to build a more interdependent region. An integrated region can significantly improve the growth and stability of the smaller states, with a rising and modernising India as a force of sustainable development, democracy, transformation and stability.

In this Issue

It is on the neighbourhood, the challenges posed by China and Afghanistan, trade enhancement, and the need for collaboration on the Himalayan environment that the current issue of the journal focuses.

Former Deputy National Security Advisor Pankaj Saran analyses the China challenge and the factors that are shaping strategy and policies under Xi Jinping. He argues that China's success in achieving socio-economic transformation is seen by Xi Jinping as a vindication of the CPC's post-Mao strategy. This has given its leadership supreme confidence. This success, however, has also become its biggest vulnerability, both internally as well as externally. A more entitled population poses a challenge to internal political stability that has so far been enforced and taken for granted. Externally, the benign attitude of the West towards China's rise appears to be changing. Nonetheless, China's aggressive nationalism and expansionism under Xi are of deep concern and pose critical

challenges and threats to India. Its actions on the ground indicate that it is not yet ready for genuine multipolarity, globally or even within Asia.

In his critical analysis of India's defence posture, Amit Cowshish draws attention to the continuing asymmetry between India's military capabilities vis-à-vis its adversaries, notably China, though it has long been the predominant theme in the discourse on defence preparedness. What makes it more serious is the added challenge of Pakistan serving China's strategic interest as a virtual force multiplier even during peacetime, and their capability to foment internal unrest in India. He says this 'two-and-a-half front war' theory cannot be dismissed as being of little relevance in the context of planning the armed forces' capability development. Yet the Ministry of Defence (MoD) does not seem to have made a serious effort to identify the root cause of this asymmetry and work out a pragmatic plan to address the problem. Amit Cowshish underlines the urgent need for a National Security Strategy both for defence planning and ensuring adequate budgetary allocations by the government to meet the security challenges.

In a thoughtful and constructive analysis, scientist Shailesh Nayak emphasises the urgency of regional cooperation to preserve the Himalayan system. He underlines the unique nature of the ecological system and the dependence of millions of people in the region on its rivers for water, food and energy, and its distinctive biodiversity. The Himalayan system, however, is under stress due to climate change, natural calamities, and melting glaciers. Infrastructure development, urbanisation and tourism also affect the Himalayan system. While the formation of the Himalayan Science Council (HSC) fills a gap, it needs monitoring systems for observing geological, hydrological, cryospheric, and atmospheric phenomena, and developing policies for data sharing. He stresses the need for collaboration between research and academic institutes of the Himalayan nations. The knowledge generated would help draw up national policies and regulations to preserve the Himalaya and its vital ecosystem.

Assessing the challenges India faces as result of the seizure of power by the Taliban in Afghanistan, J. Jeganaathan expresses concern at the absence of democracy, the poor state of law and order and the violations of basic rights, especially those of women. Kabul's tensions with Pakistan are growing along the Durand line, even as the regime faces increasing threats from the Islamic State-Khorasan. He argues for a calculated and limited Indian engagement with Kabul to influence its decisions, provide emergency

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aid to the needy, and limit the security fall-out for the region, especially on Jammu and Kashmir. He feels that it may be necessary at some point for the international community to recognise the regime to help its people and improve the security situation.

Analyst Nikita Singla focuses on the need to expand India's trade with its neighbourhood. She argues that India's global ambitions are intricately linked to its influence in the region around it. The improvement of economic conditions in the region in turn depends to a large extent on India's geo-economic profile and growth. Her article focuses on India's trade policy towards its neighbours. She argues that trade and investment figures indicate that India's position as the gravitational core in South Asia has weakened, even though it is doing more than ever under the aegis of the "Neighbourhood First" and the "Act East" policy to strengthen connectivity infrastructure at the sub-regional level. There is a clear need for India to raise its trade profile if the region is to prosper and economic challenges posed by China are to be overcome.

Finally in a highly critical review of a new book on India's development diplomacy towards Africa, scholar Samir Bhattacharya points out the overt ideological biases of the Western and liberal authors against the Modi government that colours their approach and findings. Their prejudice, he argues, prevents an objective study of India's role and contributions in building ties with Africa and is, therefore, of little academic value.

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