

Ongoing political and economic instability in South Asia is a cause of concern for New Delhi. The repercussions from such turbulence may adversely affect India's economic growth as well as its geostrategic position in South Asia as China seeks to exploit these volatilities to its advantage, writes Joseph E Fallon.

Geopolitical Intelligence Services noted on March 4, 2024, India is "the geographical, socio-cultural and economic center of South Asia."

This was confirmed by the World Bank in its South Asia Development Update April 2024. "Growth in South Asia is expected to exceed that in other emerging markets and developing economies (EMDEs), but much of this strength is attributable to India."

Demographically, economically, militarily, and territorially, the other states of South Asia are dwarfed by India. All six neighboring states, Afghanistan, Pakistan, Nepal, Bhutan, Bangladesh, and Sri Lanka, (totaling 747,011 sq mi) could fit into India (with a land mass of 1,269,219 sq mi) and fill less than 60 percent of the country.

Such an asymmetric relationship creates a fear of domination and/or exploitation by New Delhi. Fears not necessarily alleviated by the words of India's Ministry of Power, "India is centrally placed in South Asian region and with cross border interconnections with neighbouring countries, playing a major role in effective utilization of regional resources.

As The Independent reported on June 27, 2023 "A mural depicting a map of an ancient 'undivided India' in the country's new parliament has angered neighbours including Bangladesh, Nepal and Pakistan. The artwork shows India extending into nearby nations including "Afghanistan" in the west, the "Maldives," "Sri Lanka" and Bhutan."

While "India said the mural shows the ancient Mauryan empire and that it represents a time of flourishing 'people-oriented' governance, and has 'nothing to do with politics,'" some South Asian states expressed concern it represented a desire by India to absorb them.

Since these states are experiencing varying degrees of political and/or economic volatility that may benefit from assistance from New Delhi, but are suspicious of India's intentions, New Delhi has first to prioritize them.

Afghanistan and the Maldives are part of South Asia and are experiencing turbulence, but India's focus there is on geostrategy. Important issues of economy and trade can only be successfully promoted after New Delhi has first checkmated the influence of China and Pakistan in the former, and China's sway in the latter.

India's immediate focus, therefore, is Sri Lanka, Myanmar, Bangladesh, Nepal, Bhutan, and Pakistan.

In the case of Sri Lanka, it is the economic crisis. As Reuters reported on April 16, 2024, "2021-2022: Sri Lanka's economy crumbles after years of overspending leaves its foreign exchange reserves critically low and the government unable to pay for essentials, such as fuel and medicine."

In May 2022, Sri Lanka was declared to be in default provoking political and economic turmoil on the island. The World Bank reported on April 2, 2024 the economic situation is stabilizing. "Sri Lanka saw declining inflation, higher revenues on the back of the implementation of new fiscal policies, and a current account surplus for the first time in nearly five decades, buoyed by increased remittances and a rebound in tourism."

However, the crisis exposed India's heavy reliance on Sri Lanka as a hub in its foreign trade is its "Achilles Heel." As Murali Krishnan wrote in "Sri Lanka's economic crisis hits trade ties with India," DW, August 22, 2022, "India...relies considerably on the Port of Colombo for global trade, given the port's function as a hub for transferring shipments. India-linked cargo accounts for 70% of the port's total transshipment volume. Nearly 60% of India's total transshipment cargo and 30% of container traffic is handled by the port."

While in their analysis of the current situation in Myanmar, "Over a Year Later, Myanmar's Military Coup Threatens India's National Security," United States Institute of Peace, May 10, 2022, Saket Ambarkhane and Sanjay Valentine Gathia wrote "The [February 1, 2021] coup has significantly undermined India's economic and security interests in Southeast Asia. The

multi-dimensional civil war in Myanmar has made progress on India's economic and logistics projects in the country, which are central to India's Act East policy, all but impossible. Furthermore, fighting between Myanmar's military and the People's Defense Forces (PDFs), which formed to defend communities against the military's onslaught, has brought intense conflict to the western and northwestern parts of Myanmar, which border India."

In response, New Delhi has proposed construction of a fence along the Indo-Myanmar border. "Michael Kugelman of the Wilson Center, an American think-tank, believes the move to fence the border is 'driven by India's perception of a growing two-pronged security threat on its eastern border. It wants to limit the spill-over effects of a deepening conflict in Myanmar, and to reduce the risk of refugees entering an increasingly volatile Manipur from Myanmar."

As the BBC reported, January 2, 2024, "For India, Bangladesh is not just a neighbouring country. It's a strategic partner and a close ally, crucial to the security of its north-eastern states...Delhi wants road and river transport access for its seven north-eastern states through Bangladesh...Now the road and train connectivity from the Indian mainland to its northeast is through the "chicken's neck" - a 20km (12 mile) land corridor that runs between Nepal, Bangladesh and Bhutan. Officials in Delhi are afraid this stretch is strategically vulnerable in any potential conflict with India's rival, China."

In addition to security concerns, road and river transport networks through Bangladesh would advance the economic development of India's northeastern states.

The January 7, 2024 elections saw the reelection of the pro-India Prime Minister Hasina to a fourth term. Her party, the Awami League has a parliamentary majority of 225 seats out of 300. But low voter turnout, violence, and boycott of the election by the political opposition raises questions of the legitimacy of her reelection and is a possible precursor to domestic unrest. Already there is an "India Out" movement which the opposition has encouraged to boycott Indian products in Bangladesh.

India would be concerned if the political opposition, the Bangladesh Nationalist Party (BNP) were to assume power. As BBC noted "...the return of BNP and the Jamaat-e-Islami party could pave the way for the return of Islamists in Bangladesh, as it had happened when the coalition was in power between 2001 and 2006. 'They gave rise to so many of these jihadi groups which were used for various purposes, including the 2004 assassination attempt on Ms Hasina and the capture of 10 trucks full of arms that came from Pakistan,' Pinak Ranjan Chakravarty, a

former Indian High Commissioner in Dhaka told the BBC."

Nepal, India's northern neighbor, has been a republic for 16 years. But as Rishi Gupta notes in "The Return of the Left Alliance of Nepal Changes Regional Power Dynamics, The Diplomat, March 6, 2024, it has been an unstable republic. One characterized by "a history of short-term governments [13 in 16 years]...Power sharing, political discontent, ideological differences, underperformance and pressure to restore Nepal to a Hindu state ...the reemergence of Nepal's Left alliance [as government in March 2024] signal a shift in power dynamics, impacting domestic politics and regional geopolitics, Nepal's' foreign policy may tilt further toward Beijing, challenging India's interests... particularly in trade."

But India possesses an advantage. As the Henry L. Stimson Center noted, April 8, 2024, while "China's increasing foothold in the infrastructure, energy, and trade flows of the subcontinent and its involvement in domestic politics of the region is causing unease in New Delhi...[and] India does not have the financial ability to compete with China in Nepal...it does have critical geographic leverage to influence Nepal in a way that China lacks. Any meaningful connectivity between China and Nepal must traverse the world's highest mountain range, the Himalayas. In the indefinite future, China is not a realistic alternative for Nepalese imports and exports."

India has a special relationship with Bhutan, a land-locked country in the Himalayas roughly the size of Switzerland. India is both Bhutan's principle development partner and leading trade partner. Bhutan's economy is robust with trade between the two countries nearly tripling between 2014-2015 and 2022-2023.

But Bhutan, wedged between nuclear armed rivals, China and India, is under pressure from Beijing to resolve border disputes.

The balancing act for Bhutan is to successfully define its border with China without compromising India's security or economic interests.

On how India should respond to Bhutan's negotiations with China, Modern Diplomacy wrote on April 16, 2024, "India must remain accommodative, understand the logic behind Bhutan's careful balancing actions and continue supporting its developmental needs on a consistent basis."

The most difficult country for New Delhi to successfully address is Pakistan. The historic adversarial relationship between Pakistan and India was further strained by the August 5, 2019 decision of New Delhi to revoke the special status of Jammu and Kashmir, a Muslim majority region in India that borders Pakistan. Bilateral relations have been complicated by domestic turmoil in Pakistan, which has engulfed the country for the past two years. It began with the ouster of Prime Minister Imran Khan from power in April 2022, then his being sentenced to prison in August 2023; followed by Pakistan's Supreme Court decision in January 2024 to effectively ban his party from the upcoming elections. But his party candidates running as independents won a plurality of seats (93 out of 266). However, it was unable to form a governing coalition. The exclusion of the largest party from power will likely contribute to further domestic volatility.

Contributing to domestic instability are terrorist attacks by the Pakistani Taliban (Tehreek-e-Taliban-e-Pakistan, TTP).

On December 21, 2023, Aljazeera reported "The first 11 months of the year [2023] witnessed 664 attacks of varying nature and size across the country, an increase of 67 percent from the corresponding duration in 2022, according to the Pakistan Institute for Conflict and Security Studies (PICSS), an Islamabad-based research organisation. But the bulk of the attacks have targeted two provinces – Khyber Pakhtunkhwa in the northwest and Balochistan in the southwest. Almost 93 percent of the total attacks took place in these two provinces, with Khyber Pakhtunkhwa the worst affected province, witnessing 416 attacks since November 2022 when the TTP [Pakistani Taliban] walked out of the ceasefire with the government."

Islamabad has alleged India has been aiding the TTP. If true, it would be presumably to keep Pakistan's military preoccupied domestically so as not to intervene covertly in India's administered Kashmir.

But arming Islamic extremists would be an unwise policy for India to follow as both the U.S. and Pakistan can attest.

The U.S. armed the mujahidin to successfully defeat the Soviet occupation of Afghanistan only to have the mujahidin transform into Al-Qaeda and attack the U.S. and U.S. allies.

Then there was the "blowback." The defeat of the U.S. in Afghanistan in August 2021 by the Taliban, many formerly mujahidin, had an unanticipated impact on India.

According to NBC News, January 30, 2023, "Weapons left behind by U.S. forces during the withdrawal from Afghanistan are surfacing in another conflict, further arming militants in the disputed South Asian region of Kashmir."

Pakistan initially aided the Taliban coming to power to prevent India from gaining influence in Afghanistan after the Soviet withdrawal. Previous Afghan governments often had better relations with New Delhi than Islamabad in part because of Afghanistan's territorial claims to Khyber Pakhtunkhwa (formerly known as Pakistan's Northwest Frontier Province). Now the Taliban are back in power but cannot or will not control their Pakistani offshoot, the TTP, whose objective "is to overthrow the government of Pakistan by waging a terrorist campaign against the Pakistan armed forces and the state.."

By aiding the TTP, New Delhi could experience an increase in terrorist attacks in India administered Kashmir. In May 2022, TTP issued a statement, translated and published by MEMRI in "The Taliban Factor in Afghanistan Pakistan Region," March 1, 2024, that reads, in part, "The jihad of Pakistan is from among the best of jihads and is an important jihad because with a victory over Pakistan, the path opens for the victory over the lands of India..."

For India, its foreign policy in South Asia must be a balancing act between promoting its economic and strategic interests while taking into consideration the political and economic sensitivities of its neighbors.

If not, the "India Out" movements in Bangladesh and in the Maldives, which has resulted "in boycotts of Indian products in Bangladesh, and of Indian tourists avoiding travel to the Maldives," might spread to Nepal, Bhutan, and Sri Lanka.

As Australia's Lowy Institute observed May 14, 2024 "Such campaigns have the potential to reduce India's role as the principal security provider in the region, and feed into wider competition with China...[and] the vast amount of money Beijing is willing to pour into

infrastructure and investment proposals is often tempting for smaller South Asian states."

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