



Future of South Asia: Stalemate, cooperation, or war

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This report is a summary of an online panel discussion on the Future of South Asia, held by IPR on 15 September 2020. The speakers were:

- *Dr Anatol Lieven, Professor Georgetown University*
- *Mr. Tariq Aziz, former National Security Adviser*
- *Dr Daniel Markey: Professor SAIS, JHU*
- *Dr Guo Xuetang, Director Institute of Int'l Strategy*
- *Mr. Aakar Patel, Syndicated columnist*

In Chair: Mr. Humayun Akhtar Khan, Chairman & CEO, IPR

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Takeaways for Pakistan

- The well-being of Pakistan, ‘even its survival’ depends on internal reforms within Pakistan. Geo-political success is not the answer to Pakistan’s needs. Pakistan must launch a complete reform of its politics, economy, and society.
- The world’s priorities have shifted away from counter-terrorism to strategic competition between US and China. Pakistan must find its role and significance within this new order.
- So far, Pakistan has done a good job in balancing relations between USA and China. It must avoid taking sides, though that may be difficult now, and also make every effort to ensure that South Asia as a whole is not divided into hard alliances in the new cold war between US and China. India is USA’s strategic partner in countering China.
- Pakistan must shift from its narrow definition of foreign policy. It must clearly state its foreign policy strategy and integrate domestic and regional interests so that the country is up to the challenge of building a dynamic society and economy for the 400 million people that it will have by 2050. For that, it needs stability and order internally and on its borders with less friction and more cooperation in the region.

Key Findings

- The war on terror is over. Pakistan must review how it will find a place in the Western alliance. This is especially so if the Afghan imbroglio is resolved. Pakistan’s role in Afghan negotiations, for as long as it continues, is a key determinant of its relations with the West.

- From now, the peace process in Afghanistan will be driven by internal factors. There is no guarantee of success.
- There is bipartisan consensus in Washington that the US-China differences are real. This will now be the defining feature of the world order. China is a strategic competitor for the US. BRI is a part of the strategic competition.
- A complete economic decoupling between US and China is not possible because of severe consequences for the world economy. Both countries must separate the strategic from the everyday.
- China does not want friction with the West, though it will protect itself when provoked. The West has broadened its characterization of rivalry with China. The rivalry is not just about the economy, but also about values and political systems.
- For India, SAARC is no longer of interest. In view of the many challenges faced by the region, India and Pakistan must resolve differences and promote South Asian cooperation. Yet, India is unlikely to agree to a reconciliation with Pakistan under the present BJP government.
- China wants to play the role of stabilizer in South Asia. It does not want instability there. It has not countered India's measures to decouple from the Chinese economy.
- India may likely forego its strategic autonomy to opt for a military alliance with USA. On its part, Pakistan must make every effort to balance relations between the West and China. It must do everything possible to prevent South Asia taking sides between USA and China.
- Both Pakistan and India must enunciate what they want from the other and develop a strategy to move forward. To avoid a two-front conflict, India should settle differences with Pakistan and 'focus on China'.
- Pakistan must concentrate on internal reforms. Without building its economy and reforming politics, Pakistan cannot expect to achieve foreign policy success.

Humayun Akhtar Khan

- Any discussion about the region must be seen through the prism of three factors:
 - a. We live in a fragile world that needs less friction and more cooperation to address global issues of climate change, government debt, and inequality.
 - b. There are enduring and evolving issues that have confounded relations between Pakistan and India.
 - c. Serious differences have emerged between China and USA. There is a danger that the world will be divided into two blocs. Engagement between West and China in the last thirty years brought prosperity for the world. This is about to change, even as more cooperation is needed.
- If the pandemic has taught us anything it is an awareness about the limits and inadequacy of the tools that we employ to govern. The size of our economy or the arsenal of weapons have not helped against a foe that we cannot even see.
- Our bilateral relations with India has been in a stalemate. We must take stock of the implications of continued friction. By 2050 Pakistan will have a population of over 400 million. India's population will be over 1.6 Billion. Economic deprivation would spur instability. Both countries need rapid economic growth to prevent a crisis.
- A necessary condition for economic growth is stability and order. It requires us to end border friction and conflicts in favour of economic engagement.
- A world polarized between US and China is fraught with risks. Even if there are mechanisms to prevent conflict, miscalculation could happen. Decoupling of economies and breakup into military and economic blocs with technologies that cannot connect would be a loss for the whole world.
- One outcome of this division is visible in South Asia. So far, India has guarded its strategic autonomy, but it now plans to enter into military alliance. Pakistan does not want to see South Asia divided into hard alliances.

- Pakistan must also review its mistakes and its narrow definition of foreign policy goals. It must change the governance paradigm at home and the political economy of dependence. How the country governs at home has a bearing on its ability to pursue regional interests.

Anatol Lieven

- Pakistan needs internal and domestic reform for its wellbeing, and even for its “survival”. No geopolitical success can help Pakistan without such reforms of economy and society.
- Reconciliation between India and Pakistan is not likely. The present political dispensation in India makes it unlikely. And US-China rivalry may deepen it further.
- China-India friction adds a new dimension in South Asia’s complexity. Both China and India do not want to escalate tensions. India because it cannot win against China, and China because it sees no gain from escalation. If India joins USA in the South China sea, that would be severe enough provocation to invoke a decisive Chinese reprisal.
- China is clearly committed to Pakistan and would help defend it if India tried to seriously damage Pakistan. Yet, China will not support Pakistan in Kashmir.
- The Afghan peace process will continue but it will be driven by internal factors. And that may not turn out well. This should have no effect on US Pakistan relations. Pakistan has always had the reasonable position that it cannot force upon the Taliban a deal they do not want.
- If the US election results are disputed and a constitutional crisis ensues, US prestige in the world will suffer, and Chinese political system will gain respect.
- Pakistan has not taken advantage of its close relations with China to relocate to Pakistan those industries that are transiting out of China. Though there are many competitors for those industries, Pakistan has been well placed to do so because of its especial relations with China. But it has not made the internal reforms to attract those industries.

Tariq Aziz

- It is critical that governments involved in any dispute must be sincere in resolving outstanding issues.
- In 2004, Pakistan achieved success when for the first time since 1949, India admitted that Kashmir was a disputed issue. On its part, Pakistan promised to stop infiltration into Kashmir.
- The two countries had agreed to resolve outstanding differences. The agreement between them was all but signed when events in Pakistan, in the shape of a judicial crisis, foreclosed its realization.
- South Asia, including Afghanistan and Iran must resolve differences and work for peace so that the countries focus on economic development and poverty alleviation.
- There is the need for a regional council of the above countries to resolve differences. The Council must have support of world powers including US, China, and Russia.
- Mutual differences must be resolved mutually. Other regional countries must play a positive role and do nothing to disturb this process.
- None of the major powers US, China, or Russia want instability in South Asia. They should help resolve differences between Pakistan and India. Sustainable stability in South Asia requires peace in Afghanistan.
- In a global village, no region is disconnected from another. The major powers of USA, China, and Russia must work for world peace by ensuring justice. Unless there is justice there can be no peace.

Daniel Markey

- With respect to US policies towards South Asia, there are two areas of continuity regardless of who wins the elections and one point of difference. The points of continuity are that
 - a. The post 9/11 era of counter-terrorism is over, and
 - b. USA's strategic competition with China would be the defining feature of the world order.
- The one point of difference is that the outcome of the elections will determine the future of US world leadership.
- Post 9/11 era is over because the threat from Al Qaeda and ISIS are severely reduced and US has developed a massive defence and intelligence capacity to deal with terrorism threats. Both Trump and Biden want to reduce, if not end, presence of US troops in Afghanistan. Moreover, US is no longer deeply engaged in the Middle East or in the greater Islamic world. It is now energy self-sufficient. Nor is there an appetite for bringing democracy or a liberal world order to the Middle East. In Washington, there is greater concern now with domestic issues, such as race relations and economic collapse as a result of the pandemic.
- Both Biden and Trump are competing with each other on sounding tough on China. Part of the tough messaging is to compensate for the lack of clarity on goals with respect to China. While US aims to decouple from China, the two economies are tangled in a web of linkages with the global economy. Total decoupling could spell disaster for the global economy.
- However, a tougher line on China is now US policy. Its effect will show in defence planning and in technology competition.
- This has a bearing on US policy in South Asia as it will respond to areas where US and Chinese interests intersect. It affects US response to BRI or even CPEC. Such matters will determine who are US allies.

- If Biden becomes President, US will rebuild relations with its traditional allies in Europe and with Japan. It will also invest in multilateral institutions for US to again assume leadership, which it may have ceded of late.
- Pakistan's relations with USA will depend on how it partners with USA on counterterrorism, including in Afghanistan. Pakistan must also work out what will be the basis of its relations with US as the importance of counterterrorism declines.
- The US-China rivalry will play out in South Asia in potentially dangerous ways. In the past, US and China were unified in managing Pakistan-India crisis. Now, that unified approach is no more guaranteed.
- Biden will be concerned with issues of human rights and democracy, including in South Asia.
- India is clearly USA's strategic partner in countering China, though its policies on human rights in Kashmir will be a niggle.

Guo Xuetang

- One of the most important developments in South Asia is that India has changed the status of Kashmir by repealing Article 370 of the Indian Constitution:
 - India increased tensions with Pakistan
 - India also changed the status of Ladakh. The border with China became open to conflict. It was a provocative move by India.
 - As the weaker country in its dispute with India, Pakistan must deal with the tensions "in a balanced way".
 - India has disrupted regional peace. Modi Government's move was in line with present US Administration's policy towards China.

- The US-China strategic competition is being played out globally and regionally. Of late, USA has adopted an increasingly hawkish tone on China:
 - Present US government's policy on China is one of containment. It not only targets the Chinese economy. US has broadened the rivalry to make it about political systems, ideologies, and values.
 - Because of its implications on global peace and prosperity, it is worrying that a new cold war between USA and China has been imposed.
 - Modi government initiated a border conflict on China just when China was focused on dealing with the US. This has grave consequences for bilateral relations between China and India
- Covid-19 has significantly impacted the region. It also has changed the dynamics of global relations. Since Chinese economy recovered early from the pandemic, many countries worried if China would dominate the world economy. That has made them more hostile towards China. The power game between China and the US and China and India became more severe.
- India has started to decouple its economy from China. Banning Chinese applications and restricting Chinese investment in India are its clear signs.
- Perhaps China's hosting of a trilateral conference of China-Pakistan-Afghanistan for regional peace and stability had caused concern.
- The above were new developments. There are also some constants unaffected by recent happenings:
 - All countries in the region want prosperity and development. China wishes to see political and economic stability in South Asia with greater cooperation. It wants all countries to participate in BRI.
 - Despite the border tussle, China's policy towards India has not changed.
 - Another constant in the region is continued friction between India and Pakistan. The SCO forum is available to both countries to resolve differences and work for peace and cooperation.

- India's foreign policy 'opportunism' in the region has brought India and China face to face on the border. Although the two foreign ministers met recently and agreed on a five point plan, the armies of the two countries are still where they were. Any miscalculation would be a further setback to regional peace.

Aakar Patel

- India's BJP government has shifted the country's strategic agenda. Congress had a policy of engaging the world and its neighbours with a focus on economic growth and development. The BJP government began by promising more such engagement. Yet, it has let relations within the region drift and decline. It seems that SAARC is no longer an Indian interest. India's majoritarian domestic agenda has affected relations with all neighbours.
- Regarding Pakistan-India relations, both countries have not made clear what they want and what they can do to set aside years of differences. Whenever the two countries have agreed to talks, setback has followed progress.
- Today, India may no longer have an incentive to talk with Pakistan, because it has achieved its aim of reduced violence in Kashmir. India does not have a stated policy that spells the terms on which it wishes to engage with South Asia, especially Pakistan.
- India has substituted SAARC with the idea of 'Neighbourhood First'. The latter manifested in two incarnations, BBIN and BIMSTEC. There is no clarity about their contours. Nor is there progress on ground. Overall, India is not meaningfully engaged in the neighbourhood.
- For a few years, India has been planning to shift its military goals and capabilities from counterterrorism to preparing for a two-front conflict. That shift has not happened with the Indian defence forces still largely equipped for counterterrorism. As China is the bigger threat in a two front war, it would have been prudent to settle relations with Pakistan and focus on China alone.
- BJP's domestic priorities have strained relations not just in the neighbourhood, but with the world at large. The EU Parliament passed a motion against India's citizenship bill. Late

2019, US House of Representatives' Foreign Affairs Committee discussed human rights violation in Kashmir. UNHRC has issued two reports on Kashmir taking note of indiscriminate use of weapons against citizens and their economic isolation. These have damaged India's image.

- The BJP government does not seem to have a clear strategy with respect to relations with China. Nor has it been transparent about the details and losses from the recent conflict on the Ladakh border.