

Effects of COVID-19 on South Asia's International Relations

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Summary

The COVID-19 pandemic has caused significant disruption to South Asia, severely damaging its economic development prospects. While this has exacerbated inequality in all South Asian societies, there are also potential opportunities in this new situation. However, will the leaders rise to the occasion and recalibrate relations or allow the fraught external environment bring its quarrels to the region resulting in a rough ride ahead?

There is no question that the COVID-19 pandemic marks a significant disruption in the international system. South Asia is no exception as the pandemic will change South Asia's prospects and could affect the trajectory of relations between the South Asian countries.

Three significant effects are immediately visible: India and South Asia's trajectory towards a developed future is now at risk; relations between the South Asian countries will have to find a new equilibrium; and, a much more fraught external environment will bring its troubles to South Asia.

South Asia's Development Prospects

There is likely to be severe damage to South Asia's economic development prospects. The primary cost is the human one: the immiseration of migrant and landless labour, and the impoverishment of large parts of the informal sector. How this plays out will determine the stability and relative peace of the South Asian societies. Already there are signs in some countries of a resort to mass mobilisation on the basis of (real or imagined) enemies at home and abroad to keep those in power in their position.

The world economy, in all probability, will take years to recover from what is a crash, not just a recession or depression. It is harder to calculate the effects of the "epidemic of despair" that the pandemic and reactions like the lockdown have unleashed. Certainly, the pandemic has exacerbated inequality in all South Asian societies. The real answer to these issues would be a renegotiation of the social contract in these societies but that seems unlikely.

The 14 April 2020 International Monetary Fund gross domestic product (GDP) estimates expects India to grow at 1.9 per cent in 2020. As for the other countries in South Asia, a World Bank report of 12 April 2020 expects the Maldives to face the biggest impact from the pandemic, because tourism accounts for two-thirds of its GDP. Afghanistan, Pakistan, and Sri Lanka are also expected to fall into deep recession. According to the World Bank's Open Knowledge Depository, India's growth in the fiscal year that just commenced is expected to range between 1.5 per cent and 2.8 per cent. As the world economy shrinks, the region as a

whole will also lose a share of the remittances that have been so important to some of the economies of the South Asian countries.

There has been talk of the South Asian countries gaining from the shifting of supply chains from China, as Bangladesh did in the case of garments in the last decade. Whether and to what extent there will be a diversification of global supply chains, and whether South Asia will be a destination of choice, remains to be proven at this time.

Relations among the South Asian Countries

A much harsher external environment awaits South Asia. The crisis has exacerbated United States (US)-China contention. The major external partners of the South Asian countries, such as the US and China, are likely to be domestically preoccupied in recovering from the crisis for quite a while. Chinese diplomacy since the pandemic has become more assertive and touchy, aggressive in pushing its interests and seeking overt primacy in its periphery. External powers are, therefore, likely to take a much more demanding stance towards the South Asian countries, as their own relations get more difficult. This could complicate relations among the South Asian countries.

There are potential opportunities for South Asia in the new situation.

The initial response of the South Asian leaders to discuss cooperation in coping with the pandemic kindled hope of a revival of sub-regional cooperation, possible even of the South Asian Association for Regional Cooperation (SAARC) processes, which have been relatively dormant in recent years. If the common threat of the pandemic were to kick-start such cooperation among the South Asian countries, it would have served a useful purpose.

The COVID-19 pandemic is also an opportunity for South Asians to address the serious human security deficit in the subcontinent, working with neighbours to mitigate the effects of the crisis on them all. This is in their own interest since they have porous borders and cross-border ethnicities with one another, and could be done outside formal multilateral structures such as the United Nations (UN) and SAARC.

However, the signs are mixed about whether or not the South Asian leaders will rise to the occasion and seize these opportunities, and recalibrate relations between the South Asian countries.

The International Context

Another risk is that the much more fraught external environment will bring its quarrels to South Asia.

The longer this epidemic lasts, the more serious its international effects. The post-war multilateral system, on which South Asia has depended, is a significant casualty of the crisis. It proved itself broken and the major powers have shown no desire or will to fix it, even when facing a crisis requiring joint cooperative solutions. The UN Security Council, which finally discussed the issue only on 10 April 2020, came to no conclusion and agreed on no

meaningful action, only bromides. The G-20, UN Secretary-General, World Health Organisation (WHO) and its Director-General have been found silent or too little too late in their statements and actions. If there was any doubt about the ineffectiveness of the multilateral system, it should have been washed away. The WTO is inactive.

Before hard realists celebrate the demise of the multilateral system, remember that this means that we are unlikely in the coming years to be able to deal with the real issues of our time – pandemics, climate change, international terrorism, cybersecurity and technology issues – all of which require cooperative global solutions. If there is a new paradigm of international cooperation being born, it is not in response to COVID-19. Nor does this experience mean that a realist view, ignoring institutions and norms, is vindicated by this crisis; for countries have responded in their actions and propaganda from domestic politics, chauvinism, emotion and other cultural factors rather than purely rational calculations of self interest.

So far, this is a crisis with no winners, only losers. As of now, no government in the world can be said to have come out of the crisis with reputation or power enhanced. Most governments are in basic survival mode. In an already fragmented Asia with rising great power contention, South Asia is likely to be in for a rough ride for some time to come.

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