Colombo Shangri La Colloquium 2018

COLOMBO SHANGRI-LA COLLOQUIUM

2018

ABOUT US

The Institute of National Security Studies (INSSSL) is the national security think tank of Sri Lanka under the Ministry of Defence, established to understand the security environment and to work with the government to craft evidence-based policy options and strategies for debate and discussion to ensure national security. The institute will conduct a broad array of national security research for the Ministry of Defence.

OUR VISION

"To improve policy and decision making through high-quality research and analysis with excellence".

COLOMBO Shangri-La Colloquium 2018

December 16, 2018

Institute of National Security Studies

Sri Lanka

President of Sri Lanka
Maithripala Sirisena

The inaugural Colombo Shangri-La Colloquium organized by Sri Lanka's premier national security think tank, Institute of National Security Studies Sri Lanka, is a highlight of Sri Lanka's traditional foreign policy role as a source of stability in regional affairs, guided by our time- tested policy of non-alignment.

As the world at large is seeing a power transition from the traditional power centres of the West to the emerging, and, some already emerged powerhouses in the East, a sense of uncertainty, suspicion, and fear is making its presence in global discourse. Spillovers of that transition are influencing the foreign policies of both large and small countries of the South Asian region. In this context, Colombo Shangri-La Colloquium is a timely initiative, where scholars from the region and further afar would discuss, debate and find modalities to promote regional cooperation in matters of collective interest and importance to the region.

Colombo Shangri-La Colloquium is a unique Track 2 dialogue, which I hope would provide greater scope for the participating scholars to dwell on matters of regional interest in a meaningful way. It is also a notable departure from increasingly hyper-politicized discussion forums.

The three thematic areas of the Colloquium are also of timely importance. They are: Maritime Security Cooperation in the Indian Ocean, Countering Violent Extremism and Promoting Security Agenda through Regionalism.

In each of these areas, the Government of Sri Lanka has stepped up its cooperation. During the height of the Cold War rivalry, Mrs Sirimavo Bandaranaike, the world's first female Prime Minister, advocated that the Indian Ocean be designated as a neutral- nuclear-free zone. Following in the footsteps of that legacy, we have advocated for a free and open Indo-Pacific. Members of our defence forces and police have taken part in several UN peacekeeping missions. As one of the few countries that have defeated terrorism, Sri Lanka has always been willing to share its expertise in counter-extremism with regional partners. As

one of the founding members of the non-aligned movement, we have always believed in international cooperation for collective benefit.

I believe measures proposed in this forum to promote regional cooperation would contribute to the foreign policy-making of regional governments and their extra-regional partners. Such proposals would hopefully see their practical implementation in the immediate future.

I take this opportunity to express my appreciation to the staff of the INSSSL for the progress that the institution has achieved since its inception in 2016. The Colombo Shangri-La Colloquium would provide further impetus for their research endeavours, which will hopefully grow in size and influence in the years to come.

Let me also extend my best wishes to the forum participants, many of whom travelled here from further afar, in their commendable mission to promote regional cooperation. I wish you a pleasant stay in Sri Lanka.

Thank You,
Maithripala Sirisena.
President of Sri Lanka.

The Secretary to the Ministry of Defence
Mr Hemasiri Fernando

South Asia is at the centre of a vast social, economic and political transformation. The primary driver of these changes is the forces of globalization that have steadily gathered momentum over the past decades. Be it our reliance on mobile phones, our addiction to social media or the many millions of jet- setting middle class, our lives have changed in ways that we might have never expected.

These changes are indeed beneficial to mankind, but, they have also heralded new challenges. As people become global citizens, terrorism has also become transnational. As the complex inter-dependency of nations increases and large and small economies are heavily reliant on trade, maritime piracy has become a global problem. The world has become interconnected to the extent that the instability of one remote corner of the world affects people, governments, and businesses thousands of miles away.

Elsewhere, climate change and global warming have highlighted the inter-dependency of mankind in their collective survival and survival of their planet. People of the atolls of Maldives, Kiribati, Vanuatu and others who are threatened with displacement by rising sea levels, or the drought-hit farmers in Sub Saharan Africa, are not the biggest emitters of Greenhouse gas, yet they take the brunt of the immediate impact of climate change.

In the meantime, the rise of new economic power centres in Asia has heralded a new era of power transition. As Asia and South Asia become all the more interconnected, the region has also become competitive, and at times, disturbingly polarizing.

One of the key thematic areas of the inaugural Colombo Shangri-La Colloquium 2018 is maritime cooperation in the Indian Ocean region. Interestingly, oceans are the new battleground of the unfolding geo-strategic competition between reigning and emerging powers. As such, a dialogue is necessary to maintain cool tempers. The Colombo Shangri-La Colloquium provides a platform for regional practitioners to share their perspectives. Another key thematic area of the Colloquium is combating violent extremism, an urgent priority for the vast majority of regional states. The third thematic area is promoting security agenda

through regionalism, which highlights the role of global and regional institutions as a source of stability and mediator of conflicts.

Viewed in this context, Colombo Shangri-La Colloquium 2018 is a timely scholarly discourse that brings together regional and extra-regional experts to discuss, and hopefully, find solutions to some of these pressing regional issues.

I take this opportunity to extend my best wishes to foreign and local delegates who would present their scholarly papers throughout today. I earnestly hope that Shangri-la Colloquium 2018 would add to the body of knowledge in regional affairs and enrich regional policy-making exercises. I also take this opportunity to extend my best wishes to the staff of the INSSSL for their successful holding of Shangri-La Colloquium 2018, and their future scholarly endeavours.

Thank You,
Hemasiri Fernando.
Secretary of Defence.

Preface

The Institute of National Security Studies Sri Lanka (INSSSL), the premier national security think tank under the Ministry of Defence of Sri Lanka, held its inaugural international conference "Colombo Shangri-La Colloquium 2018" on December 16th, 2018. The theme of the maiden event was "Towards a collective security policy for South Asia: building resilience and stability".

The Colombo Shangri-La Colloquium was intended to be a Track 2 dialogue, where distinguished scholars and practitioners from Japan, China, Maldives, France, Pakistan, Bangladesh, India, Nepal, and Sri Lanka, gathered in Colombo to share their perspectives and search for solutions to pressing regional problems.

The Colloquium comprised of three panels on key sub-thematic areas: Maritime Security Cooperation in the Indian Ocean (chaired by former Ambassador Palihakkara), Countering Violent Extremism (chaired by Maj Gen (retd) Udaya Perera), and Security Agenda through Regionalism (chaired by Mrs Ramla Wahab Salman).

This book is a collection of the papers delivered by the contributors at the Colombo Shangri-La Colloquium 2018.

MARITIME SECURITY COOPERATION IN THE INDIAN OCEAN REGION

The Indian Ocean is the third largest saltwater body in the world and encompasses an area of 73.5 million square kilometres that stretches from Australia to the Southern tip of Africa. It is also the artery of the world's maritime commerce: about 80 per cent of the world's container traffic passes through the Indian Ocean region and a complex nexus of supply chains that crisscrosses the region is dependent on maritime transport.

The Indian Ocean region is also a demographic tinderbox: 45 per cent of the world's youth population lives in the region. Political and social stability of the region would have far-reaching global implications.

It is also at the centre of an unfolding power transition from the traditional power centres of the West to emerging powers of the East. China's rise has shifted the regional balance of power and triggered covert and not- so- covert balancing initiatives by regional powers and extra-regional powers.

Besides this, there is a long list of traditional challenges such as maritime piracy, human trafficking, transnational terrorism and smuggling of contraband, natural disasters and the adverse environmental consequences of climate change.

Combating these multidimensional security challenges requires regional states to evolve a collective security agenda. Yet, power rivalries between the regional states and between the emerging powers and the reigning power have complicated regional approaches towards collective security.

The contributors of this sub-thematic area have dealt with cross-cutting issues of the Indian Ocean region: challenges, opportunities, and means to promote regional cooperation.

Professor Swaran Singh of Jawaharlal Nehru University in his paper, *'China-India maritime cooperation in the Indian Ocean'* explores an emerging sense of mutual understanding between China and India as they cooperate in anti-piracy discourses and networks, and, even, in joint anti-piracy operations. Prof Singh argues that emerging cooperation is creating strong possibilities for limited, sector and issue-based, maritime partnerships between the two traditional rivals. Yet, cooperation is often overlooked as both sides are still hesitant to advertise the elements in their mutual maritime interactions, in part because they are mindful of pitfalls and competing interests that could obscure the cooperation.

This much clichéd rivalry and the wider systemic effects of China's rise is the focus of **Dr Satoru Nagao** of Hudson Institute. In his paper, *'The Escalating US-China Confrontation: How Should Japan, India, and Sri Lanka Respond'*, Dr Nagao offers a realist formula of internal and external balancing against rising China's increasing might. Analyzing the perceived US primacy in various dimensions of power, he argues that the US would retain its superiority. Therefore, it is in the interest of Japan, India and Sri Lanka to cooperate with the United States in the long run. In the short run, however, these countries should enhance their internal balancing mechanisms, especially their defence capabilities, he implores.

The perceived geo-strategic grand strategy of China's Belt and Road initiative, through its investment in ports and other critical infrastructure projects, has gained prolific media coverage and dominated IR literature. This dominant narrative has left little room for the voice of small states that have taken part in BRI, as well as China itself.

In his paper, *China's Maritime Silk Route: Progress and Implication*, **Professor Huang Yunsong** of China Center for South Asian Studies, Sichuan University, spells out China's position on the BRI. He argues, notwithstanding a Western narrative of maligned intentions, China's military presence along the Maritime Silk Road (MSR) is limited and 'commensurate to its economic presence.' He stresses that China does not seek to push out any established

powers in the regions along the MSR, and assures that the principle of non-interference in China's foreign policy provides no room for a hidden political agenda.

The role of small states as they grapple with power transitions, a great power competition and a host of new challenges, are the focus of the next several contributors. **Captain P K Warnakulasooriya** of the Sri Lankan Navy, in his paper*, 'Sri Lanka Navy's Contribution towards Maritime Security Cooperation in the Indian Ocean',* highlights the shifting focus of the Sri Lankan Navy from fighting maritime suicide terrorism of the LTTE, to a host of traditional and non-traditional challenges in its post-war period.

He identifies piracy, illegal smuggling of drugs and contraband, gun running, human smuggling, illegal, unreported and unregulated (IUU) fishing, and maritime terrorism, as the primary maritime security triggers of the current security context. All that, he notes, requires enhanced maritime cooperation in the region.

He observes a paradox in modern security challenges, as transitional maritime security threats take place due to lack of adequate domination at sea. Yet, the increased number of vessels operating has made it difficult to identify potential targets. He has also highlighted the contribution of the Sri Lankan Navy in maritime security and the evolving cooperation with friendly navies in the region, and further afar.

In another small state perspective on geopolitics, '*The Rise of China in the Indian Ocean: A Maldivian perspective'* by **Dr Rasheeda M. Didi** offers a rather critical outlook on China's expanding economic influence in the Indian Ocean atolls. Fitting to China's meteoric rise, Dr Didi recalls that Beijing did not have an embassy in the Male until 2011. Yet within less than a decade, and on the back of an official visit by Chinese President Xi Jinping (which also took him to Colombo) and the pro-Beijing administration of former President Yameen, China loomed largely and established itself as the main financier in the Maldives. Yet, Dr Didi notes, that the local opinion, which nonetheless is not uniformed, is that the relationship is not seen as a win-win situation for both countries: "Many Maldivians question the benefits of any of the projects that the Chinese Government undertook because of the loopholes in granting the projects, such as lack of the bidding process and the cost-benefits involved, compared with other estimates given for the same projects," she writes. She also raises concern over the potential security implications of dual-use infrastructure projects and the prospect of the Maldives being trapped in a geopolitical competition between China and India.

Professor Asanga Abeyagoonesekera & Ms Savithri Sellapperumage in their paper *'Geopolitics of the Indian Ocean: A Sri Lankan perspective'*, argue that the Indian Ocean region is undergoing polarization into two blocs, one favouring China's Belt and Road Initiative and the other, a pro-Western camp, preferring the traditional status quo balance of power in the region.

Nonetheless, the authors also argue that it is not just the external factors that decide the state preference to China or the West. Instead, there are perhaps far more influential domestic calculations, they note. South Asia's pickle politics is that one government, say, for instance, the Rajapaksa or Yameen administrations, would favour the Chinese bloc while their successors may seriously alter the foreign policy of their states, and could well switch sides too.

The two also echo the strategic predicament of Sri Lanka - yet another small state trapped between the geo-political competition between China and India. Noting the changing power configuration in the international system and the looming risk of misunderstanding and conflict, the authors call for a security architecture, which would a) promote peace and stability through peaceful negotiations of conflicts and b) take multilateral deliberations and assertive action against traditional and non -traditional security threats.

COUNTERING VIOLENT EXTREMISM

Sadly though, South Asia's rich ethnic diversity is also causing a good deal of ethnic polarization. Similarly, its weak states, state apparatuses and independent institutions, are often submerged by political majoritarianism. As a result, they are also ill-equipped to proactively confront incipient threats posed by non-state armed actors.

All South Asian states have been the victims of violent extremism or terrorism. Sri Lanka's Tamil Tigers, also known as LTTE, were the global champions of suicide terrorism until the beginning of the Iraqi insurgency. Afghanistan is now a regular victim of violent extremism. The estimated USD $1 trillion was spent on America-led war machinery in Afghanistan, yet it failed to stabilize the country.

Pakistan faces unique challenges as it combats the Pakistani Taliban. India, Bangladesh, the Maldives, Nepal, and Sri Lanka have suffered at the hand of terrorists and insurgents.

Porous borders, state patronage extended to certain extremist groups, and weak institutions, have complicated a unified fight against violent extremism. Inter-state rivalries and the

dubious utility of extremists as proxies of foreign policy. have further hindered a unified battle. Contributors to this thematic area have discussed a whole gamut of issues related to extremism and terrorism.

Major General G V Ravipriya, in his paper *'Countering Violent Extremism: Global Trends and Implications on South Asia',* provides a cross-spectrum analysis on the existing scholarship on this often contentious discipline. He notes quite rightly, that while the presence of radical Islamic groups with links to international terrorist organizations is one of the major concerns in the region, the nature and political economy of South Asian states, which operate in the interests of a coalition of classes and ethnic groups, are fostering permissive conditions of extremism.

Along those lines, General Ravipriya argues that one reason that counterterrorism strategies do not meet expectations lies in the misplaced focus on defeating terrorism via military means. He also emphasizes that a successful strategy to counter violent extremism in South Asia should not target any particular ideology or religion. Although Islam-inspired terrorism may be at the forefront of the public consciousness, other extremist movements are also dangerous and destabilizing. Therefore, he calls for a more comprehensive battle against extremism.

Dr Ranga Jayasuriya in his paper *'South Asia's payback: Correlation between regime tolerance and extremist attacks'*, echoes similar sentiments. He argues that despite the tendency of the South Asian states to pin the blame on Salafi Jihad, extremism in South Asia is neither foreign nor is it altogether a fringe phenomenon. It enjoys sympathy from the mainstream and often cross-fertilizes the mainstream opinion and vice versa.

He alleges that while fighting one particular brand of extremism, South Asian states and their regime leaders have co-opted other varieties of borderline extremism, as means of political calculation and regime legitimization. Such insidious strategies have distorted the nation-building process and held back the liberal democratic transition in the region. There is also a violent payback - he observes that there is a correlation between the regime tolerance towards borderline extremism and the number of violent extremist attacks.

COLLECTIVE SECURITY AGENDA THROUGH REGIONALISM

South Asian policymakers talk a lot about regionalism, but when it comes to implementation, they do precious little. South Asia is the least economically integrated region in the world.

The intra- regional trade within the South Asian region is below 5 per cent. That is abysmal compared to the trade of the European Union at 67 percent, the North American Free Trade Agreement (NAFTA) at 62 percent, the Association of Southeast Asian Nations (ASEAN) at 26%, the Common Market for Eastern and Southern Africa at 22%, Gulf Cooperation Council at 8%, Latin America and Caribbean at 22%. (OECD World Economic Indicators).

South Asia's poor trade integration has much to do with prohibitive trade and investment policies and red tape. China's One Belt One Road has addressed infrastructure backlog and provided the impetus for regional and extra-regional cooperation. Yet, the asymmetry of power relations between South Asia's smaller states and China can lead to uneven distribution of gains. India's absence from OBOR and traditional Sino-India rivalry also compel small states to undertake a delicate balancing act.

Contributors in this thematic area have discussed several cross-cutting issues of regional cooperation in South Asia, and cooperation between the South Asian region and extra-regional actors. They analyzed the measures that are hitherto implemented to promote regional cooperation and as to how the region would proceed in economic integration.

Dr Françoise Nicolas in her paper, *'China's "Belt and Road" and its implications for the world order: A European perspective',* observes that China's Belt and Road, to some extent, is "old wine in new bottles"; it is the extension of the earlier Chinese version of "going out" (or "go global") advocated by the Beijing leadership as far back as the mid-90s.

However, she notes that the current contours of BRI have surpassed the initial objectives. It has grown into a systemic project "rather than a mere "initiative" as Chinese leadership insists on calling it."

Dr Nicolas offers three future scenarios for the BRI. In the first two scenarios, which are rather unlikely to happen, she suggests that :(a) BRI develops without much resistance to become the single system - new form globalization with Chinese characteristics, or (b) BRI is faced with increasing systemic and internal pressure and is abandoned.

An intermediate scenario is more likely happen, in which the BRI will see the emergence of two rival poles, one led by the United States, and the other by China, with their own networks of infrastructure, standards, and regional institutions.

This new bi-polar system would offer systemic challenges and opportunities to other states whose foreign policy choices would be guided by their political preferences, geographical proximity and economic vulnerability to one of the two dominant states.

Ms Natasha Fernando in her paper *'Security Cooperation through the BIMSTEC: A Regional Perspective',* agrees that the BIMSTEC's security dimension is relatively new. But, she contends, that given the geographic, geostrategic and geo-economic significance of the BIMSTEC, several uniting features could serve as catalysts for the BIMSTEC to evolve as a security community in the future.

BIMSTEC is gradually developing the Counter-Terrorism and Transnational Crime Sector and the BIMSTEC Convention. These features could help it better integrate into SAARC. It can also play a role complementing SAARC, thereby replenishing the failures and deficiencies of the latter.

She also, however, notes a host of limitations that could hamper the security cooperation and recommends that BIMSTEC develops strong communication channels, coordinated efforts, and a fully-resourced secretariat to overcome these limitations.

The popular debate as to whether globalization is undermining the poor states is the focus in the next paper.

Ms Kasuni Ranasinghe in her paper *'Economic and Social Threats in Globalized South Asia',* examines whether fast-paced globalization has hindered the regional integration of South Asia.

She observes that SAARC countries, in general, perform poorly in terms of openness, stability and freedom indicators. However, within the region, the disparity among SAARC countries is relatively low. They are also located at the lower end of the distribution as compared to other regions. She notes that the lack of commitment and political instability has generated an additional burden for the region to maximize the gains from globalization.

Therefore, she implores that a concerted commitment and a coherent strategic policy are requisites for SAARC countries to gain from globalization, as well as to minimize the costs of globalization.

Along the same lines, the next paper analyzes the securitization of economic policymaking that has hampered regional economic cooperation.

In his paper *'Sub-Regionalism the new realism in South Asia'*, **Dr Uttam Kumar Sinha** observes that the security thought the process is deeply rooted in the very nature of post-colonial state formation in South Asia and that the region has been unable to unshackle the traditional contours of security discourse to forge ahead with regional cooperation.

However, he sees a sliver of light at the end of the tunnel as he refers to the changing political thinking in New Delhi, and a manifest interest of the NDA government in intra-regional interaction.

The renewed emphasis in New Delhi on regional governance, institutionalism and pro-active engagement with the region, as envisaged in the 'Neighbourhood First' policy, are a sign of India's desire to take the lead in regional cooperation. However, as Dr Sinha suggests, the fear is that this approach could easily dissipate in the face of regional security complexities and political difficulties, resulting in adhocism and reactionary measures. Thus the political will to disentangle regional policymaking from the obsessively security-centric- thought process is a sine qua non for the region to achieve its potential in integration.

South Asia and the world at large are at the throes of an epoch-making power transition.

In the history of international politics, power transitions have rarely been peaceful, and more often than not, have ended in hegemonic wars between the rising power and the reigning power. Yet, the existing rules-based system, the complex interdependencies of major states, and global institutions have mitigated the anarchy and likeliness of war between states in the international system. Global institutions have also fostered means for the peaceful resolution of disputes.

Being a Track 2 initiative, the objective of the Colombo Shangri-La Colloquium is to foster a dialogue between regional and extra-regional practitioners in international politics. We sought to provide them with space to share their perspectives and find means to foster global cooperation. We believe the Colombo Shangri-La Colloquium, in its maiden event, lived up to those objectives. We are looking forward to the more fruitful association in the years to come.

September 27, 2019- Colombo, Sri Lanka

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MARITIME SECURITY COOPERATION IN THE INDIAN OCEAN REGION

CHINA-INDIA MARITIME COOPERATION IN THE INDIAN OCEAN

Professor Swaran Singh

Key Words: Indian Ocean, Maritime Cooperation, India, China

1. Introduction

The twenty-first century has witnessed an exponential growth in human interactions with open oceans. This has been especially true of the Indian Ocean, where the unprecedented rise of China, and later also of India and several other littoral nations, has contributed to making 'export-led growth' and 'blue economy' buzzwords for future trajectories of sustainable development. Like several other rapidly rising economies amongst developing nations, both China and India have been seen increasingly engaging in oceans for food, leisure, livelihoods, transport, and other resources. Their prosperity has also triggered their expanded maritime footprint, which has expanded the frame and frequency of their oceanic interface and interactions. An increasing focus on their extensive exclusive economic zones (EEZ) and harnessing sea bed and sea-surface resources beyond these zones, has been witnessed. This has not only seen their ever-growing interface in the Indian Ocean, but has also germinated new trends of cooperation, coordination, competition, contestation, and even occasional conflict.[1] Together, these have ignited their shared vision on the urgent need to ensure freedom and safety of navigation across sea lanes of communications, which have come to be an important national priority for both nations.

Much beyond the control of either China or India, the expanding economic engagement of open oceans has also fuelled the rise of new threats. These include piracy, pollution and auxiliary problems of increased traffic across oceans, especially checkpoints. For both China and India, threats of piracy at checkpoints like the Gulf of Aden and Malacca Straits, have clearly transformed their discourses on maritime security and development - which today, play a leading role in determining the nature of evolving complex geopolitics in the Indian Ocean region. There is also an increasing sense of how both these leading Asian powers and major stakeholders in Asia's future, must strengthen their mutual understanding and coordination to avoid working on cross-purposes. This remains a prerequisite to ensure that emerging non-traditional challenges of piracy and pollution do not derail their ambitious growth trajectories, or make them vulnerable to challenges where vested interests of extra-territorial powers can exploit their differences and derail them from their historic role in building the Asian century.

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[1] Zhu, Cuiping, India's Ocean: Can China and India Coexist, (Singapore: Sprinter 2017), p.21.

While there has been no dearth of materials that highlight and examine the various emerging contours of the competition and contestations between these two nations, this paper seeks to explore the emerging trends of their mutual understanding and awareness from the angle of how their joint participation in building and directing anti-piracy discourses and networks, even joint anti-piracy operations, are creating stronger possibilities for issue-based maritime partnerships. These are often overlooked as both sides remain shy of advertising or celebrating these elements of their maritime operations.

2. The Revival of Foreign Naval Facilities

For centuries, the Indian Ocean had experienced the presence of imperial fleets that had been a source of power projection by European nations' imperialism across the region. Their colonial subjugation of littoral nations was followed by the building of naval bases that had been both a source of power and a pillar of regional security architecture. This new era, now, has witnessed the rise of regional nations like China and India. This period has also seen the conventional wisdom of building naval bases and military alliances, being replaced by a new genre of commercial port facilities. However, the historical experience continues to make third-party nations sceptical about the dual-use possibilities of the port facilities being built and refurbished by China and India. These new strategies are surely less postulated towards being hierarchical and are more likely to facilitate developmental partnerships premised on egalitarian interactions, which remain partly grounded in the pre-colonial trading networks of early modern times that once linked together heterogeneous lot of Javanese, Malays, Indians, Chinese, Armenians and Europeans.[2]

Second, this new era has also seen an increased focus on not just asset sharing, but information sharing - often on a real-time basis. From sharing commodities through reciprocal trade, and access to each other's maritime facilities, these new strategies have increased the emphasis on networking and dialogue. These are focused on building norms, rules and institutions as elements of the new regional security architecture. These emerging trends have witnessed rapidly emerging large economies, like China and India, expanding engagement with the nations of the Indian Ocean rim. This expansion of engagement with Indian Ocean rim nations has in turn greatly enhanced their consciousness and focus on the issues of safety and security of sea lanes. This has resulted in the launch of several unilateral and multilateral initiatives for ensuring safety and freedom of navigation. Likewise, recent years have witnessed both China and India

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[2] Pearson, Michael, "Introduction: Maritime History and the Indian Ocean World", in Michael Pearson (ed.), Trade, Circulation and Flow in the Indian Ocean World, (New York: Palgrave Macmillan, (2015), p. 18.

expanding their commercial linkages, as to also revive their historical socio-cultural connections with littoral nations. Both have also accelerated the pace of expanding their physical presence inside various littoral countries. In addition to their increased sailing, patrolling and joint naval exercises (between themselves and with other nations), both have also been building access to permanent naval facilities in various littoral countries.[3]

Third, the old persistent debate on China's 'string-of-pearls' has been further concretized with China setting up naval facilities at Djibouti, and building Africa's first electric rail that runs over 700 km from Addis Ababa to Djibouti, symbolizing China's growing rapid access to resources and markets in Africa's interiors. There have been persistent reports about another Chinese port that is expected to come up at Jiwani, in Pakistan. In addition, China International Trust Investment Cooperation has been planning to invest $7.3 billion in Myanmar's Kyaukpyu deep sea-port project, and it has already signed contracts to invest over $1.3 billion in its development[4].

India has also lately become active in engaging Qatar, Iran, Seychelles, Madagascar, Mauritius, Malaysia and France (reunion islands) for similar access to maritime facilities.[5] India's recent expansion of cooperation with France in patrolling the Southwest Indian Ocean, and launch of the joint Asia-Africa Growth Corridor with Japan, has been aimed at addressing the growing asymmetry with China's increasing maritime access and influence across the Indian Ocean rim. The most recent initiatives were Prime Minister Narendra Modi's May-June 2018 visit to Indonesia and Singapore that saw him visiting the Changi naval base, and signing a new defence pact to provide India with access to the strategic port of Sabang[6]. These have been part and parcel of Prime Minister Modi's assertive foreign policy, where his engagement with Act East and Indo-Pacific have seen India's expanded and proactive footprint on maritime diplomacy.

3. China's Maritime Silk Road

It is instructive to note that compared to the naval presence of the US or Russia, it is China that has emerged as the most recent trigger for India's proactive maritime diplomacy. China's

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[3] Yuan, Jingdon, "Managing Maritime Competition between India and China", in David Brewster (ed.), India & China: Competition for Naval Dominance in the Indian Ocean, (New Delhi: Oxford University Press, 2018), p. 32.

[4]. Nitta, Yuichi, "Belt and Road: Myanmar cuts cost of China-funded port project by 80%", Nikkei Asian Review, September 28, 2018 (accessed on July 9, 2019), https://asia.nikkei.com/Spotlight/Belt-and-Road/Myanmar-cuts-cost-of-China-funded-port-project-by-80

[5] . Mishra, Abhishek, "Building bridges of friendship in the Indian Ocean: African littorals on Indian Navy's radar", Observer Research Foundation, July 5, 2019 (accessed on July 9, 2019), https://www.orfonline.org/expert-speak/building-bridges-of-friendship-in-the-indian-ocean-african-littorals-on-indian-navys-radar-52762/

[6]. EurAsian Times, "How India is Countering China with Global Defence Treaties and Naval Bases", *ET News*, November 11, 2019 (accessed on July 9, 2019), https://eurasiantimes.com/india-countering-china-global-defence-treaties-naval-bases/

maritime Silk Road initiatives, coupled with its rising power, naval modernization, and expanding economic leverages, have made India quite cautious about joining China's Belt and Road Initiative[7]. Perhaps the historical baggage and enduring border dispute in China-India relations, or the China-Pakistan axis, partly explain India's anxieties about China's increasing footprint across the Indian Ocean. Moreover, India's self-perpetuating perceptions about China's continued neglect of New Delhi in its pursuit of the Belt and Road Initiative and Maritime Silk Road, have also made matters more complex. However, these new trends in both non-traditional maritime challenges, as well as methods of redress, have not just triggered competition but also germinated India-China maritime cooperation with strong potential to become a game-changer in Indian Ocean geopolitics. For example, going beyond conventional, mutual confidence-building, through joint naval exercises, the two have since moved to shared participation in major anti-piracy networks.

This change has also to be viewed in the wider canvas of their changing bilateral relations, where the last three years have witnessed bilateral trade between the nations rising from $74 billion for 2016 to over $95 billion for 2018. Likewise, China's annual contracted foreign direct investments into India have gone up from $688 million to $5.6 billion for the same period.[8] The last five years also saw the Indian Prime Minister visiting China five times, and President Xi Jinping paid two visits to India; making them one of the most regular meetings between two world leaders. Since Indian Prime Minister Narendra Modi's Shangri-La speech in Singapore, on 1st June 2018, India has repeatedly emphasized how it seeks to ensure that 'Indo-Pacific' formulation does not become an exclusive club. New Delhi has since repeatedly underlined how it seeks to bring China onboard its Indo-Pacific deliberations. India had insisted and ensured that the Indo-Pacific was placed on the agenda of their second Annual Maritime Dialogue for 2018. Likewise, India has also insisted to ensure that Quadrilateral of U.S., Japan, India, Australia - that Beijing suspects to be aimed at containing China - does not become a militarized or exclusive club of a few nations[9]. Some of these elements of China-India interactions get often

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[7]. Jacob, Jabin T., "The China-Pakistan Economic Corridor and the China-India-Pakistan Triangle", in Jean-Marc F. Blanchard (ed.), *China's Maritime Silk Road Initiative and South Asia: A Political Economic Analysis of its Purposes, Perils, and Promise*, (Singapore: Palgrave Macmillan, 2018), p. 108.

[8] . Nair, Unnikrishanan, "Good Friends Xi and Modi to meet amid growing tensions with Trump", *International Business Times*, June 11, 2019 (accessed on July 9, 2019), https://www.ibtimes.com/good-friends-xi-modi-meet-amid-growing-tensions-trump-2799603; Pani, Priyanka, "Chinese investments in Indian start-ups cross $5 billion in 2018", *The Hindu Business Line*, March 22, 2019 (accessed on July 9, 2019), https://www.thehindubusinessline.com/companies/chinese-investments-in-indian-start-ups-cross-5-b-in-2018/article26612436.ece

[9]. Grossman, Derek, "India Is the Weakest Link in the Quad", *Foreign Policy*, July 23, 2018 (accessed on July 9, 2019), https://foreignpolicy.com/2018/07/23/india-is-the-weakest-link-in-the-quad/

overlooked in rhetorical assessments about the inherently competitive nature of China-India equations.

4. Cooperation in Fighting Piracy

To be specific, the Gulf of Aden perhaps presents the aptest example of China-India maritime cooperation in the India Ocean. International Maritime Organization reports have shown how piracy had seen an unprecedented rise in the Gulf of Aden during 2007-2010.[10] This had made the United Nations Security Council adopted resolution 1851, urging nations to take appropriate measures, including not only patrolling territorial waters of Sudan (of course after taking permission from the concerned authorities) but "to mount land-based operations in Somalis against pirates strongholds."[11] This reflected deep concerns amongst all stakeholders with respect to the unacceptable level of violence at sea that was being perpetrated by Somali pirates, and saw nations like China, India, Japan, Russia and others initiating and enhancing their regular anti-piracy patrolling in the region, which marks the crossroads for major East-West maritime traffic in the Northern Indian Ocean. Over time, their naval patrols were not only to lead to mutual awareness and familiarity but even to germinate joint patrolling and a whole set of other avenues for cooperation.

In addressing the rising menace of piracy, for instance, the Indian Ocean now has three major networks in operation: (i) NATO-led Force (Operation Ocean Shield); (ii) EU Force (EU-NAVFOR Somalia, and (iii) CTF-151, a multilateral force led by the US. Both China and India have been coordinating and assisting them in their operations.[12] Both are also members of Oman based Shared Awareness and DE confliction (SHADE) network of 26 nations that meet on a monthly basis. On 9 April 2017 in the Gulf of Aden, this had witnessed Chinese and Indian navies undertaking a joint operation in rescuing a 21,000-ton cargo merchant ship, MV OS 35 that had been hijacked in the Gulf of Aden. This happened on the eve of the China-India 73-day-long military standoff between June-August last year.

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[10] . Djama, Abbas Daher, *The phenomena of Piracy off the Coast of Somalia: Challenges and Solutions of the International Community*, (New York: United Nations Division for Ocean Affairs and the Law of the Sea, December 2011), (accessed on July 9, 2019), *https://www.un.org/Depts/los/nippon/unnff_programme_home/fellows_pages/fellows_papers/djama_1112_djibouti. pdf*, p.102.

[11] . Terry, Col. James P., *The War on Terror: The Legal Dimension*, (Lanham: Rowman & Littlefield Publishers Inc., 2013), p. 109.

[12] . Singh, Abhijit, "Non-Traditional Threats in the Indian Ocean Region: Prospects for Cooperation", in Sithara Fernando (ed.), *United States-China-India Strategic Triangle in the Indian Ocean Region: Challenges and Opportunities*,(New Delhi: Knowledge World, 2015), p. 232.

Since then their Wuhan informal summit in April this year is believed to have cast a re-set in their relations. This has witnessed increased frequency in their bilateral meetings and bonhomie between their leaders. It is in this backdrop that India has placed the Indo-Pacific paradigm on the agenda of China-India maritime dialogue. Potentially, this can open new avenues for stronger understanding and shared initiatives across the Indian Ocean. This positive part of the story needs to be highlighted and made integral to Indian Ocean maritime discourse. Given the inevitability of their expanding interface in the Indian Ocean, it is by underlining their overlapping interests that both sides can enhance their mutual trust and understanding to build new geopolitical imaginations about ensuring peace and prosperity in the Indian Ocean region.

5. Conclusion

The first official mention of anti-piracy in bilateral talks between China and India took place on February 2012, when the two agreed to undertake joint operations against pirates, yet progress has been painstakingly slow.[13] At the same time, anti-piracy has been identified as one of the key areas of international cooperation, where participation of China and India exceeds practical, economic interest-driven motivations.[14] China and India have been having intermittent joint naval exercises from 2007 and maritime dialogues since 2014. But their recent interactions - since their informal April 2018 Wuhan summit, which is believed to have cast a reset in their ties - have witnessed increased synergies. Given India's continued economic growth rates, both nations' strong and stable political leadership and common targeting by U.S. protectionist policies, both China and India have begun to take on greater global responsibilities.

This increasing magnitude and frequency of multilateral interactions across several sectors and levels of leadership by China and India have had positive spin-off effects on their growing pragmatism in addressing both historical and emerging mutual challenges. India's leadership has increasingly been accepted and begun to explore possibilities of building developmental partnerships where possible, while managing other irritants, building mutual confidence and understanding. Their cooperation in fighting piracy in the Gulf of Aden provides one most apt case to see scepticism gradually making way for synergy, although there are several issues on which the two nations remain divided and concerned about each other's growth trajectories and policies.

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[13] . Gippner, Olivia, "Antipiracy and Unusual Coalitions in the Indian Ocean Region: China's Changing Role and Confidence Building with India", *Journal of Current Chinese Affairs*, Vol. 45, No. 3 (2016), p. 126.

[14] . ibid. p. 129.

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THE ESCALATING US-CHINA CONFRONTATION: HOW SHOULD JAPAN, INDIA, AND SRI LANKA RESPOND?

Dr Satoru Nagao

Key Words: China-US competition, Balance of Power, Sri Lanka, Japan, India

1. Introduction

Recently, The United States has been stepping up pressure on China. The latest National Security Strategy, published by the United States in December 2017, stated explicitly that "China and Russia challenge American power[1]." In January 2018, the US imposed tariffs on China. In response, the Chinese imposed their own tariffs on the US, which in turn led the US to impose more tariffs on China. In October of this year, when Vice President Mike Pence spoke at Hudson Institute, he said: "Beijing is employing a whole-of-government approach, using political, economic, and military tools, as well as propaganda, to advance its influence and benefit its interests in the United States. The United States of America has adopted a new approach to China,"[2] and cited last year's National Security Strategy. Therefore, US-Chinese relations are becoming increasingly tense, and countries, including Japan, India, and Sri Lanka, must adapt to the new circumstances. This raises three questions. What changes should the three countries expect from the new US policy? , What problems will the three countries face as a result of this new policy? , How should they (we) respond?

2. What Changes Should the Three Countries Expect from the New US Policy?

2.1. Long Term Changes

The new US policy will involve both long-term and short-term changes. For Japan, India, and Sri Lanka, the most important question influencing long-term planning is: which side is likely to win, China or the US? The United States is now the world's only superpower, a status it acquired by defeating Germany, Japan, and then the Soviet Union. Can we learn a lesson from history?

Japan has an unfortunate and tragic history of war with the US. However, for that reason, the Japanese can confidently tell the world not to underestimate the seriousness of the US' strong stance on China. Before WWII, the US had two war plans for its confrontation with Japan: the "War Plan Orange" and the "Rainbow plans"[3]. They were not precisely executed but indicated a general strategic direction. Similarly, the US had a war plan prior to its confrontation with

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[1] The White House of US, "National Security Strategy of the United States of America", December 2017, p.2
https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf

[2] "Vice President Mike Pence's Remarks on the Administration's Policy Towards China", October 4, 2018
https://www.hudson.org/events/1610-vice-president-mike-pence-s-remarks-on-the-administration-s-policy-towards-china102018

[3] "United States color-coded war plans", Wikipedia
https://en.wikipedia.org/wiki/United_States_color-coded_war_plans

Germany in WWII (the "War Plan Black"). When these plans were declassified in 1974, people were surprised that before WWII, the US also had a war plan to confront the British and Canada (the "War Plan Red"). With military culture in mind, these plans were justifiable. Therefore, the Japanese take seriously the explicit views expressed by the National Security Strategy and believe it indicates that the US currently has a plan for confronting China.

Additional evidence suggests that recent US actions are part of a long-term strategy. For example the high-tech war between the US and China, and the US ban on products made by Huawei and ZTE. The process started several years ago. During the Obama administration, in 2012, the government published a report entitled: "Investigative Report on the U.S. National Security Issues Posed by Chinese Telecommunications Companies Huawei and ZTE"[4]. After publishing the document, the US government began to exclude Huawei and ZTE. Thus, since Republicans and Democrats have a similar view of China, recent events are merely part of a long-term strategy.

Why has the US recently stepped up its effort? Firstly, China's activities are too challenging. But secondly, now is the best chance the US will get because the country might only be able to win if it steps up now. Some simple facts confirm that now is the best time for the US to pressure China. For example, according to figures published by the UNESCO Institute for Statistics in July 2018, the United States spends $476 billion on research and development, compared to China's $371 billion (Figure 1). This means that the US still has an advantage in developing new technology.

Figure 1: Invest in Research & Development of the US and China (USD in billion)

US: US$476bn, China: US$371bn
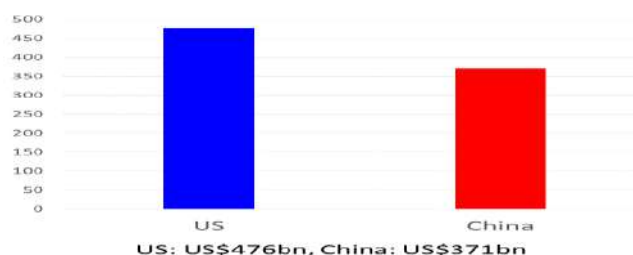
*How much does your country invest in R&D?, UNESCO Institute for Statistics July 16 2018 (https://howmuch.net/articles/research-development-spending-by-country).

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[4] U.S. House of Representatives, "Investigative Report on the U.S. National Security Issues Posed by Chinese Telecommunications Companies Huawei and ZTE", 112th Congress, October 8, 2012.

Similarly, the International Monetary Fund's World Economic Outlook Database for January 2018 shows that US GDP is $19,390.60, compared with China's $12,014.61, and thus the US economy is larger than China's (Figure 2).

Figure 2: GDP of the US and China (USD in billion)

US: $19,390.600, China: $12,014.610
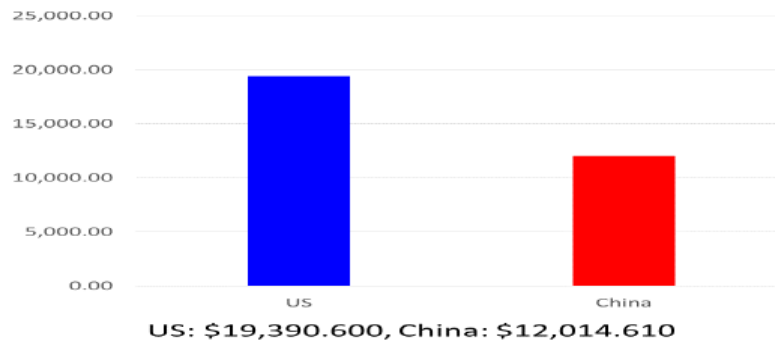
*World Economic Outlook Database, International Monetary Fund, January 2018.

As for military power, according to the International Institute of Strategic Studies in London, the US defence budget is $603 billion, compared with China's $150 billion (Figure 3).

Figure 3: Defence Budget of the US and China.

US: $603 billion, China: $150 billion
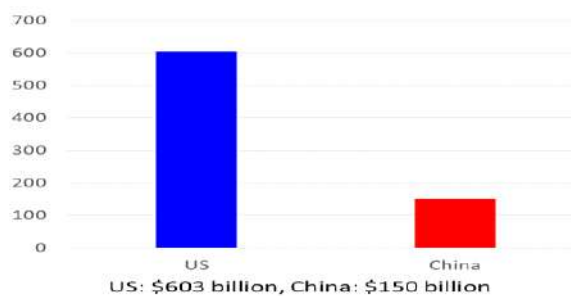
Source: International Institute of Strategic Studies, the Military Balance 2018.

Thus, based on current technology, economic strength, and military balance, the United States would be likely to win a competition with China in any of these areas. This means that the US should be able to increase pressure on China first, technologically, second, economically, and last, militarily, until China stops challenging US interests. It looks like the US would win in a competition with China under current circumstances. Japan, India, and Sri Lanka should not forget the US's advantages as they plan for the future.

2.2. Short Term Changes

In the short term, what the US will ask of Japan, India, and Sri Lanka is another matter. In the short term, what kind of strategy will the US choose? The US decided on a balancing strategy because of China's pattern of expansion in the South China Sea in recent decades. We should

consider the recent history of the South China Sea. Japan's Ministry of Defence published why a balancing strategy is the best option.

China's maritime expansion has been based on military balance. When France, the United States and the Soviet Union withdrew from the South China Sea, it emboldened China. Following each country's withdrawal from the region, China expanded its presence and occupied islands and reefs which the Philippines and Vietnam claimed. Japan's Ministry of Defence said, "China has made advances into the SCS by exploiting power vacuums (to the Paracel Islands in the 50s-70s and to the Spratly Islands since 80s.)"[5]. Therefore, we must prioritize maintaining a military balance with China.

However, the US can't maintain balance alone. As the shifting balance since the end of the Cold War indicates, the US needs the support of allies and other friendly countries. For example, from 2000 to 2017, the United States acquired only 15 submarines while China acquired at least 44. In addition, the United States will likely need to deal with problems in other parts of the world too. In order to maintain a military balance, the US is requesting that its allies take on more of the burden for their own security.

Therefore, in the short term, the US demands that its allies share the security burden. The US has requested that its allies increase their defence spending. NATO countries have already started. In addition, the US has requested that allies purchase American-made weapons. The US has also asked allies not to use high-tech products made in China. For example, the US has urged allies to avoid equipment produced by Huawei and ZTE. Australia[6], New Zealand[7], Japan[8] have already agreed to the US' request.

3. What problems will the Three Countries Face as a Result of this New Policy?

In the case of Japan, India and Sri Lanka, the situation is the same. As an ally, Japan must respond to all of the US' requests, the US thinks. The US wants India to provide security in the Indian Ocean region. If India does that, the United States can devote more forces to the Pacific

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[5] Ministry of Defence, Government of Japan, "China's Activities in the South China Sea", December 2016, slide 4.
[6] "Huawei and ZTE handed 5G network ban in Australia", BBC, 23 August 2018
https://www.bbc.com/news/technology-45281495
[7] John McDuling, "New Zealand joins Australia in banning Huawei", November 28, 2018
https://www.smh.com.au/business/companies/new-zealand-joins-australia-in-banning-huawei-20181128-p50iz5.html
[8] "Japan to ban Huawei, ZTE from govt contracts -Yomiuri", *Reuters*, December 7 2018.
https://www.reuters.com/article/japan-china-huawei/japan-to-ban-huawei-zte-from-govt-contracts-yomiuri-idUSL4N1YB6JJ

rather than the Indian Ocean. Washington is also concerned about China's economic influence in Sri Lanka, and other ways that China may attempt to demonstrate its ability to influence Sri Lanka.

Unfortunately, obstacles prevent Japan, India and Sri Lanka from responding to the US' demands. Opposition from China, South Korea, and domestic pacifists has made Japan hesitant to expand its security role in the Indo-Pacific. India wants to cooperate with the United States, but it faces a dilemma. On the one hand, greater cooperation with the US will improve India's ability to counter China in the Indo-China border area. On the other hand, greater cooperation is likely to cause China to deploy more forces to the Indo-China border area[9]. Because India wants an independent foreign policy, it is hesitant to accept the constraints of the US-led security system.

As for Sri Lanka, it has already accepted a great deal of investment from China. It will not be easy for Sri Lanka to satisfy the US' request to cut ties with China. A Report from the Center for Global Development indicates that Sri Lanka is the 22nd most indebted country in the world to China[10].

4. Conclusion: How Should They (We) Respond?

How should Japan, India, and Sri Lanka respond to this situation? In the long run, all three countries will need to cooperate with the United States. Why? Because the United States will win its confrontation with China. In the short run, however, the countries must adapt to the new emerging reality. There are three things we should do.

First: we should improve our own defence capabilities. What is Japan doing? Japan is acquiring limited offensive capabilities. It will also import 100 F-35s from the US. It is not only in the US' interest but also in India's interest, for India to provide security in the Indian Ocean region. India can also increase its defence capabilities in the Indo-China border area by using American-made equipment. Indian Army 17 Corp and Supported Air Force are good examples. Sri Lanka has a

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[9] Satoru Nagao, "Relations with US-Japan-Australia present India with a dilemma", The Sunday Guardian Live, November 24 2018
https://www.sundayguardianlive.com/opinion/relations-us-japan-australia-present-india-dilemma

[10] John Hurley, Scott Morris, and Gailyn Portelance, "Examining the Debt Implications of the Belt and Road Initiative from a Policy Perspective", Center for Global Development, march 2018, p.27
https://www.cgdev.org/sites/default/files/examining-debt-implications-belt-and-road-initiative-policy-perspective.pdf

chance to improve its defence capabilities with the support of the US and its allies, including Japan and India.

Second: we should not depend on China. Japan, India and Sri Lanka can maintain their cooperation with China, but only short-term. In the long run, they (we) must reduce their economic dependence on Beijing if they wish to avoid becoming passengers on a sinking ship. Japan has already started to reduce its dependence on China. This year, Japan ended Official Development Assistance to China. Many Japanese companies have relocated their factories in China to Southeast Asia or South Asia. The number of Japanese citizens living in China decreases every year (Figure 4).

Figure 4: The Number of Japanese in China
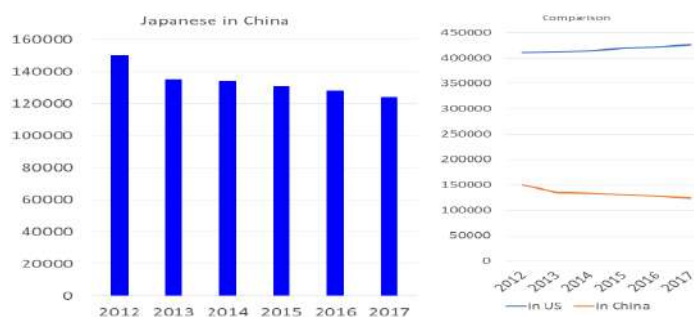
Source: Ministry of Foreign Affairs, Government of Japan, "Annual Report of Statistics on Japanese Nationals Overseas (Japanese)", 2018 (Data is based on the number on Oct 1 2017) (https://www.mofa.go.jp/mofaj/files/000368753.pdf).

Third: Japan, India, Sri Lanka should cooperate with America on building security infrastructure. The strategic location of Sri Lanka affects the geopolitical dynamics of the entire Indo-Pacific. There is an opportunity for Japan, India and the US to build collaboratively, a maritime communication-network in Sri Lanka that can serve the entire Indian Ocean. It would make it easier for the four countries to stay informed about events in the Indian Ocean. There's also an opportunity to prepare for a tightening of long-term relations based on shared defence interests.

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https://www.smh.com.au/business/companies/new-zealand-joins-australia-in-banning-huawei-20181128-p50iz5.html

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https://www.reuters.com/article/japan-china-huawei/japan-to-ban-huawei-zte-from-govt-contracts-yomiuri-idUSL4N1YB6JJ

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CHINA'S MARITIME SILK ROUTE: PROGRESS AND IMPLICATION

Dr Huang Yunsong

1. Introduction

In the early stage of China's opening up in the 1980s, the West offered assistance and exercised influence expecting China to become similar to them. Now we are under very different circumstances because China has shifted its position from the perimeter to the centre of international politics, without meeting their expectations. With the rise in an unprecedentedly fast manner, that probably no other states have ever achieved in human history - especially after the One Belt One Road Initiative being launched five years ago - China has been increasingly accused by certain powers as being a threat or disruptive force to the liberal order of the world.

On the contrary, as a beneficiary of the liberal international order, China is working hard with other like-minded states to stand up for this order to be upheld for the sake of free trade, climate protection, peace, and stability.

Although China's path of development and progress does not overlap with that of the West completely, the possibility for us to work with other members of the global community to forge a new, open and inclusive path should not be easily ruled out. We believe this path provides no room for dominance of any single state or grouping. The Belt and Road Initiative has marked a watershed for China's sincere efforts in this regard. Of the two components within the Belt and Road Initiative, the Maritime Silk Road (MSR) has caught much higher attention, and accordingly caused greater concern of some global and regional powers, especially with its expansion and substantialization.

2. Geographic Expansion of the MSR

According to the "Vision for Maritime Cooperation under the BRI", a document issued by the State Oceanic Administration and National Development and Reform Commission in June 2017, a significant expansion of the MSR's geographic scope was proposed, pushing northward to the Arctic Ocean, and southward into the South Pacific.

Therefore, the MSR now consists of three arteries. The first artery is basically the original version of the 21st Century Maritime Silk Road. It is focused on connecting China's coastal area with the Indian Ocean, Africa, Mediterranean Sea, and finally Europe, which largely follows the historic route of maritime Silk Road. The second artery runs through the South China Sea to the

South Pacific and Oceania. The third artery extends through the Arctic Ocean to Europe passing its coastal area. There are several takeaways from the geographic expansion of the MSR.

Firstly, the expansion itself not only embodies the Silk Road Spirit – openness and inclusiveness but also indicates China's commitment to global connectivity on the basis of closer cooperation with all potential partners. In comparison with President Trump's "America First" agenda, China's call for building a community of common destiny provides a complementary option for development and prosperity.

Secondly, the MSR leaves North and Latin America as a big blank space in its layout, by carefully avoiding the Eastern Pacific and the Atlantic Ocean. Considering China has surpassed the United States as the leading trade partner of five Latin American countries, the necessity for the MSR to venture eastward may be ascertained sometime in the future. For the time being, however, when the Trump administration upholds that the Monroe Doctrine is as relevant today as it was, and China-US competition deteriorates in many sectors, it is not a very good idea to further unnerve Washington with a bolder manifestation.

Thirdly, the MSR's expansion does not necessarily mean a diversion of our outreach efforts. Given the size of its population and market, economic prospects, and its importance to China's energy security, the route leading to Europe through the South China Sea, the Indian Ocean, and the Mediterranean Sea will remain to be the focus of our attention.

The math is simple, because the Indian Ocean Region alone is a market of around 2 billion people, and most of them live in the 32 littoral states. The purpose of the other two arteries is currently more of a design to flesh out the MSR and to recruit more support from the countries in need of connectivity, infrastructure, and investment. A substantial period of time is required for China to locate a new focus and put in resources in a real sense in these two areas.

3. China's Reliance Upon the MSR and its Implication to South Asia's Regionalism

The importance of MSR to China can never be overstated. It will be better illustrated by looking at the latest statistical survey on China's trade with the countries along the Belt and Road.

In 2017, China's exports to these countries through maritime transportation amounted to about USD 568 billion, accounting for over 73% of the total exports to Belt and Road destinations, which is over five times the exports achieved through land route. Although the maritime transported exports were only increased by 5%, the increased value was already twice that figure

for the railway transported exports. As for the imports from these countries by various transportation means in last year, the highest increase of 22% was recorded for the seaborne imports. In a bigger picture, with nearly 90% of China's total international trade by volume and around 60% of trade by value transported by sea, maritime trade is the primary engine sustaining China's economy.

China's energy imports from the Middle East and Africa are dependent on the transit routes in the Indian Ocean Region, and around 80% of our energy imports pass through the Malacca Strait. In addition, China's economic presence is also growing along the MSR, particularly in South Asia, one of the least integrated regions in the world.

Although many South Asian nations have shown the ambition and potential for accelerated growth, a workable framework of regionalism that can facilitate easier access to a common market and foreign direct investment is yet to emerge in this region. The difficult relationship between India and Pakistan, the regional supremacy and the inevitable influences of India, the historical grudges, and the geographical inconvenience are repeatedly described by the South Asian literature as the main hindrance for the region to achieve full cooperation.

External factors are very often cited by Indian scholars and professionals as one of the obstacles, such as US interventions, China-Pakistan relations, and expanded economic presence of China in smaller South Asian states through Belt and Road Initiative. I was once surprised when some eminent Indian scholars described China as a spoiler in the region. But now I find the discourse to be natural because they said to me very candidly that they believe South Asia is India, and India is South Asia.

This is a wide gap between our understandings of the region. And we need to make serious efforts to address the differences, concerns, and suspicion between the major powers. Concerning the latest information campaign against China's investment in the region, I would like to take the opportunity to do some explanation.

4. About Hambantota

Infrastructure development projects in Sri Lanka, Pakistan, and Myanmar, financed with Chinese loans have become a source of heated debate this year. They were cited by Vice President of the United States, Mike Pence, as China's debt-trap diplomacy.

Some arguments, probably based on selective information and wild extrapolations from individual cases, have their logic as part of a grand strategy targeting China. However, it doesn't hurt to have a look at the other side of the story, which relies more on empirical factors and factual arguments.

As the epicentre of the Indian Ocean, Sri Lanka sits right next to one of the busiest shipping lanes in the world. Major maritime powers cannot tolerate China's ambition to take advantage of its strategically important location, not even for economic purpose. This is the main reason for Sri Lanka being singled out to highlight the so-called debt-trap diplomacy.

Over the years, Sri Lanka has aspired to become a maritime hub of the Indian Ocean. This concept was developed long before the Belt and Road Initiative. In 2008, the Sri Lankan government launched the Hambantota Port project, based on the feasibility studies carried out by some international engineering consultancy firms. It was not for China to decide whether the project was economically viable. Prior to engaging the Chinese company, the project was offered to India. However, India declined the offer due to multiple reasons.

For a three-phase project, there is a considerable gap between the completion of the port and commencing full commercial operations. The third phase costing between 400-600 million is yet to commence. As such, it was not intended to derive commercial returns soon after the commencement of operations.

One of the objectives of the port was to provide ancillary services and bunkering operations, which commenced in 2011. Considering the Indian Ocean does not have a main bunkering hub, the prospects of Hambantota to attract shipping for bunkering should be good if it could provide competitive and reliable service. However, bunkering operations were stopped due to a policy decision in 2015, confirming the fact that a stable and favourable political environment is essential for attracting foreign direct investment based on national interests.

5. A Full Picture of China's Loan

We understand that Sri Lanka is currently in an economic predicament due to debt-servicing difficulties. However, it may be pointed out that Sri Lanka's foreign debt stood at USD 51.8 billion by December 2017, and China's share was just USD 5.5 billion, accounting for 10.6%[1].

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[1] Annual Report 2017, Central Bank of Sri Lanka, https://www.cbsl.gov.lk/en/publications/economic-and-financial-reports/annual-reports/annual-report-2017, accessed on Oct 12th, 2018

It is questionable for certain powers to focus attention only on China's loan while neglecting the full picture.

Amongst the remaining loan, China provided about USD 3.8 billion at a rate far below the international market interest rate, accounting for 61.5% of its loan to Sri Lanka. The major part of China's loan was taken at a concessionary rate.

It was alleged that China provided loan to Hambantota Port project at an excessive interest rate around 6%, knowing well that there would be an insufficient business at the port to repay the debt, with the intention of swapping debt against equity. It is said that USD 307 million was taken at London Interbank Offered Rate plus 0.75%, pushing up the interest rate to 6.3%. The commercial loan interest rate was also mutually agreed by China and Sri Lanka, as per the established principles of the international market. More importantly, USD 1 billion had been taken at a concessionary rate of 2%, which means that the major part of the loan was not excessive at all.

China Merchant Port Holdings now owns a 70 percent stake in the Hambantota port for 99 years, with the remaining shares in the hands of Sri Lanka. But the lease agreement provides for the purchase of shares held by China if Sri Lanka so decides at a future date.

Some people made a sensational comparison between Hambantota and Hong Kong, trying to tarnish China's practice as an act of neo-colonialism. A few years ago, if you searched "port 99-year lease", the first result you get would be a 99-year lease on the Port of Darwin in Australia's Northern Territory, a deal worth of ASD $506 million with a Chinese company (Landbridge). Besides, port terminals in New York and Long Beach are managed by Chinese companies. But there are not people terming Darwin and Long Beach as China's colonies.

6. **Port Visits of Naval Ships**

The Indian Ocean is considered highly militarized, and the very limited naval activities of China are blamed for it, which appears to be very unfair. Port visits by Chinese naval vessels to Sri Lanka have been commented upon adversely by some people. One such example was two visits by a Chinese submarine to the Port of Colombo in 2014. However, an analysis of port visits by foreign vessels to Sri Lanka demonstrates a different picture.

When analyzing the number of warships that visited ports in Sri Lanka from 2009 to May 2018, it appears that 422 warships arrived on operational, training and formal visits. These warships

belong to 27 navies in the world. Being the neighbour and having close ties with Sri Lanka, India tops the list with 83 visits. Japanese naval ships undertook 69 visits. China is at a distant third place with 33 visits, followed by Bangladesh with 29 visits. Russia and Pakistan come next with 27 and 24 visits, respectively.

All these naval vessels have followed the same procedure of applying for logistics and operational requirements, which proves that China's dual-use of ports for both military and economic purposes is baseless speculation.

According to the latest research of a prominent US think tank, it is unlikely that Kyaukpyu or Hambantota will become dual-use, due to the political and legal restrictions in Myanmar and Indian pressure on Sri Lanka. Furthermore, the agreement between China and Sri Lanka contains a clause that strictly prohibits Chinese military use and states that the security of the port is entrusted to the Sri Lankan Navy.

7. Conclusion

Tonnes of research and reports are just a click away on the internet, though the majority of them are provided by the Western research institutions and media, and often in a very negative tone towards China. The information campaign against the MSR is so overwhelming that the voice of China and many other states is made barely audible on most occasions. Some people were finally misled to believe that this is a battle about morality and an issue of black and white.

This is my reading of China's venture in this beautiful island country, which after around 25 years of' internal scuffle and conflict, deserves a better opportunity for social and economic development. China's contribution to Sri Lanka's progress can also be catalytic in shaping a regionalism that is capable of taking advantage of external resources.

To conclude, I would like to make a few points about the MSR:

Firstly, Sea Lines of Communication for commercial trade have never been intentionally interrupted by any sovereign power since World War Two, and China intends to keep it that way;

Secondly, China's military presence along the MSR is very limited and just commensurate to its economic presence;

Thirdly, the principle of non-interference in China's foreign policy provides no room for hidden political agenda in its endeavour to materialize the MSR, in either democratic or non-democratic countries;

Fourthly, China does not seek to push out any established powers in the regions along the MSR, but to encourage them to provide viable, transparent, concessional alternatives for infrastructural, economic and social development.

Fifthly, the MSR will continue to develop by taking into consideration all stakeholders' reasonable concerns, so as to make it mutually beneficial. This is a very long learning process, and we would appreciate it greatly if the regional players can allow us more time and a more stable environment to prove our commitment to South Asia.

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SRI LANKA NAVY'S CONTRIBUTION TOWARDS MARITIME SECURITY COOPERATION IN THE INDIAN OCEAN

Captain P K Warnakulasooriya

Key Words: Maritime Security, Indian Ocean Region, Sea Power, Non-Traditional security threats

1. Introduction

Being geographically located in the centre of the Indian Ocean, adjacent to the main sea line of communication connecting the Far East and the West, Sri Lanka has naturally become a state with great potential in facilitating the synergizing initiatives of maritime security cooperation in the region. Our geographical connectivity to the Indian Ocean, as shown in Fig – 1, is inseparable and no other nation in the South Asian region can claim the importance Sri Lanka has, in terms of its natural exposure to regional, as well as global maritime affairs.

Figure 1: Geographical Connectivity to the Indian Ocean

The high density of maritime traffic, possession of one of the busiest energy supply routes, individual states' ongoing initiatives towards blue economic developments, and a wealth of enormous marine resources, has naturally made the Indian Ocean an important lifeline in global maritime trade in today's context. The rising economies of Asia and East Asia, with their substantial production capacities, have further augmented the situation thus increased demand for energy supplies across the Ocean. As such, these consequences are heavily dependent upon the safety and security of sea lanes of communication, especially across the strategic choke points which tend to cause disastrous repercussions on trade.

The connectivity between the Indian Ocean and other major oceans is largely attributed to the well-knitted international maritime trade web, and this very fact has led to competition among the nations in the region. Issues related to policies, governance, legal aspects, disputes over maritime borders, tensions in the region and the traditional and non-traditional threats to maritime security (as depicted in Fig. – 2) are some of the major visible challenges that need attention.

Figure: 2 The Major Challenges Visible and Need Attention.
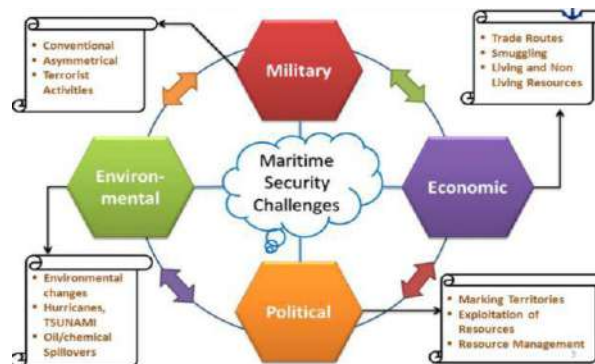
Individual states, regional collaborations and many maritime bodies aimed at strengthening regional maritime cooperation are engaged in the process of addressing the aforementioned challenges, to mitigate or prevent them. However, the complex nature of such threats has brought difficulties in comprehensively achieving the desired goals and moving towards a defined end state.

The Sri Lanka Navy is currently focused on the means of effective utilization of her formidable force in establishing sustainable freedom of navigation in her waters. Further, keeping a step forward, the Navy launched an initiative named 'Galle Dialogue', to promote cooperation amongst maritime stakeholders. Thereby, this paper will highlight the current maritime security triggers in the region and analyse the able contributions that have been initiated by the Sri Lanka Navy in strengthening freedom of navigation in the region, and the initiative taken on promoting cooperation amongst maritime stakeholders around the world.

2. Current Maritime Security Triggers in the Indian Ocean

It is of much importance that all maritime nations realize that the transnational threats that they experience at sea only have the space to take place, due to a lack of adequate domination at sea. Further, the increased number of vessels operating upon progressive trade has created difficulties in identifying potential targets. Thereby, most of such incidents occur in a concealed manner and the following could be identified as the largest potential maritime security triggers in the region.

2.1. Piracy

Piracy is experienced in Somali waters and the Straits of Malacca. Even a 'High-Risk Area' was demarcated over the Somali coast as a response and as a result of counter-piracy operations carried out by the Combined Maritime Forces (CMF) and the 'Piracy Prosecution Model'

adopted by the United Nations Office on Drugs & Crime (UNODC), the magnitude of the threat was mitigated to a greater extent. Similarly, the establishment of the Malacca Straits patrol framework by Indonesia, Malaysia, Singapore, Thailand, and India brought a considerable degree of control over the issue in the Malacca Strait.

2.2. Illicit Trafficking by Sea

The persistent illicit trafficking of narcotics, weapons, and people within and via, the Indian Ocean has become a lucrative source of income, due to the availability of high-density supply, easy access to export points and high demand levels.

2.3. Weapons

Gunrunning is a significantly profitable business in this region and follows the familiar logic of supply and demand, moving from source or surplus areas to areas of conflict where they can fuel insurgency or to a lesser extent, terrorist activity. Major supply flows to the Eastern Mediterranean run via the Suez Canal, and between the Arabian Peninsula (Yemen) and the Horn of Africa (Somalia) (as intimated in Fig – 3).

Figure 3: Major Supply Flows to the Eastern Mediterranean
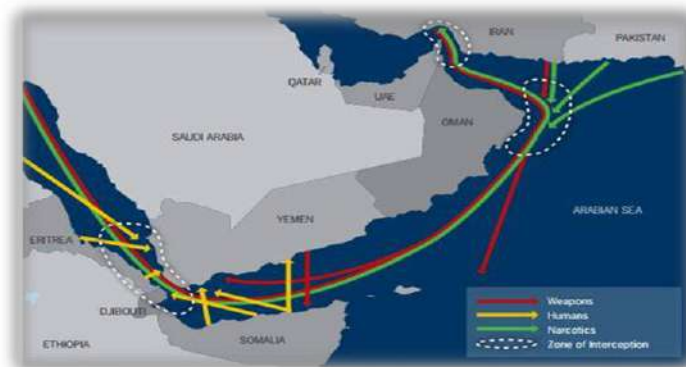
2.4. Drugs

Having the golden crescent and golden triangle, the world's most famous opium production areas on either side (as depicted in Fig – 4), traffickers extensively use IOR for their lucrative drug businesses. During the last couple of years, trafficking of Afghan Heroin has emerged as a significant threat to the region. It is estimated that 30 – 40% of heroin produced in Afghanistan is trafficked towards South Asia, and the recent arrest of 231Kg of heroin valued over the US $ 15 million in the southern seas of Sri Lanka provides evidence for this. This suggests that the

states bordering the Indian Ocean need to be vigilant and should have adequate surveillance measures to suppress this menace through a collaborative approach.

Figure 4: The World's Famous Opium Production Areas
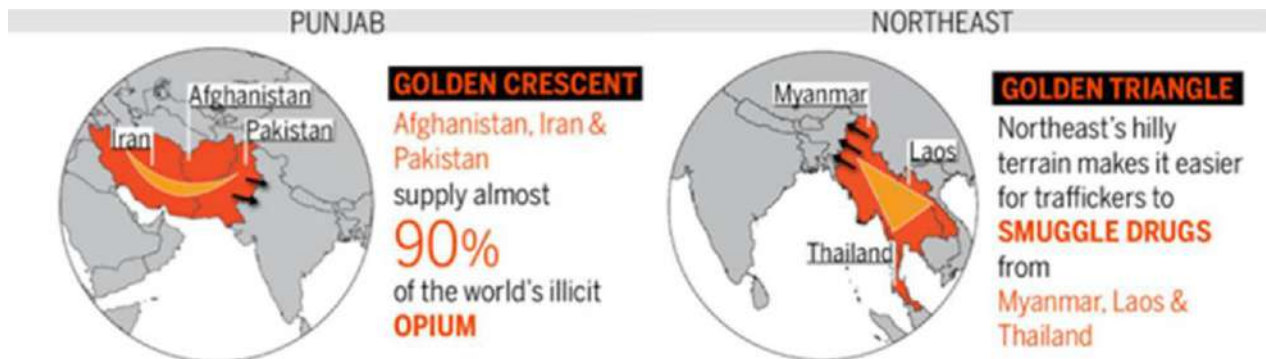
2.5. Human Smuggling

Human smuggling is committed for economic benefits and many such attempts were locally observed during the recent past with a series of incidents connected to illegal migration towards Australia. In the year 2012, a total of 3008 Sri Lankans were arrested over the issue, and the menace was successfully halted through the effective bilateral relations between the two states and the contribution and cooperation of the Sri Lanka Navy. The geographical location of Sri Lanka has become one of the major reasons for rising human smuggling activities, as it has been identified as a transit point by human smugglers.

2.6. Illegal, Unreported and Unregulated (IUU) Fishing

Certain states in the region look to the sea as a last source of income, and thereby tend to penetrate unregulated ocean spaces to generate unlawful income through IUU fishing. Therefore, maintaining security and countering maritime crimes should be a significant concern for countries in the region.

2.7. Maritime Terrorism

The maritime domain, with its vast expanse and lucrative targets, naturally offers a conductive medium for potential terrorist activities. This challenge can have devastating effects on global commerce, especially by disrupting the sea lines of communication. The Sea Tiger arm of the LTTE that existed in the region is a classic example of this. Thereby, an early realization of the challenge and consequent maritime security collaboration can be credited as effective deterrence and a strong mechanism to prevent the sustenance of this menace.

2.8. Environmental Challenges

The majority of the planet's natural disasters and the environmental challenges are experienced in the Indian Ocean region. Less attention has been paid so far to this matter, though the issues significantly affect the region's economic development and environmental stability. Not only that, the emerging threats of marine pollution, rising sea levels, unlawful exploration of living & non-living marine resources and disturbance to marine life are also essential concerns that need attention.

3. Triggers Promoting Cooperation

Many active regional maritime cooperation forums currently play a pivotal role, through their regular summits and various initiatives, in addressing and mitigating of aforementioned challenges to a great extent. Further, the regional navies and coast guards also play a large role in ensuring freedom of navigation and security in the region, through various visible modus operandi. These proactive measures have brought progressive results, especially in the mitigation of transitional maritime crimes.

4. Sri Lanka Navy's Contribution

As illustrated in the introduction, today the Sri Lanka Navy has synergized with regional and extra-regional navies and coast guards to promoting maritime security in the region with available resources. Other than policing her waters, the Navy has taken timely initiatives to strengthen bilateral and multilateral relationships with counterparts, to achieve desired goals through a cooperative approach. The following are some such initiatives that are being practised by the Sri Lanka Navy in this regard.

4.1. Effective Relationships with other Navies

As we all know, the seagoing arm of the LTTE was gradually developed into a considerable force by the late 90s. The arm possessed a range of vessels, from suicide crafts to medium size merchant vessels, utilized for confrontations and international arms smuggling activities. The threat posed by the LTTE towards the Sri Lanka Navy was much formidable, and the Navy had to react with great potential to suppress the challenge. In this backdrop, the able assistance received by friendly states to locate these LTTE floating armouries, paved the way for effective destruction of the same, thus proving the fact that no single state can comprehensively defeat the threats posed by non-state actors in the maritime domain.

Even today, the Sri Lanka Navy maintains such productive relationships on a greater scale to reap optimal benefits, and to share a common vision in enhancing regional maritime security. These relationships are required to be maintained, as the huge ocean space under the purview of Sri Lanka, has created difficulties in effective surveillance, due to the scarcity of resources.

At present, the Sri Lanka Navy is continuing with annual cooperative dialogues with India, Pakistan and the USA, and thus, has brought about productive achievements in training and capacity building. Further, plans are underway to extend these dialogues with Australia, China, and Japan, concerning the importance of these close relationships. The 23rd exercise of the Cooperation Afloat Readiness and Training (CARAT) series of exercises conducted by the Pacific Command of the US Navy, with the aim of enabling generations of naval operators to grow together and gain expertise in the region's vast operational environment, was conducted in Trincomalee in 2017 in collaboration with the Sri Lanka Navy. This opened avenues for Sri Lanka Navy personnel to experience many advanced mechanisms adopted by the developed navies in countering various threat scenarios.

To strengthen interoperability capabilities, the Navy actively participates in numerous regional and extra-regional maritime exercises with partner states as depicted in the screen. Active involvement in these exercises has always been facilitated to strengthen coherent naval relationships with respective navies, thus creating avenues to sharpen professional skills, to gain experience in deep-sea policing in a professional environment, and to extend Naval Diplomacy. Broadly, these persistent relationships always lay a foundation of trust among the partners that enable one another to consistently work towards a shared goal of promoting freedom of navigation and maritime security in the region.

Also, these efficient relationships that have been maintained over the years, have paved the way to have a total of 08 patrol vessels including 04 offshore patrol vessels, to strengthen Sri Lanka's own fleet at no cost. These contributions have been made by Australia, India, Japan, and the USA purely based upon coherent partnership, and the platforms have considerably enhanced deep-sea policing capabilities of the Navy and the Coast Guard.

4.2. Accommodating Port Calls of Foreign Naval Ships

Following Naval traditions and customs, the Sri Lanka Navy is always keen to accommodate the port calls of Foreign Naval Ships. Since 2008, a total of 443 such port calls have taken place and the hospitality extended towards them has always brought credit to the country. Moreover,

the majority of these ships embark on Sri Lankan Naval Officers on board for onward passage, thus providing the opportunity for them to gain professional experience and enabling them to build relationships with the contemporaries of the respective Navies.

The arrival of the US Navy hospital ship, USNS Mercy, in Trincomalee in April 2018, under the Pacific Partnership, particularly opened avenues for the Navy to broaden its partnerships towards assisting with disaster relief operations. During the debrief, the Mission Commander for Pacific Partnership 2018 stated that "I am very excited to see our team working side-by-side with the people of Sri Lanka. Through this partnership, we are building bonds of trust and friendship with the Sri Lankan people that will help us prepare together for a multitude of contingencies that our nations face with manmade and natural disasters. We are honoured to be guests in this country and work beside our Sri Lankan counterparts." This amply illustrates the professionalism, commitment and the momentum that the Sri Lanka Navy maintains in promoting partnerships.

4.3. Active Corporation with regional bodies

Sri Lanka Navy has always pioneered close cooperation with regional maritime bodies such as IORA, IONS, and ReCAAP. Regular attendance for such conferences, information sharing, the organization of related local workshops, and assistance in various related activities are characteristic of this cooperation.

4.4. Galle Dialogue

Having engaged in combating maritime terrorism over three decades, the Sri Lanka Navy has naturally become a formidable force. The Navy has a sense of expertise in the discipline, where no other navy in the world has gained such a lengthy experience to date. Under this backdrop, the Sri Lanka Navy brought about the concept of having a common forum to discuss maritime security issues in an initiative of the Ministry of Defence in 2010. The intention was to share the experiences of the Sri Lanka Navy that were gained from in defeating the world's ruthless maritime terrorist organization. The initiative was named as the 'Galle Dialogue' and commenced as a common forum to discuss regional maritime security issues under one umbrella, serving to enhance regional as well as global maritime cooperation.

To date, 9 such apex dialogues have been annually organized by the Sri Lanka Navy under the themes depicted in the screen, and remarkable progress has been observed so far. The foreign participation has shown a significant increase over the years and the 9th conference was

attended by officials representing 52 countries, covering almost every continent. The speciality of this dialogue is that it provides an opportunity for an array of participants, comprising of high military ranks from various nations, intellectuals, professionals and even scientists engaged in the discipline of maritime security. No such complex composition of participation is visible in any of the other fora on maritime that exist at present.

However, it is to be noted that the 'Galle Dialogue' is not a regulatory body like other similar forums on the discipline. Rather, the 'Galle Dialogue' cherishes its legacy of making the East and the West meet to discuss maritime matters and remains faithful to its foundations.

5. Conclusion

The Indian Ocean sees about 100,000 ships transiting across its expanse annually and Sri Lanka's fortunate geographical location has given us a key role in facilitating the promotion of freedom of navigation and maritime security in the region.

The attention of the world is fast moving towards the region for several reasons such as the growth of Asian economies and their increased need for raw materials and energy supplies from the Middle East, the untouched marine wealth underneath Asian waters, and the current state of geopolitics. However, today the region has been affected by a number of maritime security challenges (as depicted in Fig – 5) and most have become barriers to ensuring security therein. Various maritime bodies and law enforcement authorities are actively engaged in mitigating these challenges and seeking solutions to eradicate the same.

Figure 5: Maritime Security Challenges

With the end of the conflict in the year 2009, Sri Lanka, with the potential of emerging as one of the important and responsible states in the IOR, commenced focusing on the means of promoting maritime security in the region. Therefore, the aforementioned series of professional

engagements and mechanisms that have been launched by the Sri Lanka Navy are based on a coherent strategic plan to achieve their desired goals. This will help the Sri Lanka Navy to build habits of cooperation, and to foster understanding and interoperability among counterparts, to develop desired allied partnerships and enable the Sri Lanka Navy to assist in the process of promoting freedom of navigation and security in the Indian Ocean maritime domain from a broader perspective in the future.

RISE OF CHINA IN THE INDIAN OCEAN: MALDIVIAN PERSPECTIVE

Dr Rasheeda M. Didi

1. Introduction

Speaking of the Rise of China in the Indian Ocean, retired US Navy official, Rear Admiral Michael McDevitt, sums it up thus: "The Chinese flag has become ubiquitous on the high seas around the world, especially in the Indian Ocean where the presence of Chinese warships has become routine"[1]. Broadly speaking, this presence is the result of China experiencing a doctrinal shift to ocean-centric strategic thinking[2], and it is part of a larger geopolitical strategy of having a permanent naval presence in the Indian Ocean.

This belief is shared by scholars who allude to three main reasons for this presence, the first of which is the protection of China's ships from piracy – i.e. ships carrying oil from the Gulf States. The second is to deter America from blocking the Strait of Malacca, and the third is encircling India from the sea, by turning trade outposts into military outposts. This means that the motive is to strengthen the so-called "string of pearls" strategy, aiming to achieve China's military and commercial interests under the pretext of economic development.

The development of more recent Chinese interests in the Maldives goes back to more than a decade ago, when the president of the country, President Maumoon Abdul Gayoom, looked for new international partners. Because of China's important strategic interests in the Indian Ocean, it paved the way for establishing a close relationship easily, as the Maldives' strategic significance lies in its "proximity to international sea lanes through which two-thirds of the world's oil and half its container shipments pass through"[3]. The somewhat new interest and sudden entry into the Maldivian scene are observed by Mahalakshmi Ganapathy, an India-China expert, who states that "until 2011, China didn't even have an embassy in the Maldives. Coming to 2018, it's seen as a big player in this whole Indian Ocean region,"[4].

Until 2011, Maldives was not a priority in China's foreign policy. Since then, Sino-Maldives relations grew. It is noteworthy that it was after February 2013, when President Yameen took over the Government, that China's influence on the Maldives took a rapid growth. Moreover, the

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[3] Ramachandran, S. (2018, January 25). The China-Maldives Connection. The Diplomat. Retrieved from http:/thediplomat.com/2018/the-china-maldives-connection/

[4] As the political crisis unfolds in the Maldives, China and India vie for influence. (2018, February 11). South China Morning Post. Retrieved from www.scmp.com/news/asia/south-asia/article/2132889

relationship between the two countries took a dramatic jump forward after President Xi Jinping's visit to the Maldives, in September 2014. Especially noteworthy, in this regard, is China's presence in the tourism sector and infrastructure building. China has replaced Europe as the Maldives' largest source of tourists and has become the biggest contractor of infrastructure projects. One of the most commonly talked about infrastructure projects has been the 1.39 km long, China-Maldives Friendship Bridge, whose Contractor was CCCC Second Harbour Engineering of China[5]. This bridge connects Male, the capital, and Hulhule, the airport island. Additionally, a 1,000-apartment housing project in Hulhumale Island, a suburb of Male (the capital) is also underway.

At this juncture, one could ask what all this means to the Maldives. The answer is that it involves a variety of factors – security, economic development and a possible financial and political trap. Hence, it is not viewed as a win-win situation for both parties. At first glance, it seemed to be a winning situation for both, but many Maldivians now question the benefits of any of the projects that the Chinese government undertook, because of the loopholes involved in granting the projects, such as lack of a bidding process and the cost-benefits involved, compared with other estimates of the same projects. Moreover, Maldivians also questioned the quality of projects such as the China-Maldives Friendship Bridge, which lacked parts of the structure from the initial drawings and plans. The bridge's total expense involved USD 200 million, out of which USD 116 million was provided as free aid by the Chinese government. China has also loaned USD 72 million, while the Maldives' government is bearing USD 12 million of the project[6]. Considering this, it seems that it is a winning situation for China, but a questionable one for the Maldives.

The Maldives, which has been referred to as the new "pearl" in the "string of pearls", has a certain uniqueness in its transformation from a commercial partner to geopolitical ally for China. This is demonstrated by China's support for the autocratic ruler, former President Yameen Abdul Gayyoom, in his unlawful purge against dissents and political rivals, declaration of a State of Emergency, and warning against Indian intervention. Not everyone views the closer relationship with China as positive. Former President Mohamed Nasheed feared that this alliance is a "debt trap" (Mashal, 2018), which means that China takes over infrastructure projects when a country cannot pay back its loans - the prime example in the region being Sri Lanka. In supporting President Nasheed's view, his party, the Maldivian Democratic Party

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[5] China-Maldives Friendship Bridge – from illustration to reality. (2018, February 22). Mihaaru. Retrieved from www.mihaaru.com.
[6] Ibid.

(MDP) expressed its concern, stating that, "We are also deeply concerned that further entrenchment of the country into a Chinese debt trap will result in additional stress on strategic national assets and increasing instability in the Indian Ocean region"[7]. This kind of sentiment is not surprising, considering that Chinese loans for projects make up approximately 70 per cent of the Maldives' national debt (Kumar and Stanzel, 2018).

The basis of the Maldivian Opposition's pessimism and general skepticism spring from the fear that China is turning the Maldives into another trading outpost, through the acquisition of land and a recent free trade agreement, which might lead to a similar experience to Sri Lanka and Pakistan with the Colombo and Hambantota ports and the China-Pakistan Economic Corridor project, respectively.

It is not only in the tourism and infrastructure sectors that the Maldives feels China's presence. Its presence in the Indian Ocean is further demonstrated by China's military actions to bring India-China maritime competition to the forefront, particularly through an incident after the State of Emergency in the Maldives, which was declared on February 8, 2017 following a Supreme Court ruling to free political prisoners and opposition politicians. A Chinese amphibious task-force was conducting drills in the area, while India held a massive naval exercise in the Eastern Indian Ocean. This became an international issue when the former President Nasheed called for "military intervention from India, which has joined the United States and Britain in calling for Yameen to abide by the court ruling"[8].

Economically, one of the most important projects for the Maldives is the Free Trade Agreement (FTA), signed on December 8, 2017. According to President Yameen, the FTA will usher in "revolutionary development" that the Maldivians deserve[9]. The signing of the FTA was a historic phenomenon, as it was the first FTA that Maldives has signed with any country. Additionally, it is important to note that, by doing this, Maldives has become the second (after Pakistan) to sign an FTA with China. According to a Chinese Government statement, under the FTA, China and Maldives "would reduce the tariffs of over 95% of the goods to zero. They are also committed to opening the service market such as finance, healthcare and tourism and agreed

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[7] China-Maldives free trade deal rushed through parliament. (2017, December 13). The Maldives Independent. Retrieved from https:/themaldivesindependant.com/politics/china/Maldives-free-trade-deal-rushed-through-parliament/134382

[8] As the political crisis unfolds in the Maldives, China and India vie for influence. (2018, February 11). South China Morning Post. Retrieved from www.scmp.com/news/asia/south-asia/article/2132889

[9] China-Maldives free trade deal rushed through parliament. (2017, December 13). The Maldives Independent. Retrieved from https:/themaldivesindependant.com/politics/china/Maldives-free-trade-deal-rushed-through-parliament/134382

to cooperate practically in key areas"[10]. The Maldivian Government concurs with the Chinese Government on this as indicated by the Ministry of Economic Development's statement, according to which, "although the country will lose $4 million in import duty revenue in 2018 because of a tariff waiver on Chinese goods, it will earn higher revenue from the goods and services tax due to "trade creation" and "trade expansion"[11].

Despite the importance of FTA that both countries claim, the manner in which it was rushed through the Parliament has created anxiety among Maldivians, who have become suspicious of the deal.

Apart from the FTA, China has been able to persuade the Government to sign a Memorandum of Understanding to comply with the Belt and Road Initiative (BRI), and give contracts for developing major infrastructure projects, including the building of flats, to be carried out by Chinese state-owned companies for 50 years. For example, the inhabited island of Feydhoo Finolhu, with plans to develop as a tourist resort, was given for US$ 4 million for development[12]. This was achieved with the help of the Parliament who changed laws to lease out several prime islands and allowed for the building of an observation post on the island of Makunudhuoo, the westernmost atoll not far from India. No doubt, the FTA and BRI will increase China's role in the Maldivian economy.

Other fields of bilateral cooperation include health, tourism, technology and climate change. Despite China's insistence that it has no interest in turning ports into military bases, it is clear that China's old Maritime Silk Road, which is now the One Belt, One Road initiative, with its new overland route, is a strategy to spread China's influence in the Indian Ocean.

In connection with Maldivian politics, from a more tangible security angle, China's increasing maritime activities in the Indian Ocean are demonstrated by the entry of 11 Chinese warships in East Indian Ocean on February 8, during the aforementioned State of Emergency in the Maldives. Additionally, although not specifically linked to the crisis in the Maldives, during the same month, a fleet of destroyers and at least one frigate, a 30,000-ton amphibious transport dock and 3 support tankers, entered the Indian Ocean. Moreover, the People's Liberation Army of China reports did not mention when the fleet was deployed, nor for how long. It was no

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[10] Ibid.
[11] Ramachandran, S. (2018, January 25). The China-Maldives Connection. The Diplomat. Retrieved from http:/thediplomat.com/2018/the-china-maldives-connection/
[12] Kumar, S. and Stanzel, A. (2018). The Maldives Crisis and the China-India Chess Match. The Diplomat. Retrieved from http:/thediplomat.com/2018/03/the-maldives-crisis-and-the-china-india-chess-match

coincidence that during this period of turmoil in the country, this many military vehicles would enter the Indian Ocean totally unplanned.

With the newly-established relationship with China, the scenario of the Maldivian Government's relationship with two regional superpowers – China and India – will fluctuate depending on the governing party/parties. For example, during President Nasheed's government of November 2008-February 2012, China was not very successful in building a binding and close relationship with the government, because President Nasheed leaned heavily towards India as the country's main ally. But, during President Yameen's government, November 2013-November 2018, this relationship deteriorated drastically, especially after the dismissal of the Grandhi Mallikarjuna Rao Company (GMR) that was contracted to upgrade the international airport. This brought about a bitter blow to the India-Maldives relationship.

A shining example to elaborate on the fluctuating relationship of the two powers with the Maldives is Indian Prime Minister Narendra Modi's recent visit to attend President Ibrahim Mohamed Solih's inauguration ceremony on 17 November 2018. The visit indicates a turning of India's tide, in favor of the Maldives, and vice versa, as Prime Minister Modi had never visited the Maldives during his previous administration. In fact, he even cancelled a scheduled visit. This is an indication that the Maldives, once again, is resuming its close relationship with India. However, a question can be posed as to what this means for our relationship with China. I foresee a courteous and diplomatic relationship, but definitely not as close as now. Yet, we will be bound for years to come due to the massive loans we have taken from China, and the long-term lease of our islands, among other commitments.

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GEOPOLITICS OF INDIAN OCEAN – A SRI LANKAN PERSPECTIVE

Asanga Abeyagoonesekera , Savithri Sellapperumage

Key Words: Geo-Politics, Balance of Power, Power Transition

1. Sri Lanka's Geostrategic Location

Sri Lanka has been featured in earlier world maps notably by Ptolemy, and in Henry Martellus's World Map in 1489. It presented the Indian Ocean quite different from Ptolemy's, where it was no longer landlocked. Today, the Indian Ocean (IO) stands to be one of the busiest ocean ways in the 21st century, operating as the medium of trade and transport between the West and the East. The IO comprises of chokepoints which link other parts of the world.

Figure 01: World map by Henricus Martellus.

Source: British Library. n.d. *World map by Henricus Martellus.*

Figure 02: Role of the Indian navy in Indian Ocean

Source: "Role of the Indian navy in Indian Ocean". n.d. *IAS Score.*

As stated by then-president of Sri Lanka, J.R Jayawardena[1], Sri Lanka had held a great deal of strength as a nation in the international system, since early times. "We go back to the 5th century before Christ. We had ambassadors of the court of Claudius Caesar… we had sent a delegation to China in 47 AD… The great Chinese pilgrims Sung-Yun and Fah-Hian Came to our country, so did Sinbad the sailor, Marco Polo, Ibn Battuta… Westerners came in the 16th century;

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[1]Reagan Library. *Toasts of President Reagan and President J.R. Jayewardene of Sri Lanka on June 18, 1984.* YouTube video, 2018, (14.03) https://www.youtube.com/watch?v=5OHGpO_1j8o.
- Speech made by Former president J.R Jayawardena in 1984 at United States President Reagan's state dinner.

Portuguese, Dutch and then the English…. We wish to be friendly to all and enemies of none. That is my policy and the policy of my people." Hence, it is evident how Sri Lanka had been subject to foreign intrusions, even before colonial times, due to its strategic location and significance.

Thus, in the face of extra-regional powers, the country has faced many vulnerabilities and threats in the forms of military and territorial disputes. In present times, these vulnerabilities continue to prevail in the form of the aforementioned traditional security threats, as well as non-traditional security threats. For instance, the booming heroin trafficking within the country serves as an example. In December 2018, two men were arrested for transporting 231kg of heroin in the seas of Beruwala, valued at LKR. 2.778 billion.[2] It is but one incident which further asserts the threats escalating due to Sri Lanka's strategic location.

2. The USA and the rise of Chinese involvement in the region

The behaviour of the USA and China in the region can be understood along with the theory of "Imperial Overstretch," introduced by Paul Kennedy. It suggests the decline of the United States and their diminishing role in international politics. With the United States heading away from the limelight, the rise of China has sped up and gained much attention. As the established power in Asia, the United States is most likely to engage in two strategies to counter China's aggressiveness. First, it will use its economic power to slow down the Chinese economy. This has already started through the implementation of President Donald J. Trump's trade wars with China.

The construction of ports and bases can be considered as a manoeuvre which has marked Chinese presence in the Indian Ocean region. China's military presence in the Indian Ocean Region began with a semi-permanent naval presence in the

The Arabian Sea from 2008, and it now includes China's first overseas military base in Djibouti. China's capabilities in the region are currently focused on Military Operations Other Than War (MOOTW), but this will likely evolve to include a substantial naval presence as well as air force and, potentially, limited ground forces. This will involve basing requirements in the region. In addition to its current base at Djibouti, China will likely establish a naval and air presence in

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[2] "Police Arrest a Main Suspect of 231kg Heroin Haul." *Daily FT,* December 8, 2018. http://www.ft.lk/news/Police-arrest-a-main-suspect-of-231kg-heroin-haul/56-668435.

Pakistan, and probably elsewhere in the IOR, such as East Africa and the central/eastern Indian Ocean. [3]

Gwadar in Pakistan, Hambanthota in Sri Lanka and Kyaukpyu port in Myanmar are some of the ports built and invested in by China, which have contributed to establishing China's presence and contributing to the formation of the string of pearls along the Indian Ocean. As Professor Swaran Singh remarks on Chinese funded Ports, "Compared to both Gwadar and Hambantota, Kyaukpyu port of Myanmar has assured advantage of dedicated demand which is bound to expand. It also has a solid political frame of China-Myanmar Economic Corridor agreement of 2017. Together these can make it the next flagship project for China paralleling if not outdoing much bigger CPEC i.e. China-China-Pakistan Economic Corridor. China proposes to build Kyaukpyu as ten-berths at the 25-meter deep sea- port that can accommodate bigger oil tankers through their current agreement only talks of initial two berths. Potentially, Kyaukpyu can join China's network of ports from Qingdao, Shanghai, Hong Kong, Hainan, and further with Hambantota and Gwadar to materialise China's twenty-first-century Maritime Silk Road."[4]

Hence, Chinese investments in the region are rapidly increasing in scale and number. The nature of India's response to the new changes must be observed accordingly. As Brewster explains, "It is leading to an ever-sharper and long-running contest between India and China in the Indian Ocean. Despite the April 2018 Wuhan Summit between President Xi and Prime Minister Modi, there are few reasons to believe that India and China are likely to come to a long-term accommodation about their respective security roles or relationships in the Indian Ocean. Indeed, there is a real risk that their security interactions will become ever more competitive as China's presence in the region grows and as uncertainties grow over the US global role."[5]

On the other hand, the USA too is keen on curtailing further involvement of China in the region. Mearsheimer presents three ways in which the USA will attempt to contain China through a defensive strategy. First, the United States will seek to bar China from turning toward its military forces to conquer territory and expand its influence in Asia. Second, Washington will build an alliance structure along the lines of NATO, which proved highly effective to contain the

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[3] David Brewster, "An Indian Sphere of Influence in the Indian Ocean?," *Security Challenges* 6, no. 3 (2010): 1-20.

[4] Swaran Singh, "Will Kyaukpyu overtake Gwadar and Hambantota?," *Daily FT*, December 19, 2018, http://www.ft.lk/columns/Will-Kyaukpyu-overtake-Gwadar-and-Hambantota-/4-669148.

[5] David Brewster, "Between Giants: The Sino-Indian Cold War in the Indian Ocean," *Centre for Asian Studies- IFRI,* no. 103 (2018): 8-30. https://www.ifri.org/sites/default/files/atoms/files/brewster_sino_indian_cold_war_2018.pdf.

The Soviet Union during the Cold War. Third, the United States will look to dominate world oceans, making it difficult for China to project power in distant regions of strategic significance, such as the Persian Gulf and the Western hemisphere.

It can be analyzed that the United States engages in additional measures, including a strategy of manoeuvring someone else to do their job - this is known as "Buck Passing". For instance, the FOIP initiative adopted by Japan and the

Indian negative attitude towards China in the region appears to be USA counterparts against OBOR in the region. Another strategy includes injecting regime changes in states that indicate growing ties with China. This was seen in Sri Lanka's previous regime change, with the ouster of President Mahinda Rajapaksa's pro-Chinese regime. Some opine that the Rajapaksa regime was toppled by India, which acted as an agent for the United States to install a pro-Western government.

Some countries may try to insulate themselves from the adverse effects of major power competition, by declaring themselves as "non-aligned", but many will also seek economic or political benefits from Sino-Indian strategic competition. Some will seek to balance against the perceived Indian hegemony in the region, through economic and political relationships with outside powers such as China and Saudi Arabia. At the same time, China's Indian Ocean partners will generally resist requests by Beijing to establish a security presence on the grounds of sovereignty and fears of an Indian response. But there is a real risk that China's Indian Ocean partners may not be able to indefinitely resist China's requests to establish a security presence. Threats against regime survival may actually cause leaders to seek security assistance from Beijing.[6]

3. Polarization of Nations

The Indian Ocean region is polarized into two camps between the Western and the OBOR camp. Looking into the internal environment of each state, the societies to have been subject to polarization. Polarization can be examined in most South Asian countries such as Sri Lanka, Maldives, Bangladesh and Pakistan. In Sri Lanka, the Rajapaksa Regime held close relations with China and gained many loans for infrastructure development. The construction of the Hambanthota Port and Mattala Airport was based on Chinese investments. When juxtaposed with the current Prime Minister, Ranil Wickramasinghe; he is more or less inclined towards the Western bloc. India continues to be suspected for involvement during the 2015 Presidential

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[6] David Brewster, "Between Giants: The Sino-Indian Cold War in the Indian Ocean," 8-30

elections, with Reuters reporting of a possible espionage mission, involving local political personalities from the opposition. Therefore, it was perhaps internal polarization which led to the regime change in 2015.[7]

In the Maldives, further proving the internal societal polarization, the former president Yameen was regarded as an autocrat with a pro-Chinese inclination. Yameen signed a Free Trade Agreement with Beijing, with the likely intention of displacing India as Maldives' largest trading partner. However, President Solih's new government is expected to occupy a middle ground and democratize the country.

As David Brewster explains, Yameen's election loss in September 2018 was quite a shock to his opponent, Ibrahim ("Ibu") Solih, and it demonstrated the power of democratic forces and the constraints that are faced by China. It is another chapter in the long-term competition for influence, that will likely be played out in different ways elsewhere in the region.[8]

Bangladesh seems to represent a polarization towards the OBOR bloc, as the country's relations with the Chinese bloc have undergone a noticeable transformation from adversarial relations to the maintenance of close ties. They maintain close economic ties as well as defence ties, where China acts as the foremost arms supplier to Bangladesh. China has also become Bangladesh's largest trading partner, with bilateral trade worth $10 billion dollars.[9]

Colonel Sajjad, representing the High Commission of Pakistan in Sri Lanka at a round table discussion conducted by INSSSL, stated the economic advantages that Pakistan receives through relations with China, thus justifying their maintenance of close relations. According to him, the China-Pakistan economic partnership is currently worth around 62 billion USD. Today, Pakistan is known to be one of the closest partners of OBOR.[10]

As Brewster further examines, he opines the possibility of Indian intervention in the Maldives, despite Yameen's drastic actions. Yameen was well aware of the fate of President Mahinda Rajapaksa in neighbouring Sri Lanka, who was thrown out of power only weeks after allowing a Chinese submarine to visit Colombo in late 2014. India likely played a material role in

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[7] John Chalmers and Sanjeev Miglani, "Indian spy's role alleged in Sri Lankan president's election defeat", *Reuters*, October 20, 2015. https://www.reuters.com/article/us-sri-lanka-election-india-insight/indian-spys-role-alleged-in-sri-lankan-presidents-election-defeat-idUSKBN0KR03020150118.

[8] David Brewster, "Between Giants: The Sino-Indian Cold War in the Indian Ocean," 8-30

[9] Joyeeta Bhattacharjee, "Decoding China Bangladesh Relationship". *Observer Research Foundation*. November 17, 2018. https://www.orfonline.org/expert-speak/41935-decoding-china-bangladesh-relationship/.

[10] Col. Sajjad, "One Belt One Road Initiative in South Asia: Trade, Culture and Security". (panel discussion, Institute of National Security Studies Sri Lanka, Colombo, November 15, 2018.) Remarks by Col. Sajjad, representing the High Commission of Pakistan in Sri Lanka at a round table discussion conducted by INSSSL Institute of National Security Studies Sri Lanka, 2018 in Colombo.

Rajapaksa's ouster, by helping to organize the political opposition. Ultimately, India is in the position, if it so chooses, to intervene in the affairs of the Maldives and other island states in a variety of ways, including military means. China is unlikely to have that option for many years to come.[11]

Figure 03: Power Politics within Sri Lanka and Extra Regional Influence

Source: Daily Mirror. 2018 "Cartoon of the Day."

4. India's Strategic Aspirations

"New Delhi regards the Indian Ocean as its backyard and deems it both natural and desirable that India function as, eventually, the leader and the predominant influence in this region—the world's only region and ocean named after a single state".[12] Hence, it is both expected and inevitable that India, being the most powerful state in the IOR, will cultivate their own strategic gains.

However, the April 2018 Wuhan Summit between Xi and Modi seemed to have evolved a recognition that India's aspirations towards its spheres of influence were no longer realistic -

"The days when India believed that South Asia was its primary sphere of influence and that it could prevent other powers, such as China, from expanding its own clout are long gone. India cannot claim sole proprietorship of the region. We can't stop what the Chinese are doing, whether in the Maldives or in Nepal, but we can tell them about our sensitivities, our lines of legitimacy. If they cross it, the violation of this strategic trust will be upon Beijing."[13]

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[11] David Brewster, "Between Giants: The Sino-Indian Cold War in the Indian Ocean," 8-30

[12] D. L. Berlin, "India in the Indian Ocean,*" Naval War College Review* 59, no. 2 (2006): 60.

[13] J. Malhotra, "Stepping Back from Maldives, India Tells China", *The Indian Express*, 2018.

5. India's response to China in the Indian Ocean

India is responding to China's presence in the Indian Ocean in three ways; one is to develop its own military capabilities, including building its navy and military facilities on Indian territory and, if possible, building facilities in friendly Indian Ocean states such as Mauritius and/or Seychelles. The second is to reinforce economic and military relationships with smaller neighbours. This includes India's SAGAR (Security and Growth for All in the Region) initiative, which is intended to enhance connectivity between India and its neighbours. The third is to reinforce Indian networks with major "countervailing" powers, such as the United States and Japan, as well as Indian Ocean "middle powers" such as France, Australia and Indonesia, to help balance China.[14]

Figure 04: Proposed Coastal Economic Zones under Sagarmala Initiative
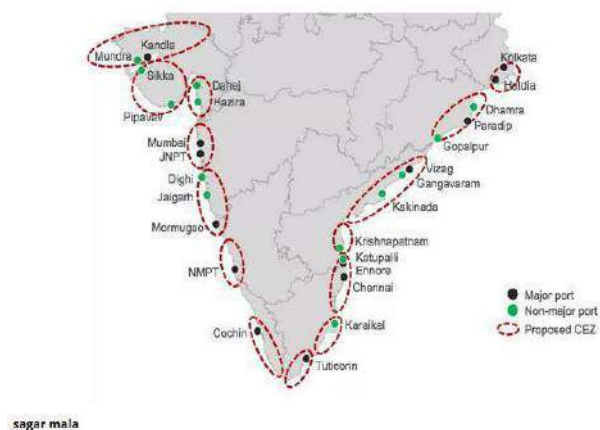
Source: Raja Cholan. 2017. "Sagar Mala." IAS Preparation Online.

6. Sri Lanka's role

Being a small power, Sri Lanka once again seems to be entangled between two power blocs. Drawing attention to Cold War politics, Sirimavo Bandaranaike, former Prime Minister of Sri Lanka was of the perception that "the polarization of the world around two power centres, as was the case in the immediate post-war years and until very recently, was neither conducive to world peace and security nor beneficial even for the national or regional interests of the countries which became parties to the military alliances of that period". Hence, she took measures to propose a Peace Zone in 1976 through the Non-Aligned Movement. "The aim of the Peace Zone is the extension of non-alignment to a substantial area of the

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[14] Sushma Swaraj, "SAGAR – India's Vision for the Indian Ocean Region", India Foundation Journal, 2017. - Speech by Indian Minister of External Affairs, Sushma Swaraj, at Colombo, Sri Lanka, 31 August 2017.

Earth's surface with a view to its insulation against great power rivalry and the conflict and that. Far from circumscribing the freedom of navigation of the high seas, the implementation of the declaration would ensure the safety of international navigation."[15]

Mrs Sirimavo Bandaranaike proposed a "closed system" through the initiative of making the Indian Ocean a Peace Zone. However, after 1978, with J.R Jayawardena's return to power, an "Open System" which allowed extra-regional powers to occupy Sri Lankan waters, was declared. It is crucial that the Indian Ocean is promoted as a Peace Zone, as in the absence of such an initiative, there will be a threat to the power balance in the region, potentially leading to security turmoil. Thus, perhaps Sri Lanka could play the role of a regional stabilizer in the future. The nation could work on a new security architecture along with other regional nations; first through a Track II platform of dialogue and research, and gradually building this into a multilateral forum.

Thus, a new security architecture could be proposed with two main purposes. First, to promote peace and stability through peaceful negotiations of conflicts and upholding the principle of non-interference. And secondly, to take multilateral deliberations and assertive action against traditional and non -traditional security threats.

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[15] Former Sri Lankan Prime Minister, Sirimavo Bandaranaike proposed a "Peace Zone" at 31st session of United Nations General Assembly. Tissa Jayathilaka. "Address to the 31st Session of the United Nations General Assembly 30 September, 1976." *Sirimavo*. (Colombo: Bandaranaike Museum Committee, 2010).

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COUNTERING VIOLENT EXTREMISM

SOUTH ASIA'S PAYBACK: CORRELATION BETWEEN REGIME TOLERANCE TOWARDS EXTREMISM AND EXTREMIST ATTACKS

Dr Ranga Jayasuriya

Key Words: Extremism, Terrorism, Regime Legitimization, Ultra-nationalism

1. South Asia's Extremism: Neither Alien nor a Fringe

South Asia's terrorism-related statistics are grim.[1] The region suffered 29 per cent of all terrorism-related fatalities and 31 per cent of terrorist attacks that occurred in 2017.[2] That qualifies South Asia to be the third deadliest region in the world, after the Middle East and Sub Sharan Africa. Equally worryingly, South Asia has been lagging in the global decline of terrorist attacks over the past four years. Global terrorism-related fatalities declined by 24 per cent in 2017 from the previous year. In South Asia, the decline was a mere two per cent.[3]

Similar to the rest of the world, sub-national groups of Salafi Jihadist orientation are responsible for the lions share of terrorist attacks in South Asia. These groups have become increasingly decentralized, lethal and downright brutal. Even in the traditional standards of violence, the slave-taking barbarism of the Islamic State and droves of radicalized Muslims who were endeared to it, represent a whole new level of savagery. Given the largely Middle- Eastern ideological origins of Salafi Jihad, the tendency of South Asian policymakers is to view violent extremism in their countries as a foreign implant. Yet, that only provides a simplistic, albeit a politically convenient outlook on extremism in the region. A good deal of extremism in South Asia is not alien. Consider the following: According to PEW research, fully 75% of Pakistani Muslims say strict blasphemy laws that give mandatory death sentence for disrespecting the Prophet are necessary to protect Islam in their country; 66 per cent also say Ahamedis, an Islamic sub-sect, are not Muslim.[4] 78 per cent of Afghans, 62 per cent of Pakistanis and around 38 per cent Bangladeshis believe the death sentence should be given to those who convert from Islam.[5]

Elsewhere, in the Maldives, extremism is on the rise faster than sea levels. Political elites, rightly so, fret about the latter, but not so much about the former. In the words of one local

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[1] An act of terrorism is referred to as "premeditated acts of violence, perpetrated by a sub-national or clandestine agent who is politically motivated, potentially including religious, philosophical, or culturally symbolic motivations; and perpetrated against a non-combatant target."- The U.S. National Counterterrorism Center (NCTC).
[2] Terrorism related statistics cited here are based on Global Terrorism Report 2017, National Consortium for the Study of Terrorism and Responses to Terrorism, accessed
https://www.start.umd.edu/pubs/START_GTD_Overview2017_July2018.pdf
[3] ibid
[4] PEW Research Centre, 'In Pakistan, most say Ahmadis are not Muslim,' Sep 10, 2013,
http://www.pewresearch.org/fact-tank/2013/09/10/in-pakistan-most-say-ahmadis-are-not-muslim/
[5] PEW Research Centre, ' World's Muslims: Religion, Politics, and Society,' (2013)
http://www.pewforum.org/2013/04/30/the-worlds-muslims-religion-politics-society-beliefs-about-sharia/

observer, "Salafi and Wahhabi ideologies have become not just dominant but almost the only religious ideology in town. Counter-narratives are non-existent."[6] The Maldives could also claim for the dubious feat of having the highest per capita contribution of recruits to the Islamic State.[7] Similarly, in Sri Lanka, Wahhabism, an imported brand of a doctrinaire version of Islam, has displaced the mainstream Sufi-infused traditional Sri Lankan Islam. Once mainstream Muslim community organizations, such as All Ceylon Jamayathul Ulama, the foremost forum of Muslim theologians in the country, have been encroached by the Wahhabis, who then have issued Fatwas mandating women to wear Burkas.[8] In a post-mortem of the deadly Easter Sunday attacks, education authorities have confessed that Islamic school textbooks, issued free of charge by the government and written by local Muslim experts, have recommended killing those who converted from Islam.[9] Arabization of local Muslims has given rise to parallel societies in the majority Muslim areas in the East. The extent of violent radicalization was laid bare when seven home-grown terrorists blew themselves up, targeting worshippers and tourists on Easter Sunday, killing 250 and injuring hundreds more.[10]

Sri Lanka is also a fertile ground for resurgent Sinhala Buddhist ultra-nationalism. A fresh bout of ultra-nationalist activism that erupted in post-war Sri Lanka took a distinctive anti-Muslim tilt. Peddlers of Sinhala Buddhist nationalism now feel vindicated of their warnings of the destructive potential of Wahhabi radicalization.[11] They are indeed right to feel so, given the politically influenced complacency that created permissive conditions for the spread of Wahhabism.[12] The Easter attacks also provoked a fresh wave of Islamophobia in the country. Elsewhere in India, Islamophobia and cow vigilantism hit a new high since 2014, coincidently

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[6] Azra Naseem, visiting fellow at the International Institute of Conflict Resolution and Reconstruction at Dublin City University, quoted in Mary Boland 'Tourists blissfully unaware of Islamist tide in Maldives, Irish Times, and August 16, 2014. Retrieved: https://www.irishtimes.com/news/world/asia-pacific/tourists-blissfully-unaware-of-islamist-tide-in-maldives-1.1898425

[7] Viraj Solanki, 'State of emergency ends, but the Maldives is still in crisis,' International Institute for Strategic Studies, April 3, 2018. Retrieved: https://www.iiss.org/blogs/analysis/2018/04/maldives-still-in-crisis

[8] 'Religious ruling concerning the attire of the Muslim women,' issued by All Ceylon Jamayathul Ulama in 2009 (Removed from the website after the public outcry of Arabization following the Easter Sunday attacks https://acju.lk/en/fatwa-bank/recent-fatwa/item/906-religious-ruling-concerning-the-attire-of-the-muslim-women

[9] Saman Indrajith, 'Islamic school textbooks recommended killing those offending Islam-top officials,' Sunday Island, July 11, 2019

[10] Ranga Jayasuriya, 'Carnage on the Easter Sunday and a country in State of denial,' Daily Mirror, April 23, 2019. Retrieved: http://www.dailymirror.lk/opinion/Carnage-on-Easter-Sunday-and-a-country-in-a-state-of-denial/172-165769

[11] Galaboda Aththe Gnanasara Thero, a leading monk of Buddhist nationalist group, Bodu Bala Sena in an interview (Sinhala). Hiru TV, May 29, 2019, Retrieved: https://www.youtube.com/watch?v=0dxUFdbr0nQ

[12] Ranga Jayasuriya, 'How Wahhabism was fostered until it was too late,' Daily Mirror, April 30, 2019, Retrieved: http://www.dailymirror.lk/opinion/How-Wahhabism-was-fostered-until-it%E2%80%99s-too-late/172-166180

after the Bharatiya Janatha Party-led coalition assumed power in the Centre.[13] The main instigator of the Islamophobic campaign, the saffron brigades of Rashtriya Swayamsevak Sangh (RSS), is hardly a fringe - it is the parent of the BJP and is also formidable election machinery. It has a nationwide grassroots network and lavishes in the patronage of the ruling party.[14]

The paradox is that as South Asia fights one kind of extremism, it also co-opts, turns a blind eye to, and at times, covertly and overly fosters a different flavour of extremism. These 'double standards' disempower the region's fight against extremism. To confront the terrorism that plagues South Asia, ruling elites should adopt a more unequivocal approach towards extremism.

2. Extremism is a Subjective Notion

There is a large repository of definitions of extremism adopted by domestic and multilateral organizations. The Federal Bureau of Investigations (FBI) defines violent extremism as "encouraging, condoning, justifying, or supporting the commission of a violent act to achieve political, ideological, religious, social, or economic goals."[15] According to the Parliament of Australia, violent extremism is "the beliefs and actions of people who support or use violence to achieve ideological, religious or political goals. This includes terrorism and other forms of politically motivated and communal violence."[16] However, in practice, extremism is in the eyes of the beholder. It is culturally, religiously, ethnically and socially subjective. A belief that is abhorrent in a freewheeling liberal society could well enjoy mainstream support within another social milieu. The notion of extremism of the clerics in Riyadh and the secularists of Paris are worlds apart. The clash of cultures and values is often fought along those faultlines. As such, there is no consensus as to what amounts for extremism.

Political and social elites are often influenced by preexisting prejudices in their societies. They could well reinforce them in their policies driven by inherent primordial preferences or political and electoral calculations. South Asia is no stranger to regime legitimization through religion and ethnonationalism. Political and security elites have periodically whipped up religiosity and ethnonationalism to get elected or to consolidate their political control. Such initiatives,

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[13] Human Rights Watch, 'Violent cow protection in India,' Feb 2019. Retrieved: https://www.hrw.org/report/2019/02/18/violent-cow-protection-india/vigilante-groups-attack-minorities

[14] On the relationship between the BJP and RSS, see: Noorani, Abdul Gafoor Abdul Majeed, (2000) *The RSS, and the BJP: A Division of Labour*, New Delhi: Leftword

[15] Federal Bureau of Investigations (FBI). Retrieved: https://www.fbi.gov/cve508/teen-website/what-is-violent-extremism

[16] Parliament of Australia. 'Update on Australian Government measures to counter violent extremism: a quick guide,' August 2017. Retrieved: https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1718/Quick_Guides/CounterViolentExtremism

inadvertently or by design, have brought borderline extremism to the mainstream. Regime elites have connived, patronized and fostered selected strains of extremism, and accorded tremendous street power to the extremists. They have mobilized extremist forces at times and cowed to their pressure at other times, overlooking the extremist intimidation of civil society. This selective approach has hampered the battle against extremism and undermined the liberal democratic transition of the region.

3. South Asian Practice of Regime Legitimization Through Religion and Ethno-nationalism

Like nationalism, extremism is also both primordial, (i.e. it has existed from the beginning of mankind) and is a social construct (i.e. constructed and fostered through elitist initiatives). Primordial instincts of nationalism, as Benedict Anderson argued, are harnessed and popularized by 'print capitalism', the invention of the printing press and subsequent mushrooming of, and convenient access to printed literature.[17]

The 'new media capitalism' at present is harnessed through social media, broadband internet, smartphones, and cheap data. It is far more consequential than any of its predecessors. Today, an incoherent religious rambling by a Salafi terrorist posted on YouTube or Telegram could well reach more people than all the copies of Das Kapital ever printed.

Capitalizing on this opportunity, extremists and terrorists have invested in social media outreach through especially dedicated cyber units that churn out slick propaganda videos. Extremist preachers are delivering automatically erasing sermons on Snapchat. Jihadi recruiters are scouting online for new followers to make 'hijra' to the Islamic State or to carry out attacks in their own countries. Online radicalization has become a formidable pathway of terrorist radicalization.[18]

There is also a long historical tradition of using religious, ethnic or cultural nationalism as a source of regime legitimization. The relationship between the State and the religion or the God was used as a vital source of regime legitimization in various regime contexts, as varied as the Mandate from the Heaven of the Chinese dynasties and its tributaries, Mayans, Aztec and Inca

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[17] Anderson, Benedict (1998), *Imagined Communities: Reflections on the Origin and Spread of Nationalism*, Verso (rev; 1998)

[18] Behr, Ines von, Reding, Anais, Edwards, Charlie and Gribbon, Luke, (2013) *Radicalisation in the digital era: The use of the internet in 15 cases of terrorism and extremism*, Santa Monica: Rand Cooperation

rulers, Pharaohs of ancient Egypt and the Medieval Church.[19] Anti-colonial movements in many Asian and African countries resorted to religion and ethno-nationalism to mobilize the native population. A more profound use of these primordial identities as sources of regime legitimization happened after they emerged as newly independent states. Countries such as Pakistan, Sudan, and post-Shah Iran whipped up religiosity to legitimize their regimes. Socialist Baathist regimes resorted to a mixture of Arab nationalism and Islam. Newly independent Bangladesh peddled a mixture of Bengali nationalism and religion. Sinhala Buddhist nationalism and reactive Tamil nationalism made headway in the newly independent Sri Lanka, then Ceylon.

4. Two Drivers of Ethno-Nationalist Conquest

Two factors hastened and amplified the invasion of religious and ethno-nationalism in the affairs of the State. In the first scenario, autocratic or military governments, for instance in Pakistan, Saudi Arabia and Sudan resorted to religion, primarily Islam, as a tool of regime legitimization to elevate the role of religion in the affairs of the State.[20] The expansive role accorded to religion effectively morphed into a monopolistic discourse. It undermined civil society, fostered borderline extremism and hindered the democratic transition and institutional empowerment of new states. Military regimes and ruling autocrats were the natural beneficiaries of that lopsided status quo.

In the second scenario, political elites in nascent electoral democracies resorted to ethnic and religious 'biddings' as a matter of electoral calculations. By doing so, political elites sought to capitalize on the structural weaknesses of newly independent states. The rapid decolonization exercise in Asia and Africa left these former colonies with underdeveloped institutions. Independent judiciaries, free press, professional bureaucracy, constitutionalism and the rule of law were in infancy or were only just taking root. Simultaneously, decolonization unleashed a process of mass mobilization of no historical parallel, which overpowered the weak institutions of the State.[21] Thus the role of state institutions as the arbiter in the disputes among its diverse groups was undermined. To make matters worse, political elites exploited the institutional lacuna, by placating to primordial preferences of a majoritarian tilt. Such manoeuvring came at

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[19] Brisch, Nicole Maria, (2008), *Religion and Power: Divine Kingship in the Ancient World and Beyond,* Oriental Institute of the University of Chicago.

[20] See: Ayoob, Mohammed, (2008), *The Many Faces of Political Islam: Religion and Politics in the Muslim World: Religion and Politics in the Muslim World*, University of Michigan Press

[21] For a discussion on the subject, see: Huntington, Samuel P., (1968), *Political Order in Changing Societie*s, New Heaven and London: Yale University Press, Chapter 1-2

the expense of the institutional empowerment of the State and the growth of civil society. They also disadvantaged ethnic, religious and cultural minorities.

South Asian states have dabbled with electoral democracy for seven decades or so. Yet, their failure to transition into liberal democracies can partly be traced to those politically opportunistic machinations that distorted the nation-building process, which continues to wield a pervasive influence on the trajectory of state policies.

5. Islamization of Pakistan and Military- Jihadist Nexus

The Pakistani State's resort to Islam as the primary source of regime legitimization dates back to the founding of the state itself. The All India Muslim League, which campaigned for a separate Muslim homeland in British India, disregarded all cultural and geographical differences and relied on the religion as rationalization. After the founding of Pakistan, despite the secular ambitions of liberal-minded founder Muhammad Ali Jinnah, the new state and its political elites soon caved to the pressure of hardline Islamist group Jamaat-e-Islami (JI) that campaigned for the Islamization and imposition of Islamic laws. This led to the adoption of the Objective resolution in 1949, which envisaged the enforcement of Islamic system of governance.[22]

Since the founding of Pakistan, successive rulers have viewed Islam as a source of identity for the new state and a legitimizer of their own rule. Militant Islam was fostered and managed by diverting its anger towards the perceived enemy of India. Over time, jihadists were adopted as a proxy of the foreign and security policy, and a military- jihadist nexus evolved.[23] The tenure of Gen Zia (1977-88), indeed, hastened the wholesale Islamization of the state. Extremist religious parties were co-opted and liberals were hounded. Federal Sharia courts were set up, Islamic education was made compulsory in schools. Nexus between the Jihadists and security apparatus was institutionalized as Inter-Services Intelligence trained and armed Mujahedeen to fight Soviets in Afghanistan.[24]

The long term effect of Islamization is pernicious. Extremist religious parties that are in cahoots with the military wield immense street power. The military connivance and institutional vacuum has empowered extremists, such as Tehreek-e-Labaik Pakistan (TLP), who have repeatedly

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[22] The Dawn, Objective Resolution: the roots of religious orthodoxy, June 10, 2010, Retrieved: https://www.dawn.com/news/881205

[23] For an interesting read on Mullah- Military nexus of Pakistan, see: Haqqani, Husain, *Between the Mosque and Military*, (2005), Washington: Carnegie Endowment for Peace

[24] Zaidi, Sarah (2011) *Legitimizing the Illegitimate: The Islamization Project of General Zia-Ul-Haq (1977-1988),* Wellesley College

taken the political mainstream to ransom. TLP which could not win a single seat in Parliament continues to derive huge street power thanks to single-issue agenda for the complete implementation of harsh blasphemy laws.[25] TLP held mass protests leading to a crippling blockade after the Supreme Court acquitted Asia Bibi, a Christian woman sentenced to death for blasphemy. The military initially took a backseat and then gave money to the protesters and sent them home.

Previously, the liberal-minded governor of Punjab who spoke out against blasphemy laws was shot dead by his security guard. The assassin was garlanded by the lawyers when he was brought to court. Imran Khan, the new prime minister was forced to sack his Harvard educated economic advisor for being an Ahmadi, a persecuted Muslim sect, which Pakistan ruled as non-Muslim through a constitutional amendment in the 1970s. Political and electoral calculations have prompted the elected leaders to co-opt Islamists and enter into electoral alliances of convenience. Mouthing extremist narratives was found to be electorally beneficial.[26]

6. Sinhala Buddhist Nationalism in Sri Lanka

In Sri Lanka, Buddhist nationalism dates back to the anti-colonial struggle; during the first half of the 20th century, a revivalist Sinhalese Buddhist nationalist movement made headway in the island.[27] One of the most vociferous leaders was Anagarika Dharmapala, who was also known for his espousal of borderline bigotry against Christians and Muslims. After gaining independence from Britain, Ceylon was soon swept away by a tide of ethnic biddings dictated by electoral considerations of political elites. S.WR.D Bandaranaike, who broke away from the then ruling UNP, mobilized the majority Sinhalese Buddhists on a nationalist agenda of Sinhala-Only language policy in 1956. His election victory emboldened Buddhist nationalism, which over time took a majoritarian, exclusivist position. The subsequent intervention of Buddhist monks and their success in forcing Bandaranaike to abrogate the Banda-Chelva pact, which offered limited concessions to the Tamil majority North-East, emboldened the street power of Buddhist nationalism.

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[25] Sajjad Tarakzai, 'All you need to know about TLP, Pakistan's hardline Islamist party calling the shots,' Gulf News, Nov 9, 2018, Retrieved: https://gulfnews.com/world/asia/pakistan/all-you-need-to-know-about-tlp-pakistans-hardline-islamist-party-calling-the-shots-1.1541741110622

[26] Uday Singh Rana, ' Here's Why Imran Khan Has Earned the Moniker 'Taliban Khan' in Pakistan's Politics,' News18.com, July 25, 2018, https://www.news18.com/news/world/heres-why-imran-khan-has-earned-the-moniker-taliban-khan-in-pakistans-politics-1823667.html

[27] See Tambiah, Stanley Jeyaraja, *Buddhism Betrayed?: Religion, Politics, and Violence in Sri Lanka*, (1992) Chicago and London: University of Chicago Press

Sinhala Buddhist nationalist street power has not necessarily translated into parliamentary seats, though the nationalist monks themselves have contested and won a limited number of Parliament seats in two previous elections. However, the disproportionate clout of Buddhist nationalism emanates from the successive governments' resort to it as a source of regime legitimization. Hence their self-interested coyness to confront its exclusivist position.

Political elites themselves have placated to Sinhala Buddhist nationalism to sugarcoat controversial policies. A controversial Republican Constitution adopted in 1972 granted 'foremost place' to Buddhism - and discarded an entrenchment on minority rights, while also abolishing the independent public service commission. Minority agitations later took violent manifestations. Mainstream Tamil nationalists fostered a nascent Tamil militancy in a misguided ploy to intimidate the government into submission. Later on, they fell prey to the monsters they nurtured; the LTTE, the most fearsome of Tamil militant groups, turned its guns on fellow Tamil militants, and the mainstream Tamil leadership, effectively taking sole ownership of the Tamil political project. Survivors of the mainstream Tamil leadership were forced to accept the LTTE, the then global champion of suicide terrorism, as the sole representatives of Tamils. In May 2009, the Sri Lankan security forces defeated the Tamil Tigers, bringing a long-running terrorist war to a bloodied conclusion.

7. Late Boomers of Jihad in Bangladesh

Historically, Bangladesh followed a policy that was more religiously pluralistic, and normatively secular. The December 1972 constitution made secularism a basic principle (together with nationalism, socialism, and democracy). Religion was made secondary to Bengali nationalism. However, the politics of Bangladesh since independence have been dominated by politicizing religion and ethnic, linguistic and cultural constructs. Especially Bangladesh National Party (BNP) has historically resorted to a pro-Islamist stance as a legitimizing driver.

After the resumption of electoral democracy in 1990, a fresh wave of Islamist violence erupted in the early 2000s during the reign of the BNP government, partly helped by the ruling party's complicity with Islamism. After the public outcry, the government responded through kinetic measures such as the creation of the Rapid Action Battalion and a softer approach of de-radicalization. The subsequent ouster of the BNP government by the military and the creation of

an interim technocratic government paved the way for a more unequivocal approach towards Islamism.[28]

Another wave of violent Islamism made its way in the second decade of the 2000s; Migrant workers and Maulavis who returned from education in Arab countries brought back ultra-conservative Wahhabi and Salafi ideology, which was propagated through gulf finances. Rather than confronting it, political elites and parties coopted Salafism. Religiosity itself became a source of regime legitimization. Like elsewhere, religious zealots enjoyed a substantial amount of street power in Bangladesh. The government of the increasingly authoritarian Prime Minister Sheik Hasina, turned a blind eye when secular bloggers whom she disliked were murdered by Islamic zealots. Anti-government voices have accused the government in Dhaka of appeasing Islamist parties, mainly, a group known as Hefazat-e-Islam Bangladesh, which roughly translates to Guardians of Islam in Bangladesh. Others have accused the government of caving to the demands of Islamists. [29] Finally, the government was rudely woken up from its complacency by a group of homegrown Islamic extremists who attacked the Holey Artisan bakery, killing two dozen foreigners.

8. BJP's India and Hindutva Pushback of Secularism

India is a different kettle of fish. At its independence, its founding leaders, led by Jawaharlal Nehru and the Indian National Congress adopted a secular constitution within a federal state, reflective of India's mindboggling diversity. Nehru, despite his larger-than-life-size image, nurtured independent institutions and free press.

However, Indian secularism itself is a contradiction in a state where 80 percent of its teeming masses are Hindu. Neglected by the Nehruvian, this primordial identity existed on the sideline and was harnessed by an umbrella of Hindu nationalist movements, known as Sangh Parivar, whose ideology, Hindutva, is rooted in a quest for rediscovering India's Hindu genius and restoring the nation to its superior ancient Hindu glory. Vinayak Damodar Savarkar, the leading ideologue of Hindutva and inspiration for modern-day Hindutva functionaries such as Modi, in his introductory 1923 pamphlet "Essentials of Hindutva", argued that a true Indian must be a male whose faith originates from the Himalayas or the Indus to the Indian Ocean as his

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[28] Coffey International Development, *Violent Extremism, and Insurgency in Bangladesh: Risk Assessment*, 2012. https://msiworldwide.com/sites/default/files/additional-resources/2018-12/Violent%20Extremism%20and%20Insurgency%20-%20Bangladesh.pdf

[29] Michael Kugelman And Atif Ahmad, 'Why Extremism Is on the Rise in Bangladesh,' Foreign Affairs, July 27, 2017, https://www.foreignaffairs.com/articles/asia/2017-07-27/why-extremism-rise-bangladesh

Fatherland and Holy Land.[30] This effectively excluded Muslims and Christians who's Holy land is in the Middle East from the Indian nationhood.

Rashtriya Swayamsevak Sangh (RSS), the central organization of Sangh Parivar, was founded in 1925. RSS is the parent organization of Bharatiya Janatha Party, currently in power in New Delhi. The leaders of BJP, including incumbent Prime Minister Narendra Modi, began their political life as grassroots functionaries of the RSS. The RSS has traditionally resorted to Hindutva nationalism for legitimacy. In its most notorious moment, BJP mobs demolished the Babri mosque in Ayodhya to build a Hindu temple. Since the advent of the BJP government in 2014, Hindutva nationalism is taking an increasingly intimidating and exclusivist position, targeting 200 million Indian Muslims, lower caste Hindus and Christians. The run up to state government and LokSabha elections had seen key functionaries of the BJP publicly spewing Islamophobic rhetoric. New citizenship laws targeting Muslim migrants, especially those from Bangladesh, were introduced. Cow vigilantism is on the rise.[31] Hindutva nationalism, patronized by the ruling party, has challenged the very core of India's identity. As much as India's beleaguered minorities, India itself is facing an existential battle for its soul.

9. Correlation between Illiberal Regimes and High Incidences of Extremist Violence.

In a way, it is counterintuitive that governments that patronize or appease extremists tend to be at the receiving end of a comparatively higher number of extremist attacks during their tenure, than their peers. The implicit objective of most governments that placate to extremism, is to keep extremists satiated so that they would not harass the regime. Besides, illiberal regimes also derive legitimacy through religious and ethnic nationalism. Their political considerations and ideological loyalties generate a sense of complacency, if not connivance, towards majoritarian extremism.

However, extremists themselves are rational and cost-benefit conscious. They exploit the permissive conditions to advance their ideological and political ends. Objectives of extremists and regimes that are complacent or complicit are not always convergent. Islamists of Pakistan feel betrayed by Islamabad's security cooperation with America's war on terror in Afghanistan. Hindutva hardliners are angered by the Modi administration's vacillation to forge ahead with a

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[30] Savakar, V.D. *Hindutva*, Retrieved: https://archive.org/stream/hindutva-vinayak-damodar-savarkar-pdf/hindutva-vd-savarkar_djvu.txt

[31] Nazneen Mohsina, 'Political Opportunism in India: Exploiting Islamophobia,' The Diplomat, May 10, 2019, https://thediplomat.com/2019/05/political-opportunism-in-india-exploiting-islamophobia/

sharper version of the Hindutva agenda. Islamists in Bangladesh, who are co-opted by successive governments, loath secular manifestations of the state. Buddhist nationalists, coopted by the former administration of the Mahinda Rajapaksa, were unhappy that the government was 'soft' on the perceived Wahhabization of local Muslims.

In all countries, governments have economic and security priorities that supersede a single issue religious or ethno-nationalistic agenda, generally championed by the extremists. This would mean that the fallout between the government and the extremists is inevitable. In the meantime, extremist groups exploit favourable political conditions to advance their ends, and in the process, ratchet up violence. Majoritarian violence unleashed as such could also trigger reactive violence by ethnic and religious minorities, effectively producing a spiral of violence. The following examples explicate a correlation between illiberal regimes that tolerate borderline extremism and higher incidences rate of extremist violence.

10. Pakistan: Military- Jihadist Nexus and the Terrorist-Related Death Toll

Pakistan's use of Islamic militancy as a proxy of the foreign policy dates back to immediately after the founding of the state itself: Muhammad Ali Jinnah dispatched tribal militants to Kashmir after Maharaja of Kashmir, Hari Singh, agreed to accede to the Dominion of India. After the Soviet invasion of Afghanistan, Pakistan turned itself into the rear base and nexus between the American and Saudi backers, and anti-Soviet Mujahideens. Simultaneously, General Zia-ul-Haq, the then military ruler, unleashed a full-throttled Islamization of Pakistan. The Mujahedeen's Afghan success and hefty American military aid to Islamabad during the period underscored the utility of Jihadist as effective proxies of Islamabad's foreign and security policy.

Subsequently, in the 90s, the same strategic logic led to the creation of the Taliban out of Madrasas in Peshawar, to secure Pakistan's geostrategic position in Afghanistan. Tellingly, Pakistan's Inter-Services Intelligence (ISI) initially banked on the Afghan warlord Gulbuddin Hekmatyar, before opting to form the Taliban as a more reliable and cohesive group of surrogates of Pakistan's strategic policy in Afghanistan. Pakistan considers the rugged and inhospitable terrain of Afghanistan as the hinterland of its strategic depth. The on-going association with a host of militant and terrorist groups are also based on the same premise of using Jihadist as a proxy of foreign policy, primarily to curtail the Indian influence in Afghanistan and install a government favourable to Islamabad (Haqqnis, Afghan Taliban) and advance Pakistani interests in Kashmir by proxy (Lashkar- e -Taiba, Hizbul Mujahedeen).

11. Reverse of Fortune

America's military involvement in Afghanistan, to which reluctant Islamabad was arm twisted by Washington to cooperate, sent hordes of militants seeking sanctuary in the North-West Frontier province. Their presence was ignored or largely tolerated by the Pakistani military to much chagrin of the United States, which has regularly chided its double-crossing partner of harbouring terrorists that are waging war against American forces and the Afghan government.

However, Pakistan's partnership with militancy turned sour after local Taliban sympathizers, fighters and a disparate group of ethnic Pashtun Islamists coalesced under the Tehrik-i-Taliban Pakistan (TTP) or Pakistan Taliban and turned their guns on the Pakistani State. TPP is centred in Khyber Pakhtunkhwa (KP), a part of North-West Frontier Province, the tribal area not fully integrated to the federal government control, and governed as Federally Administered Tribal Areas (FATA). In contrast to the Afghan Taliban, which has strictly eschewed any attacks against Pakistan, TPP has mainly targeted the Pakistani State.

The Pakistani military has launched regular incursions into the tribal areas in the 2000s and later full-blown military operations against TPP. However, the Jihadist- Military nexus made a unified fight against terrorism difficult. After two major operations against TPP in 2009 and 2010, the Pakistani military and the political establishment changed the track and sought to negotiate with the militants. Predictably enough, the talks led nowhere and collapsed. In the meantime, the militants escalated violence while ostensibly negotiating peace.

Figure 1: Beginning from 2012, permissive conditions caused by the military truce saw a spike of terrorist violence blamed on TTP (Figure 1).

FIGURE 1: PAKISTAN'S TERRORISM DEATH TOLL VS MILITARY TOLERENCE TOWARDS EXTREMISM
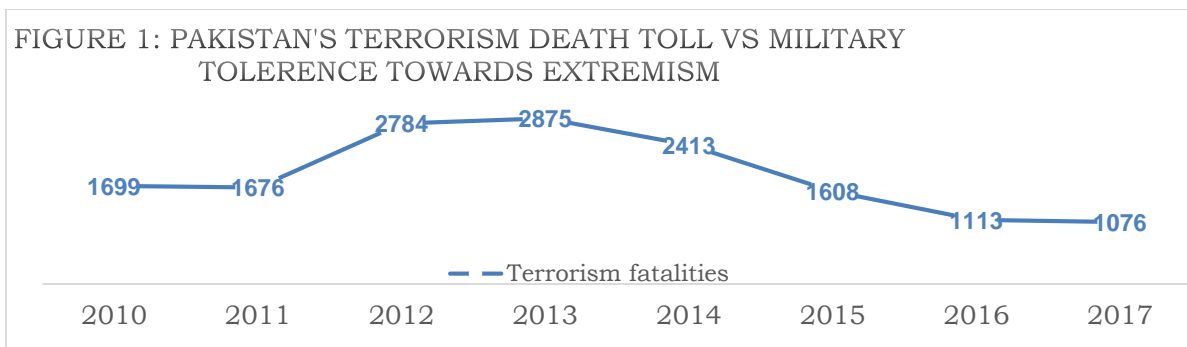
Source: Global Terrorism Report 2017.[32]

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[32] Global Terrorism Report 2017, National Consortium for the Study of Terrorism and Responses to Terrorism, Retrieved: https://www.start.umd.edu/pubs/START_GTD_Overview2017_July2018.pdf

Later on, a TPP attack on the Jinnah International Airport on June 2014, compelled the Army to launch a fresh military operation. However, it was the massacre in the elite Army-run- a public school in Peshawar on December 14, 2014, ostensibly to avenge the military operations against the TPP, which shocked the military out of complacency. The attack killed 149 school children and teachers and injured hundreds more - laying bare the cost of Pakistan's tolerance towards extremism.

The resultant public outcry prompted a rethink on the state policy on extremism. It also compelled the military to launch a concerted military operation against the TPP and to a certain extent, reign in another pro- Islamabad militant groups. Beefed up military operations resulted in a significant reduction in violent attacks since 2015 (Figure 1). The Peshawar Army school massacre shocked the public conscience and challenged the mainstream tolerance of Islamic extremism. The overwhelming public sentiment compelled political, military and religious leaders to approve a comprehensive strategy known as the National Action Plan (NAP) to tackle extremism and radicalization. Four years since then, the NAP had little success in reversing grassroots radicalization and extremism. Nonetheless, terrorist attacks have noticeably declined, courtesy heightened military operations against TTP during the past three years.

Yet, the root causes and enablers of radicalization function unhindered. Religious extremists continue to control the mainstream narrative. The military nexus with selected Jihadists remains intact. Much needed education reforms are a non-starter. Until mainstream tolerance is confronted and state/military connivance in extremism is given up, Pakistan is far from secure from extremism.

12. BJP rule, Hindutva right and cow vigilantism in India

The BJP's tenure since 2014 has seen a marked rise in Islamophobia. According to a study by NDTV, the use of hateful and divisive language by top politicians in India increased by nearly 500 per cent since the BJP-led government came to power.[33] Similarly, the mainstream tolerance of bigotry is startling. One of the winners of Parliamentary election in May was radical Hindu nationalist Pragya Thakur, who is the main suspect in the 2008 bomb blast in Malegaon, Maharashtra that killed six and injured more than a hundred people.

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[33] Under Modi Government, VIP Hate Speech Skyrockets - By 500%, NDTV, April 19, 2018. Retrieved, https://www.ndtv.com/india-news/under-narendra-modi-government-vip-hate-speech-skyrockets-by-500-1838925

Permissive political conditions have resulted in an increase in Hindu right-wing vigilantism, cow protector attacks, and Islamophobia. According to data collected by IndiaSpend database, the number of attacks increased from 1 in 2013, the final year of the Congress-led coalition government to 108 in 2017.[34] (Figure 2)

Also, regional states governed by the BJP have recorded a higher incidence of attacks. BJP has been the ruling party of State Government during 60 per cent of all violent attacks on Muslims.[35] (Figure 3)

Figure 2: BJP Rule and Cow Related Lynching in India

Source: India-Spend, Hate crime data base.[36]

Figure 3: State Government during the time of the incident
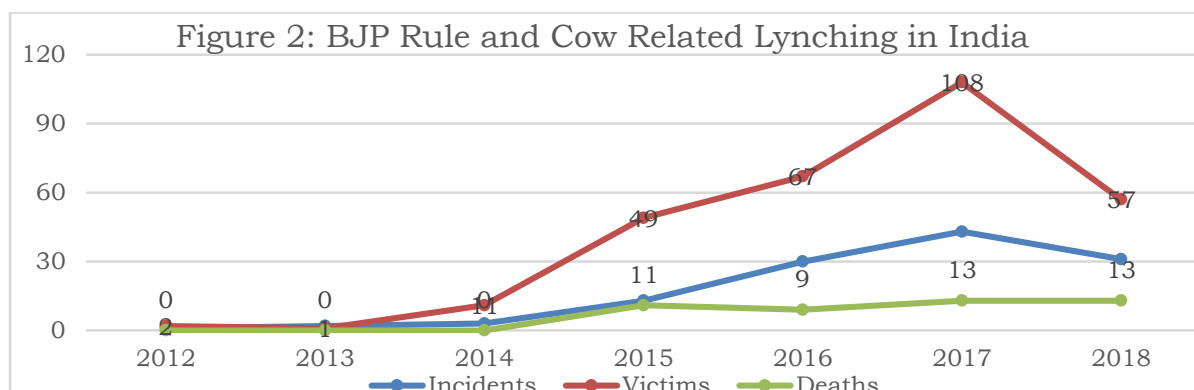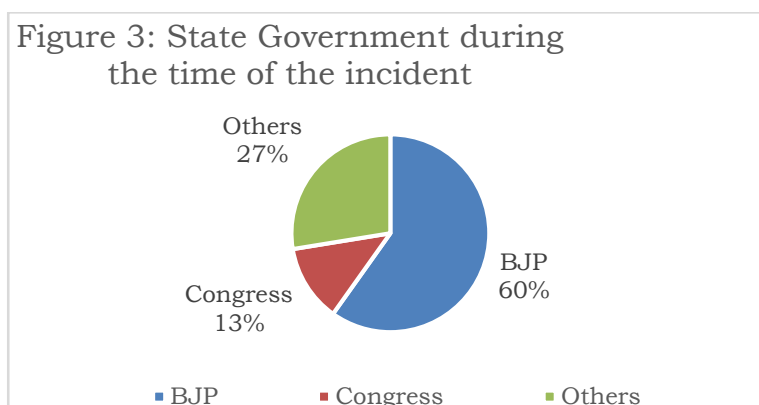
Source: India-Spend, Hate crime data base

13. Anti-Muslim Attacks in Sri Lanka

Sri Lanka witnessed a wave of militant Buddhist nationalism whipped up by charismatic monk Ven. Soma Thera in the early 2000s. The primary target of the ultra-nationalist anger was Evangelical Christian proselytization in vulnerable, mainly Buddhist communities. The untimely

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[34] IndiaSpend database, Cow related Viloence in India, retrieved: https://lynch.factchecker.in/
[35] ibid
[36] ibid

death of the monk and a police crackdown ordered from the highest level of political leadership saw a significant decline in ultra-nationalist attacks.

Later, after the war victory over the LTTE, a fresh wave of Buddhist nationalism made headway and took an anti-Muslim tilt, with occasionally violent opposition to cow slaughter, Halal food, and calls for the boycott of Muslim businesses. The then-President Mahinda Rajapaksa himself was riding on a wave of post-war public euphoria and plotting on a dynastic project. He managed to smuggle a constitutional amendment to remove the mandatory term limits of the office of the presidency and to subdue the independent institutions. Political calculations discouraged him from actively confronting Sinhala Buddhist nationalist activism. Instead, he coopted Sinhala Buddhism ultra-nationalism as a matter of political exigency.

Figure 4: Hate Speech And Anti- Muslim Attacks In Sri Lanka
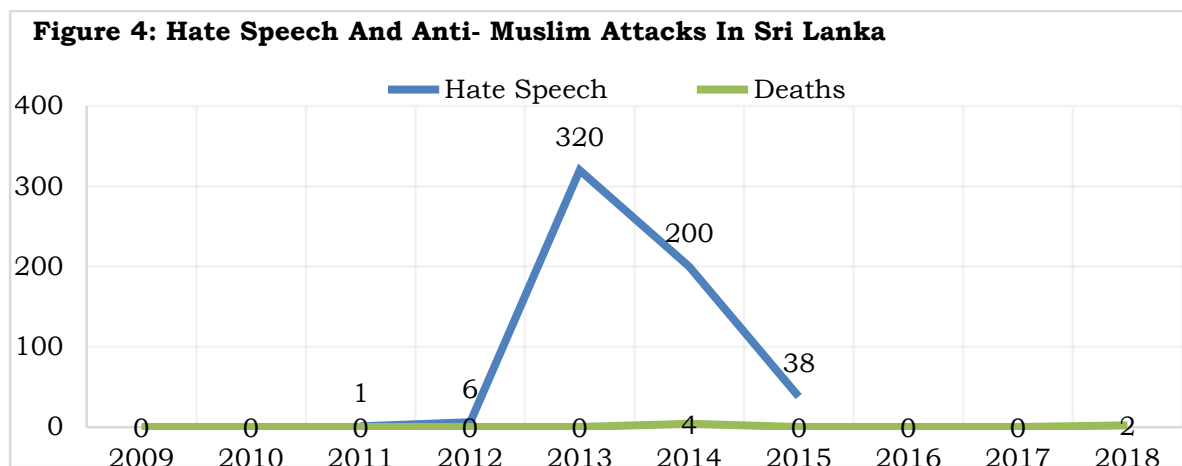
Sources: Compiled media reports

The period of anti- Muslim attacks in Sri Lanka (2011-2014) can be linked to the regime complacency and covert patronage of ethno-religious nationalism. The blind eye of the State and surrogate law enforcement agencies resulted in a spike in Islamophobia, hate speech and finally attacks on Muslim-owned-property. Anti-Muslim riots in Aluthgama, a Muslim enclave about 80 km from the Capital, Colombo, following a rally held by the Buddhist nationalist group, Bodu Bala Sena, caused four deaths. Resultant adverse local and international publicity prompted the government to reign in nationalist forces. Effectively, religious nationalists scaled down the intensity of their campaign.

In 2015, Sri Lanka elected a new president and a Parliament in 2015, which campaigned on a multi-ethnic platform. However, the new government lacked cohesion and was torn apart by internal bickering of its constituent partners. It was also criticized by the nationalist forces as subservient to pro-LTTE diaspora Tamils. Weak, indecisive and increasingly devoid of popular

support, the government was disinclined to actively confront the rise of Sinhala Buddhist nationalism. Permissive conditions effectively led to a fresh bout of Islamophobia and riots in Digana, which cost two lives in 2017.

14. Conclusion

Extremism in South Asia is not necessarily a fringe phenomenon. Borderline extremism of majoritarian primordial preferences has often cross-fertilized the mainstream narrative in the region. Yet to what extent borderline extremism degenerates into a violent manifestation is varying and is broadly correlated to the permissive conditions created by the ruling elites.

South Asian political and military elites have whipped up religiosity and ethnonationalism as means of regime legitimization. Their self-interested machinations have accorded a substantial street power to extremism, which has undermined civil society, minority rights and the liberal democratic transition of South Asia as a whole.

Also, there is a positive correlation between permissive conditions created by illiberal and majoritarian governments and opportunistic ruling elites, and the number of violent extremist attacks during a given period. Extremists of various flavours have exploited the government's complacency and connivance, to incrementally advance their hateful and exclusivist agenda. Complacency emboldens bigotry and could provoke reactive violence from those who are affected. Therefore, for its battle against extremism/ terrorism to become more unequivocal, South Asia should confront borderline extremism of majoritarian dispensation.

The fundamental problem in South Asia in its fight against extremism is the institutional weakness of the State. Save India, which has a relatively strong institutional structure, the rest of the region lags behind in the desired institutional empowerment. This also enables political elites to exploit the institutional lacuna, to advance personal and political interests.

Two models have been tried elsewhere to wade off the State from the 'undesirable' primordial impulses of the masses and the exploitation of such by the ruling elites. The first one could be called the 'Turkish model'. The secular modernist Turkish Republic of Ataturk was built on the back of a shadow state of a secular military, judiciary, media, and other institutional elites. It withstood the outbursts of a largely religious society, at least until the election of a pious Islamist regime of Recep Tayyip Erdoğan.

Yet, the problem with the above model is its objectives are achieved by limiting freedom of expression and other assorted civil liberties. It is also too paternalistic and all-encompassing, even to the extent of banning ostentatiously religious garments such as Hijab in public. Implemented in a largely zealous populace, it also caused a degree of disengagement with the wider society. Also, as the experience in Turkey shows, the numerical majority would one day rise to the occasion and capture the hall of power hither-too occupied by haughty secular elites.

Whereas the second model, the institutional model, seeks to empower the independent institutions of the State, which effectively provide a better counterweight against majoritarian populism, grassroots extremism, and elitist opportunism. Independent state institutions, such as an independent judiciary and an independent police service, can arbitrate in disputes, reinforce fundamental rights and hold violators of the law into account. Independent institutions also create a level playing field for disparate groups.

Until recently, the belief in strong independent institutions appeared like wishful thinking in South Asia. Except in India, independent institutions in the region have gradually deteriorated over the decades. However, recent developments suggest that strong institutions can provide the most effective bulwark against manifold ills in the region. The recent ruling by a Pakistani court in acquitting a Christian woman accused of blasphemy, the Indian Supreme Court ruling in decriminalizing homosexuality and the judicial activism by Sri Lankan courts during the constitutional crisis, are promising signs. Strong institutions, anti-hate laws and non-discriminatory clauses in the Constitution set a strong deterrent against majoritarianism, radicalism, and extremism.

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COUNTERING VIOLENT EXTREMISM: GLOBAL TRENDS AND IMPLICATIONS ON SOUTH ASIA

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Key Words: Violent Extremism, Terrorism, Religious Extremism, Radicalism, Islamist Extremists

1. Introduction

Violent extremism presents a serious threat to democratic values and societies around the world. It is a proven fact on the ground that this type of menace cannot be effectively treated solely by military means or negotiations. Much action must be taken at each stratum of society to solve this issue throughout the world. As a concept and its consequences, violent extremism has gained international attention over a period of time. This is closely related to terrorism and demarcating a line between the two is close to impossible. It is not extreme individualism, but an ideology that is shared between multiple individuals that seriously undermine social order. The Global Terrorism Index (GTI) in 2017 highlighted that South Asia has consistently experienced the highest impact from terrorism since 2002[1]. Consequently, countering violent extremism becomes a decisive factor for finding everlasting peace in the region. Therefore, this paper is an effort to present strategies for countering violent extremism, global trends and its implications on the South Asian region.

2. Evolution of Violent Extremism and its Link to Terrorism

Terrorism has plagued human society ever since the formation of political groups and by extension, states. Grievances or dissatisfaction regarding particular authorities has led people to opt for unlawful means, disregarding a peaceful path to seek redress. This unlawful path has historically assumed multifaceted methods and targeted a varied number of people including statesmen, political leaders and the general public, and is commonly known as terrorism. Yasmin (2017) highlighted that terrorism has passed five popularly stages (waves) known as the anarchist, anti-colonial, new left, religious, and radical[2]. Violent extremism is a combination of the fourth and fifth waves, which are religious fanaticism and total annihilation of disbelievers.

Neumann states "the term violent extremism has only become popular in recent years. Its emergence is closely related to the contentious nature of the term terrorism"[3]. The US global war on terror in the wake of 9/11 has politicised the term 'terrorism'. It was in fact first proposed

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[1] Global Terrorism Index. (2017). *Measuring and Understanding the Impact of Terrorism*. Retrieved from visionofhumanity.org/app/uploads/2017/11/Global-Terrorism-Index-2017.pdf

[2] Yasmin, L. (2017). *Countering Violent Extremism: The Role of Regional Organizations. SAARC/ASEAN*. Retrieved from https://www.defseminar.lk/.../August%2028-_Countering%20Violent%20Extremism.

[3] Neumann, R. (2017: 14). *Countering Violent Extremism and Radicalisation that Lead to Terrorism:Ideas, Recommendations, and Good Practices from the OSCE Region.* London, UK.

by the USA under President George Bush's government in 2005, although the concept had prior been applied in Europe, in the wake of London's public transport bombings and the Madrid bombing.

3. Violent Extremism

The term violent extremism is used to refer to the support for, or use of violence, to advance rapid socio-political change, often by targeting civilians in an attempt to force governments to act in a particular manner[4]. As such, it may refer to acts that are not designated as acts of terrorism but rely on the use or threat of violence. UN Security Council resolution 2178 defines violent extremism as something conducive to terrorism, sectarian violence, and the commission of terrorist acts. (UN General Assembly, 2015).

Generally, violent extremism denotes terrorism and a range of other political violence. The Australian Government defines it as "a willingness to use unlawful violence or support the use of violence by others to promote a political ideology or religious goal" (Australian DFAT, 2017). Meanwhile, the USA defines violent extremism as "advocating, engaging in, preparing, or otherwise supporting ideologically motivated or justified violence to further social, economic, and political objectives"[5].

4. Religious Extremism

Religious Extremism thus can be defined as the possession of extreme religious fundamental ideologies. Hence, believing, observing, following or practicing religious teachings up to the most perfect manner, also may be identified as religious extremism, even though that behaviour does not make a significant effect on others. Movements of a fundamentalist type are evident in Islam, certainly, but they may be found in other religious communities too[6].

5. Drivers of Violent Extremism

Social networks and personal relationships pull individuals into violent extremist organizations, keep them there, and radicalize them. Many individuals join violent extremist groups as a way to find meaning in their lives, thinking organization can provide a sense of identity and meet other basic needs.

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[4] Bhulai, R. & Fink, C. (2016). *Strengthening Regional Cooperation to Prevent and Counter Violent Extremism in South Asia What Role for Civil Society?* Global Centre on Cooperative Security.

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Unmet socioeconomic needs may be significant, not because of actual material deprivation, but because of the related perception of those marginalized populations that the state and society have abandoned them. Relative deprivation and frustrated expectations (not only for economic benefits but also for political power and/or social status) can be important drivers of violent extremism. That may be particularly true concerning youth whose aspirations have risen significantly. Evidence demonstrates that a country's inability to meet expectations of newly educated and upwardly mobile elites is a great source of discontent[7].

6. Ideological Drivers

These broad ideological appeals are associated with two distinct groups of violent extremist organizations. The first type of organization has circumscribed grievances and this group often uses violence as a strategic or tactical weapon, to achieve its objectives. These organizations also often have a political and military wing, enjoy some sort of legitimacy, and tend to be embedded in society. These groups present a larger challenge than those that operate on the fringes of society. The second type of organization is a transnational violent extremist organization driven by broad ideological goals, such as restoring the Caliphate or fighting modernity, which is grandiose in nature. These groups' missions are not in line with local grievances and they do not take part in the political process. Transnational violent extremist groups use violence frequently and see violence as intrinsic to their mission[8].

7. Political Drivers

USAID lays out seven political drivers that are often present in countries producing violent extremism: They are denial of basic political rights (political exclusion) and civil liberties; highly repressive regimes that engage in gross violations of human rights; endemic corruption and impunity for well-connected elites; the presence of safe havens, poorly-governed or ungoverned areas; pre-existing, protracted and violent local conflicts that can be exploited by violent extremist organizations seeking to advance their agendas; state sponsorship of violent extremist groups; and discredited regimes with weak or non-existent oppositions[9].

8. Global Trends in Violent Extremism

There have been different Violent Extremism profile waves. The first 'old guard' originated in the 1980s and it was individuals who fought the Soviet Union in Afghanistan. They knew each

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[7] Jones, J. (2017). *Drivers of Violent Extremism Global Program.* Centre for International Private Enterprise. Washington DC, USA.
[8] Ibid.
[9] Ibid.

other personally and most were from the upper and middle class. From the 1990s until 2001, most violent extremist actors originated in the middle classes. Unlike generations of previous Jihadism, today's violent extremist actors are less educated and poorer, though violent extremist profiles do show a new and growing heterogeneity in socioeconomic background. Individuals are more prone to being petty criminals before being radicalized. Social exclusion and marginalization are now one of the largest factors in Middle East violent extremist profiles. In contrast to the past, more members of al-Qaeda are now self-recruited and self-radicalized. Some analysts argue that the now diverse profile of violent extremist actors makes trying to identify vulnerable populations futile[10].

At least 47 violent Islamist extremist groups deliberately orchestrated fatal campaigns against civilians, designed to instil fear and erode public morale. Seventy-one per cent of Boko Haram's violent actions targeted the public, affirming it as the group most engaged in a violent campaign against civilians. ISIS in Iraq and Syria's sectarian agenda and harsh interpretation of Islam led to the intentional killing of 2,080 civilians. An additional 15,613 civilians were killed by the actions of extremists and efforts to combat them[11].

Five of the ten deadliest countries are very fragile states, and four are outside major conflict zones. Somalia, Yemen, Syria, Afghanistan, and Iraq not only suffered high numbers of fatalities in 2017 but were also ranked among the world's ten most fragile states. Beyond major conflict areas, Mali, Egypt, Nigeria, and Pakistan were also on the list of countries most affected by violent Islamist extremism[12]. Muslims, more than anyone else, are the most frequent victims of violent Islamist extremist groups. Nearly two-thirds of all attacks aimed at the public space in 2017 occurred in Sunni Muslim majority states[13].

Many women plot and orchestrate deadly attacks targeting civilians. The deployment of women on the battlefield shows violent Islamist groups adapting and strategically shifting their principles in favour of operational gains. Operational pressures have encouraged the most expansionist groups to adopt more flexible rulings on women and their place in the global violent jihadi movement. Boko Haram used women more than any other group in 2017[14].

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[10] Ibid.
[11] Blair, T. (2017). *Violent Islamist Extremism. Global Extremism Monitor*. Tony Blair Institute for Global Change. London, UK.
[12] Ibid.
[13] Ibid.
[14] Ibid.

Since 2002, eight of the nine regions in the world experienced an increase in terrorism. North America was the only region to experience a reduced impact. Over the last 15 years, South Asia experienced the most terrorist activity while Central and South America were least affected[15]. Globally, attacks against civilians increased by 17 per cent from 2015 to 2016. The primary targets of terrorists are private citizens and property. Deaths from terrorism have risen in tandem with battle-related deaths. From 2006 to 2016, deaths from terrorism increased 67 per cent while battle deaths increased by 66 per cent. Terrorist attacks are deadlier in conflict-affected countries where there is an average of 2.4 fatalities per attack in 2016 compared to 1.3 fatalities in non-conflict countries[16].

9. Implications of Violent Extremism in South Asia

Like many other regions, South Asia is confronted with a rapidly transforming terrorism threat landscape that is increasingly transnational in nature. Local grievances and socio-political dynamics have been exploited by groups such as al-Qaeda and the Islamic State of Iraq and the Levant (ISIL), and are linked to a global master narrative of conflict. According to the GTI, South Asia is the second-most affected region with three countries in the region ranking among those with the highest impact of terrorism: Afghanistan, Pakistan, and India[17].

Afghanistan, in particular, continued to experience aggressive and coordinated attacks by the Afghan Taliban, including the Haqqani Network (HQN), and other terrorist groups. While terrorist-related violence in Pakistan declined in 2015, the country continued to suffer significant terrorist attacks, particularly against vulnerable targets such as schools.

India continues to experience terrorist attacks, including operations launched by Maoist insurgents and transnational groups. For example, the Mumbai attack on 26 November 2008. Further, in July 2015, India experienced a terrorist attack in Gurdaspur, Punjab; the first in India's Punjab Province since the 1990s.

The establishment of Al-Qaeda in the Indian Subcontinent (AQIS), and ISIL's growing influence and presence in the region, has been demonstrated by sporadic attacks over the last few years in Bangladesh. The July 2016 attacks in Dhaka, claimed by ISIL although investigations in the country are on-going, followed the group's call to 'Muslims in Bengal' to support the 'Khilafah' and close their ranks to unite under the soldiers of the Khilafah in Bengal

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[15] Global Terrorism Index. (2017). *Measuring and Understanding the Impact of Terrorism.* Retrieved from visionofhumanity.org/app/uploads/2017/11/Global-Terrorism-Index-2017.pdf
[16] Ibid.
[17] Ibid.

and aid them in every possible way. Two of the five attackers were well-educated, well-off teenagers in their early twenties, and were following Mumbai-based Zakir Naik on social media, the controversial Islamic preacher and founder of the Islamic Research Foundation. Another, Nibras Islam, the son of a businessman and nephew of a Bangladeshi bureaucrat, was also following a Twitter account of Islamic State propaganda.

The presence of radical Islamic groups with links to international terrorist organizations is one of the most pressing issues in the region. According to various researches, the conditions in some of the countries in the region create a safe-haven for terrorist groups to nurture followers, organize and operate remotely. What is crucial is to identify the conditions that breed terror in the region. These adverse conditions, which include but are not limited to extreme poverty, nurture those affected people to become receptive to the preaching of violent religious doctrines. The absence of democratic governance and rule of law, the inability to come to terms with more secular conditions of governance, and extreme corruption, further aggravate the situation.

The nature and political economy of the state have also been instrumental in creating the current crisis. South Asian states tend to operate in the interests of a coalition of classes and ethnic groups, thereby influencing development policies and the distribution of resources. The pace, content and dynamics of uneven development patterns in South Asia are among the predominant causes of violence in the region. Besides the failure to transition to modernity among these South Asian states, political culture has also led to ethnic solidarities and identification with religion and culture. Interference from external powers and neighbouring and extra-regional elements has given a dangerous tilt to the existing volatile situation.

One reason for a counterterrorism strategy not to meet its expectations lies with the misplaced idea of overwhelmingly focusing on defeating terrorism via military means. Through a strong military presence, the US has made efforts to eradicate terrorism in the region, however, these terrorist groups operate as small cells in the region making it relatively difficult to defeat them militarily. Military means, one could argue, can only paralyze activities temporarily, due to the way terror activities and organized and carried out locally.

The counterterrorism strategy also focuses on destroying the infrastructure and training camps of terrorist groups in the countries where they are a concern. These efforts have helped to marginalize the activities of the militant groups, limiting their activities to the periphery, but care has to be taken to avoid mistakes of destroying the wrong villages or killing the wrong people because such mistakes could be costly and result in increased support for the extremists.

Domestic efforts from Pakistan, India, and Afghanistan have not helped significantly in terminating the operations of terrorist groups within these states.

Inequity and poverty can also be direct or indirect consequences of structural violence. Although South Asian countries try their best to become secular states, there is religious indoctrination in the political landscape of all governments in the region. For example, in Pakistan, during former President Musharraf's time, there were initiatives to close down madrasas where radical extremism and militancy were being taught in the name of Islam. However, this could not be fully operationalized, as sufficient support could not be drawn to enable such an attempt to succeed. This simple example indicates the difficulty in countering the militancy and violent extremism associated with religious discourses in states like Pakistan, and how this creates a very testing space in which to promote peaceful coexistence. As the line of demarcation between extremist groups and religious groups is very thin, this makes it challenging to crackdown on extremists and/or terrorist groups. The political leadership is often unwilling to take drastic measures to stem religious indoctrination that can potentially lead to militancy.

Therefore, ISIS has been able to take advantage of violent conflicts in South Asia, attracting fighters to further destabilize the region. Meanwhile, rising Hindu nationalism and Hindutva politics stand to further inflame divisiveness in India, while Buddhists and other extremist groups continue to escalate conflicts in countries like Myanmar.

Cross border infiltration is rampant in the South Asian Region which causes the situation to worsen. Establishment of a new government in Afghanistan with the support of Pakistan led to cross border infiltration by the two international terrorist groups, Al Qaeda and Taliban, and indigenous terrorist groups started actively supporting these deteriorating outfits. Cross-border infiltration extended as far as Kashmir, as the terrorist groups leant support to the separatist movement and extremist groups in India.

Meanwhile, in India, the separatist struggle continues in the Kashmir region. Pakistan has been accused of supporting the Islamic separatists by way of providing training and funding. Apart from battling against the separatists, India is also dealing with other indigenous terrorist groups. However, these militant groups are mainly fighting for equal rights, better living conditions and more autonomy in their administrative activities.

Bangladesh is also vulnerable to violent extremism as a result of influence from groups in Afghanistan and Pakistan. Similar to the indoctrination of radicalism in Pakistan through

madrasas, in Bangladesh too there is active teaching of radical Islam in similar religious schools. The country presents fertile ground for recruiting militants, as it is stricken by poverty and corruption, similar to many other South Asian states. There are also the Rohingyas, the refugees or IDPs in Myanmar who are a group of stateless people who become victimized due to the perceived threat of extremism and who have suffered a great deal but perhaps unfairly.

10. Countering Violent Extremism (CVE)

There is no widely accepted definition of countering violent extremism. Most policymakers use countering violent extremism to refer to preventive efforts to undermine recruitment and radicalization of vulnerable individuals. Countering violent extremism looks at the impending nature of the new type of terrorism and therefore requires soft aspects to deal with it. There is a need to target passive terrorist infrastructure[18].

The US government defines CVE as efforts focused on preventing all forms of ideologically based extremist violence, to include prevention of successful recruitment into terrorist groups. It is distinct from disruptive actions that focus on stopping acts of terrorism by those who have already subscribed to violence[19].

A significant area to emphasize in countering or preventing violent extremism is that it should not target any particular ideology or religion. Governments must realize this and there should be an involvement of all the sectors in inculcating the pitfalls of extremism. Although Islam inspired terrorism may be at the forefront of the public consciousness, there are other extremist movements, networks, and groups across the world which must not be sidelined, as these too impact upon global governance. Even what may be perceived to be more moderate forms of extremism should not be acceptable globally.

11. Countering Violent Extremism in the South Asian Region

While general democracy and governance approaches may have indirect effects on countering violent extremism, interventions targeting at-risk communities can be more effective. For example, police harassment and intimidation can impact at-risk communities. This can be mitigated by activities such as community policing and media coverage. Police should develop the potential to empower civil society and staying true to the values of tolerance and

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[18] Yasmin, L. (2017). *Countering Violent Extremism: The Role of Regional Organizations. SAARC/ASEAN*. Retrieved from https://www.defseminar.lk/.../August%2028-_Countering%20Violent%20Extremism.

[19] Mirchandani, M. (2017: 1). *Countering violent extremism: Lessons for India.Observer Research Foundation*. Retrieved from https://www.orfonline.org/research/countering-violent-extremism-lessons-india/

forgiveness. Programs focused on democratic governance and anti-corruption can also directly address poorly governed areas by building confidence between local communities and governments.

Media and communications are central to developing responses to the drivers of violent extremism and insurgency. For example, USAID provided an initial grant to ToloTV in Afghanistan in 2002. 'Tolo' has since become a highly influential moderate voice in Afghanistan and, with 45 per cent market share, is Afghanistan's most popular television station.

Cultural sensitivities are principles that should be considered to address cultural drivers. Respecting indigenous or religious customs at national, regional or school events give due recognition to particular segments. For example, multi-cultural functions conducted on a national holiday or during the New Year festival foster self-dignity of people from different communities.

Development actors should also avoid stigmatizing specific communities, during infrastructure development. All areas should be equally treated despite the race or religion of the community that lives there. In Sri Lanka 'Uthuru Wasanthaya' and 'Nagenahira Navodaya' programs were launched to develop North and East areas after the conflict to ensure equal distribution of resources to all provinces.

Youth should also be provided opportunities for roles in community governance and 'at-risk' individuals should be connected with mentorship, vocational training and other opportunities. Youth should be given the opportunity for participation, engagement, and decision-making in public matters and local governance, social governance, network governance, and participatory governance. This will give the feeling that they are not neglected and generate high esteem. Those who are in the rim should not be kept idle and some kind of training should be given to engage them and to make their career.

An age group between 25 and 35 is found as the most engaged age group in social media. At the same time, the time engaged by married persons is lesser than unmarried persons. Similarly, it is found that lower-educated individuals spend larger amounts of time on social media. Therefore, counter-narratives should be planned to overcome violent extremist ideology through social media, considering the age, education level, and marital status of individuals.

The role of global and regional organizations for countering violent extremism

The EU, Commonwealth, ASEAN, and SAARC together with the UN have to play a major role in formulating an effective mechanism to counter violent extremism which has already engulfed almost all the countries of the world. The UN would be an ideal multinational platform for countering violent extremism through effective global governance. On 15 January 2016, the Secretary-General presented a plan of action to prevent violent extremism to the General Assembly, which has been accepted and was agreed upon at the general debate held in Switzerland.

Meanwhile, the EU Plan of Action on Combating Terrorism was established in the latter part of the year 2014. The EU has since established an expert group on violent radicalization in 2016. Similarly, the Commonwealth's Countering Violent Extremism Unit, set up within the Commonwealth Secretariat in 2017, is helping countries to develop and strengthen national strategies to prevent and counter violent extremism, as well as providing technical support and training for both government and civil society partners.

When considering the Asian region, ASEAN Directors-Generals of immigration departments and heads of the consular affairs divisions of the ministries of foreign affairs (DGICM) on the prevention of the movement of foreign terrorist fighters meet annually to discuss regional issues. ASEAN-UN regional dialogues on countering violent extremism are held every year to enhance cooperation to combat the threat posed by the Islamic State. At the national level, SAARC member states strongly pursue countering the finance of terrorist groups. Individual countries are also taking initiatives to track the sources of terrorism and enacting laws, as necessary, to counter extremists.

12. Conclusion

Human beings do not become violent extremists by birth. Turning to violent extremism starts with a process of radicalization with the mind-set of people. It is significant to note that many of them were first influenced by what some would call non-violent extremists. So it is very much obvious countering violent extremism, which is regarded as a soft approach to countering terrorism, is not something any government can, or should, do alone. All the layers of society should help and everyone should commit to working in partnership. It is the responsibility of all stakeholders to defeat extremists and build a stronger, more cohesive global community in the contemporary world, as well as for every generation to come.

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SECURITY AGENDA THROUGH REGIONALISM

CHINA'S "BELT AND ROAD" AND ITS IMPLICATIONS FOR THE WORLD ORDER A EUROPEAN PERSPECTIVE

Dr Françoise Nicolas

Key Words: Belt and Road, Geopolitics, World order

1. Introduction

The rise of China is arguably one of the most important developments in international relations in recent decades, and more precisely, since the end of the Cold War period. As a result, according to Kishore Mahbubani[1], the balance of geostrategic power has been definitely shifting to Asia, and the pre-eminence of Asia as a whole (under China's lead, if not leadership), is simply a matter of time as the Western influence inexorably declines. According to the same author, this rise may simply be seen as the end of a major historical aberration (which lasted more than a century), and then return to China's natural place in history and the world.

However, as argued by Graham Allison[2], when a rising power threatens to displace a ruling power, war is almost always the result (this is what he refers to as Thucydides's trap). While this may not necessarily be the case this time (because China, while undeniably more politically assertive in the region and beyond, has not become more aggressive militarily), recent developments associated with China's rise suggest that the world is likely to be entering an era of intense turbulence, or at least, of tensions and uncertainty.

In line with its rising economic clout, China is increasingly seeking to change its role in the global economy, and this has been pushed forward in particular through the so-called One Belt, One Road (OBOR) strategy, now renamed as the Belt and Road Initiative (BRI).

From a comprehensive security perspective, and a European viewpoint, a major concern today relates to the destabilizing potential of a rising China for the global order. While seeking to project its power across several continents (and basically the whole world), China's BRI is perceived as the major instrument of the country's rising influence. Behind this quest for influence, what is at stake for Europeans is not so much the preservation of the post-World War II world order as they used to know it, but perhaps, and more importantly, the preservation of their value system.

A key issue from a European perspective is to figure out what the world will look like ten years from now, as the BRI unfolds, and how to put up with this change. These are the questions addressed in the present paper.

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[1] Mahbubani, Kishore. The new Asian hemisphere: The irresistible shift of global power to the East. PublicAffairs, 2009.
[2] Allison, Graham. *Destined for war: can America and China escape Thucydides's trap?*. Houghton Mifflin Harcourt, 2017.

2. BRI, an Initial Focus on Infrastructure and Domestic Interests

When China's President Xi Jinping launched his flagship project on the "Silk Road Economic Belt" in Astana in the fall of 2013, followed by the "21st Century Maritime Silk Road" in Jakarta a month later, his focus was on connectivity enhancement between China and the rest of the world. The project was presented and perceived as primarily an economic project, and more specifically, as extraordinarily ambitious infrastructure investment, the largest effort of its kind in history.

3. A Connectivity Project

The official objective of what is now called as the Belt and Road Initiative (BRI) is to push the development of several land corridors, connecting China to Europe through Central Asia (the Eurasian landmass), Russia and the Middle East, while the maritime road goes through the Middle East, the Suez Canal and the Mediterranean.

The project involves the creation of a vast network of railways, energy pipelines, highways, and streamlined border crossings - both westward through the mountainous former Soviet republics, and southward to Pakistan, India, and the rest of Southeast Asia - with a view to enriching the traders along the revived historical Silk Road. It also involves massive investments in port development along the Indian Ocean, from Southeast Asia to the Middle East, East Africa and all the way to Europe. Although it remains extremely difficult to assess the total costs of the project, various estimations have been circulating with Morgan Stanley predicting for instance, that China's overall expenses over the life of the BRI could reach $1.2–1.3 trillion by 2027.[3] It is worth stressing that this figure is often found in commentaries about BRI, but this is not an official one. The official rhetoric revolving around the BRI is about win-win cooperation and other altruistic goals, but quite clearly it is also, and perhaps more importantly, to a large extent about pushing China's own economic interests and objectives.

… Serving China's domestic interests, be they old …

In contrast to what is often claimed, BRI is not a revolutionary strategy, to some extent, it is "old wine in new bottles". First of all, BRI may be interpreted as a new version of the "going out" (or "go global") strategy launched in the late 1990s with a view to facilitating the

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[3] Chatzky, Andrew, and James McBride. "China's Massive Belt and Road Initiative." *Council on Foreign* (2019).https://www.cfr.org/backgrounder/chinas-massive-belt-and-road-initiative

internationalization of Chinese firms. While China had traditionally been a recipient of foreign direct investment (FDI) inflows and its economic growth had been heavily dependent on foreign multinationals, about twenty years after reforms and opening-up started (1978), Beijing sought to make the transition from FDI recipient to FDI provider by encouraging Chinese companies to go global.

Following the same logic, the implementation of BRI, which encourages China's industries to move into countries along the proposed routes, will no doubt bring a new wave of outbound investment in sectors where China has strong capabilities, such as the high-speed railway, nuclear power, aviation, telecommunications, and other advanced manufacturing sectors.

Secondly, BRI is also the continuation of the "Western Development Strategy" launched by President Jiang Zemin in the late 1990s, the objective of which was to accelerate western regions' development and reduce regional disparities.[4] In the same vein, one goal of the current strategy is also to help correct the socio-economic imbalances between the advanced coastal provinces and the less advanced inner and central provinces (Yunnan, Xinjiang, Qinghai, Sichuan, among others). More specifically, as the corridors either go through or start in the central and western provinces, they will benefit and hopefully catch up. The integration of these provinces in global value chains is another way of helping them develop. Beyond economic objectives, political goals may also be pursued as development is seen as a way of mitigating separatist pressures and other forms of political and/or social disgruntlement.

Lastly, BRI is also about contributing to China's energy security, and in this respect, BRI can again be seen as the continuity of China's "going abroad" strategy in the energy sector. A number of BRI projects are set to expand and diversify China's energy sources, with a range of large-scale projects dotted along the route. In particular, it should not come as a surprise that the project was initially launched in Kazakhstan as new pipelines in and across Central Asia will help further connect China to existing major energy players.

… Or new

But BRI is also about new economic objectives. First, BRI can be seen as being part and parcel of the restructuring strategy launched by President Xi Jinping, pushing China to transition away from export and investment-based economic growth that is heavily dependent on foreign capital, to domestic consumption and innovation-based growth strategy, with better use of domestic

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[4]Lu, Zheng, and Xiang Deng. "China's western development strategy: policies, effects and prospects." (2011).http://mpra.ub.uni-muenchen.de/35201/

financial resources. More broadly, China is seeking to move up the value chain and to achieve a better and more profitable integration into the global economy.

Also, with China's economy slowing and attempting to move up the value chain, the country is now suffering from unprecedented overcapacities in a number of crucial sectors, in particular, construction-related industries such as iron, steel, cement, and heavy equipment - and BRI can contribute to solving this issue by providing easy outlets for Chinese producers.

Lastly, as a corollary, with China exporting its financial power through BRI, the internationalization of the Yuan should be facilitated.[5]

Although the overall direction of the strategy may not be all that new, the fact that it is now far better structured and backed up by more substantial means makes the BRI an overarching scheme of a new nature which sets it apart from formerly uncoordinated initiatives. Moreover, while economic objectives were certainly predominant in the early years of the implementation of the project, geopolitical objectives, which may have also been present right from the start but not openly, have become increasingly conspicuous over time.

Six Years Later, the Strategic Dimension Looms Increasingly Large

Without engaging in any form of China-bashing, nor being paranoid about Beijing's intentions, facts support the view that more than a simple infrastructure development program, the BRI is an attempt by China to restructure the global geopolitical balance of power.

Although it remains difficult to say whether BRI was conceived as a strategic plan from day one, the fact that the concept was launched before the content was precisely defined, suggests that this was probably not the case. As is standard practice in China's policy-making, there was no fully thought out blueprint right from the beginning, but the project was meant to evolve over time following a pragmatic trial and error strategy. However, it is also worth stressing that the initiative is in line with the systematic long-term vision that is characteristic of current Chinese leadership.

A Systemic Project

BRI has now clearly become a systemic project and a strategic plan, rather than a mere "initiative" as Chinese leadership insists on calling it. In particular, the inclusion of BRI into the

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[5]China's commitment to global financing certainly helped the IMF decision to include the Yuan in the definition of the SDRs as of October 2016.

country's constitution[6] can be seen as a way of solidifying the initiative as a core plan of action, that is to be carried out long into the future, and also perhaps of consolidating the central government's control over the project. BRI is now officially part of Xi Jinping's grand foreign policy design to increase China's influence.

In addition, the scope of the project has evolved over the past few years and become much broader from different perspectives. First, since its launch five years ago, BRI has expanded geographically. Although there is no official map showing all the projects labelled as BRI[7], the official number of countries involved in the project has risen from 65 to more than 100 (according to official declarations, including by President Xi Jinping himself) to which 29 international organizations should be added.[8] As a result, BRI is no longer confined to six economic corridors and three blue economic passages (along historic land and maritime routes between China and Europe). It now encompasses Africa, Latin America, the South Pacific, and even the Arctic - in other words, the whole world.[9]

Secondly, BRI has also become much broader in terms of sectors covered, going well beyond the infrastructure sector and encompassing the tourist, customs, police and legal sectors, among others. Nowadays, all sectors are potentially affected by the BRI. A particular emphasis is now placed on the digital dimension of the BRI, in particular with the so-called Digital Silk Road (as promoted in Malaysia for instance).

Lastly, there has been an expansion in the intangible dimension of the Chinese project, particularly in recent years. In addition to projects that can be physically located (roads, railways, ports, airports, submarine cables and other infrastructure), China is promoting intangible cooperation via BRI (standards, management of flows of goods, data, people, etc.). In this context, Chinese authorities refer to the five types of "connectivity" (infrastructure building, policy coordination, trade, financial integration, and people-to-people exchanges).

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[6] This is one of the two amendments to the constitution added on the occasion of the 19th CPC National Congress held in October 2017. The other one is the enshrining of "Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era,"

[7] And there has never been an official map. The closest to an official map was the one published by Xinhua news agency in 2014.

[8] Rolland, Nadège. "Reports of Belt and Road's Death Are Greatly Exaggerated." *Foreign Affairs* 29 (2019).https://www.nbr.org/publication/a-guide-to-the-belt-and-road-initiative/

[9] There is also one BRI in the cyberspace and one in the space.

A China-Centred Governance Project

By developing new infrastructure and standards, BRI is also a means to eventually eradicate China's dependence on some foreign (primarily the US) infrastructure and standards, and to enable China to better manage a wide variety of international flows (financial, goods, data, people, etc.).

For China, BRI is also a way to internationalize its national priorities. BRI increasingly appears as a vector for promoting the objectives referred to in a wide variety of Chinese planning documents. China also sees its project as a platform for international interaction (multilateral as well as bilateral), and more generally, as a tool for restructuring global governance and to offer better world organization. Beyond this, China increasingly sees its project as a vector for promoting a new form of globalization. In other words, BRI would be part of new world architecture and a new form of interaction between states.

4. Scenarios for the future: a bipolar world 2.0?

4.1. Two extreme (but unlikely) scenarios

Under the first scenario, BRI develops without much resistance and emerges as the single system left standing at the end of the competition. In other words, China succeeds in promoting a new form of globalization which is gradually referred to and widely accepted. The resulting new globalization with Chinese characteristics may be referred to as the "Alibaba world". Such a scenario is close to the clash of civilization scenario described by Huntington in the late 1980s but in a different post-Cold War context. This scenario appears rather unlikely given the strong and diverse sources of resistance to the Chinese project.

Under an alternative scenario, BRI develops but is faced with increasing resistance and problems and thus gradually slows down before being abandoned altogether. The substantial (personal) political commitment and investment by President Xi himself in what he considers as his signature project makes this scenario extremely unlikely. Now that BRI has been written into the Chinese constitution, the probability that the project may be dropped can be expected to be close to zero.

4.2. An Intermediate Scenario: A New Form of Polarization

Under a third scenario, BRI develops successfully, although not perfectly smooth, and it enters a collision course with the so-far dominant form of globalization, leading to the emergence of two

rival poles - one led by the United States and the other by China. Each of these two poles would have its own infrastructure networks (road, air, maritime, space and communication – including submarine cables). Similarly, two flow management methods, two systems of standards and two systems of international and regional institutions would also coexist.

The emergence of two separate poles, which would coexist without integrating, is of course only possible if the United States and China were less economically interdependent than they are today.

In this context, the other countries would have the choice of supply, guided by their political preferences, geographical proximity and economic vulnerability to one or the other of the two countries. Each of the two poles would have its own network of "friendly countries": the United States and its allies, on the one hand, China and its partners on the other.[10] Countries friendly to China, recognizable as formally declared "Belt & Road member countries" (because of their formal support to BRI through the signature of memorandums of understanding), would have privileged access to infrastructure and services managed by China – from the Beidou satellite system to the submarine cables developed by Huawei.

Although this polarization is reminiscent of the Cold War, the opposition between the two "blocs" would not be as clearly defined in a context of more developed globalization. China, in parallel to the development of its own networks, would continue to maintain and even increase its integration in pre-existing networks and to position itself as a conciliatory power. Given China's desire to develop a network of friendly countries, including an increasing number of countries that are allies of the United States, the boundaries between the two blocs would not be clearly defined and would be constantly evolving.

Also, in contrast to the Cold War period, it is unlikely that the world may move towards a direct (military) confrontation between the two separate blocs. The United States and China would swing between tolerated coexistence in some areas and more direct confrontation in areas that either considered to be of strategic interest (for China: Taiwan Strait, South China Sea, among others).

Recent signs of partial pushback against China in a number of countries lends credibility to this scenario. An important point in such a scenario is that progress will not be similar in all dimensions of BRI. There may be pockets of strong resistance to some projects and easier

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[10] The terminology is important: China is openly hostile to any alliance system and favors a system based on partnerships

acceptance in other sectors. This scenario best reflects the likelihood of partial progress of the Chinese project, which would be neither a complete success nor a resounding failure in all areas. This development would lead to a certain polarization between China and BRI supporters on the one hand, and on the other hand, a coalition of sceptical countries providing other infrastructure financing projects and actively promoting the maintenance of liberal standards internationally.

Interestingly, the resulting world order would be very different from anything observed in the past as countries would be free to choose one camp or the other depending on the issue. However, this configuration would be particularly challenging for the European Union, as the opposition between countries supporting or distrusting BRI may gradually turn into an opposition between democracies and authoritarian countries at a broader scale, and put EU cohesion under significant stress.

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SECURITY COOPERATION THROUGH THE BIMSTEC: A REGIONAL PERSPECTIVE

W.H. Nathasha Fernando

Key Words: Regional Organizations, Security Cooperation, BIMSTEC, Strategy, Geography.

1. Introduction

Security Cooperation is an open-ended and overarching concept which, in simple terms, means cooperation among countries on various security-related matters. This may include military exercises and training, arms transfers, military procurement, intelligence and information sharing, mutual assistance in cooperation on combatting transnational organized crime, terrorism, and various other security issues[1]. For an individual state, the above-mentioned activities are the ways and means to achieve national security and foreign policy objectives. Comprehensive security, on the other hand, is "the pursuit of sustainable security in all fields (political, economic, cultural, societal, military and environment) in domestic and external spheres through cooperative means".

Security cooperation is an area of research that intersects with regionalism and international security, but is under-theorized and therefore, a difficult phenomenon to grapple with. Scholars such as Amitav Acharya, are among the prominent thinkers who have theorized ASEAN through a security lens, building on the work of Buzan and Baldwin[2].

The BIMSTEC has self-identified itself as an organization with economic, energy and technological cooperation as its focus areas. Security is a relatively new 'agenda' that has emerged, due to India deliberating the security dimension of the organization. BIMSTEC Security Cooperation is in its initial stages, with track II and NSA level dialogue, and joint military exercises.

The BIMSTEC is a sub-region in the larger Indian Ocean Region with an unusual identity encompassing: geography, Indian Migration, and culture. The Bay of Bengal is located in the North-eastern Indian Ocean touching the littorals of Sri Lanka, India, Bangladesh, and Myanmar. Although the Bay lacks a clearly demarcated geographical boundary, the riverine has provided the bay with a unique geophysical identity. Rivers such as Mahanadi, Godavari, Krishna, Kaveri, Ganges and Brahmaputra, flow into the Bay of Bengal. According to Kaplan, the region "constitutes

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[1] Joint Publication of the US Department of State and National Marine Corps. US Department of State (2017). Security Cooperation. Washington: United States Marine Corps.

[2] ASEAN is a security community. According to the ASEAN Political-Security Community (APSC) blueprint, the ASEAN aspiration is to create a security community which is rules-based with shared values and norms aimed at creating a resilient and stable region. In a security community, problems are to be solved through diplomatic and peaceful means as opposed to relying on the military. The APSC Blueprint was adopted by the ASEAN Leaders at the 14th ASEAN.

a single world of Indian migration" and is also "a singular civilization united by a rich culture and a common coastline that brought trade and migrants around its shores, spreading the same deities and architectural styles"[3].

The countries of the BIMSTEC, with the exception of Nepal, Thailand and Bhutan, were all colonized by European powers, particularly the British. Therefore these countries have a distinct colonial identity, as well as a shared identity of supporting national liberation movements[4]. These identities subtly point out that BIMSTEC may have the potential to emerge as a security community, with shared norms and values, at some point in the distant future.

2. The Dilemmas of Security Cooperation: Asian Regionalism and overlapping concerns

The Asia Pacific Region has gained traction in regional multilateral cooperation, with policy dialogues concerned with non-traditional security challenges, maritime territorial disputes, and regional stability. According to Acharya (2003) this is a new multilateralism that has made it possible for weaker states to shape the security agenda. Arrangements such as the ASEAN Regional Forum, the Shangri-La dialogue of Defence Ministers, and the Shanghai Cooperation Organization, are therefore experiments of a "new regionalism". Unfortunately these arrangements are divided in their aims, lack a defined mandate and have varying membership and scope, making comprehensive security cooperation redundant. According to Archarya, military security cooperation is the least pronounced and least effective aspect of multilateralism. Acharya classifies two main concepts of regionalism in the post-Cold War period: "autonomous" and "hegemonic" frameworks. The autonomous regional framework was inspired by anti-colonial and non-alignment discourses, while hegemonic regionalism requires dependence on great powers for assistance in military and security issues. (Archarya 2003, 17)

Security Cooperation is difficult for small or developing states because of limited resources, varying military-capability, threat perceptions, and incongruent political and security interests. Security cooperation through the SAARC failed due to Sino-Indian and Indo-Pak threat perceptions. ASEAN, on the other hand, is also facing internal issues due to the South China Sea disputes. Therefore, security cooperation is also hampered due to geopolitical conflicts in the region.

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[3] Robert Kaplan,"The Critical Bay Of Bengal", *Stratfor*, November 5, 2014, https://worldview.stratfor.com/article/critical-bay-bengal.

[4] All the BIMSTEC countries were part of the non-aligned movement with Sri Lanka taking a lead in promoting and also adopting a non-aligned foreign policy for itself during the Cold War.

The BIMSTEC security agenda, to a large extent, is determined by the global strategic and geopolitical environment. The dialogue change from "Asia-Pacific" to "Indo-Pacific", with the emergence of the quad countries, has intensified the security dynamics in the region[5]. It is argued that the quad is a quasi-military alliance, with ambitions to curtail Chinese influence in the Indian Ocean. The

United States agenda for 'a free and open Indo-Pacific', is, therefore, an attempt to preserve American interests and to keep revisionist and rogue states in check. The BIMSTEC gained momentum when the US announced that India must advance the free and open Indo-Pacific goals through the Bay of Bengal Initiative, at the East Asia Summit in 2018[6].

Figure 1: A Spaghetti Bowl of Regional Security Arrangements
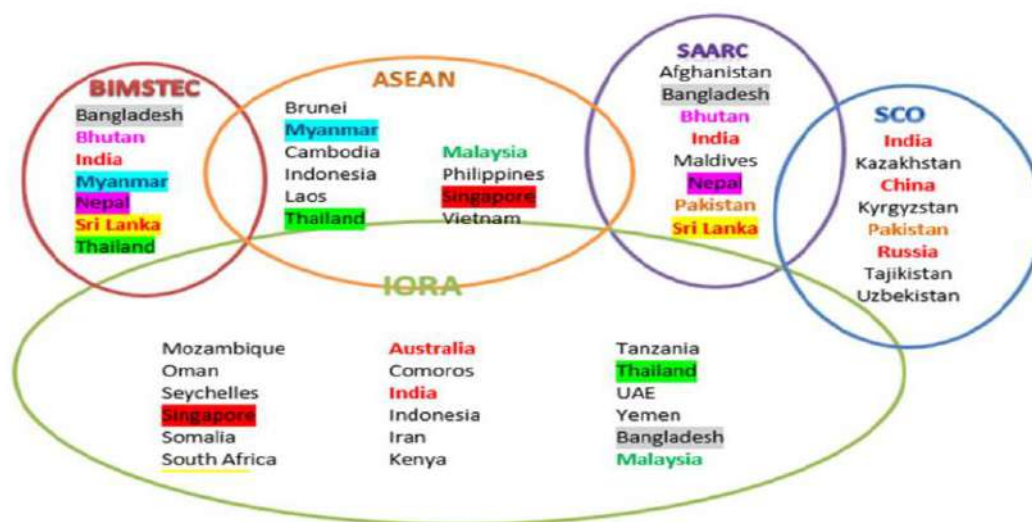
BIMSTEC, ASEAN, SAARC, SCO and the IORA all have security cooperation within their agendas in some form or manner. There are overlapping memberships and also varying security interests, as well as both multilateral and bilateral security agreements. Some examples include the US Collective Defence

Arrangements[7]. India recently entered a joint agreement with the USA on obtaining advanced military equipment for the sharing of encrypted military intelligence, COMCASA -

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[5] Abhijit Singh, "Containing China Has Always Been The 'Indo-Pacific' Initiative's Goal", *South China Morning Post,* 2017,
https://www.scmp.com/comment/insightopinion/article/2121907/indo-pacific-has-always-been-about-containing-rise-china.

[6] Chairman's statement of the 13th East Asia Summit Accessible via :
http://worldjpn.grips.ac.jp/documents/texts/eastasia/20181115.D2E.html

[7] Southeast Asia Treaty. Accessible at : https://www.state.gov/s/l/treaty/collectivedefense/

Communications Compatibility and Security Agreement. These bilateral security arrangements give rise to scepticism about the dynamics of intelligence sharing through the BIMSTEC. Member states may become sceptical of whether there will be indirect involvement of the US in BIMSTEC activities. This is against the backdrop of several BIMSTEC countries also being part of China's Belt and Road Initiative. However, it is not in the best interests of smaller states in the BIMSTEC to be sceptical of the India-US relationship, to the detriment of comprehensive security cooperation.

2.1. Comparison of Asian Regional Organizations

ASEAN

- ASEAN's economy is currently ranked as the seventh-largest in the world.
- It has a combined GDP of US$2.4 trillion and is projected to rank as the fourth-largest economy by 2050[8].
- In 2016, the total population of all ASEAN states amounted to an estimated 635.9 million inhabitants.

Scholars have argued there is an arms race in Asia due to the disputes over the South China Sea. According to the Stockholm International Peace Research Institute (SIPRI), military spending in the region has increased, and countries are engaged in naval and military modernization efforts. For example, Vietnam recently commissioned the last two of the six Project 636.1 (improved Kilo-class) submarines supplied by Russia. Vietnam, Indonesia and Cambodia have doubled their military spending due to intensified tensions in the South China Sea.

Figure 2: Asia Defence Spending by Country and Sub Region, 2017

Today, ASEAN is facing a set of deliberations, as the US and China continuously attempt to bring ASEAN under their influence. For example, the US Indo-Pacific Strategy, the Indo-Pacific Business Forum, US bilateral partnerships

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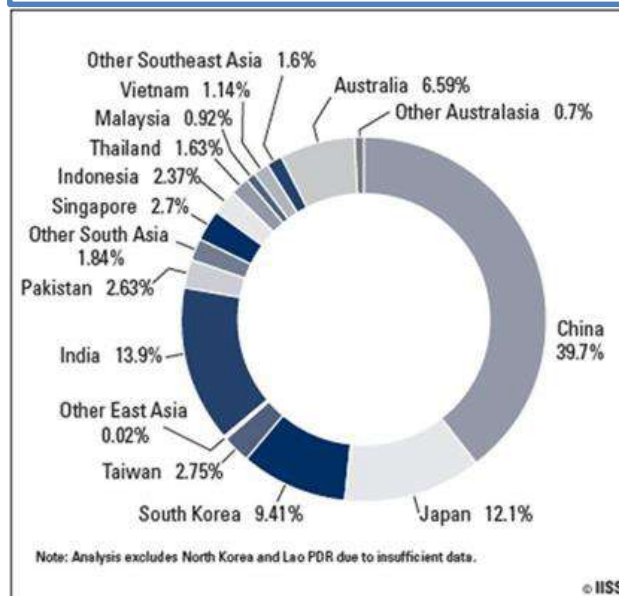
[8] Oliver Tonby, Fraser Thompson, and HV Vinayak, "Understanding ASEAN: Seven Things You Need To Know", *Mckinsey & Company* (2014). https://www.mckinsey.com/industries/public-sector/our-insights/understanding-asean-seven-things-you-need-to-know.

with Malaysia and Indonesia, the Asia EDGE programme, Millennium Challenge Cooperation Compacts with ASEAN countries, the US-ASEAN Connect, the Asia Pacific Economic Cooperation and the Lower Mekong Initiative, seek to bring ASEAN countries under US influence[9]. China too is being assertive, by discouraging ASEAN members from undertaking joint military exercises without consultation with "extra-regional powers"[10]. However, the China-ASEAN joint naval exercises at the Changi base, with the inclusion of the US, points to the diplomatic nature of building ASEAN solidarity, as countries now engage in hedging or delicate balancing foreign policy strategies to work with both Washington and Beijing[11].

SAARC

- SAARC comprises of a population of about 1.43 billion and a combined gross domestic product of US$ 3.29 trillion[12].

It is fruitless to speak of the possibilities of security cooperation through the SAARC, as it's a lacklustre organization that has failed due to a lack of consensus on threat perceptions, border disputes, and cross-border terrorism.

The tensions between India and Pakistan are too prominent an obstacle to ignore. Irrespective of these concerns, scholars opine that SAARC and the BIMSTEC should complement each other, rather than viewing BIMSTEC as a replacement for SAARC[13]. As of now, there is no formal cooperation between the two non-state actors, but in the future, such cooperation may be possible.

IORA

The Indian Ocean Rim Association is an inter-governmental organization. It is the only ministerial forum that covers the Indian Ocean[14]. The IORA has observer status at the United Nations General

[9] US Department Of State, *FACT SHEET: Advancing A Free And Open Indo-Pacific U.S. Embassy & Consulates In Indonesia*. (US Government, 2018). https://id.usembassy.gov/fact-sheet-advancing-a-free-and-open-indo-pacific/.

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[14] "Member States Indian Ocean Rim Association IORA," IORA International, 2017, https://www.iora.int/en/about/member-states.

Assembly through Resolution A/RES/70/123. It is considered highly strategic, as it covers most states of the

Indian Ocean Region and has powerful dialogue partners including Japan, Germany, China, United Kingdom, United States of America, France and Egypt.

This organization has a large membership in comparison to others. It is questionable whether the IORA could reach the same level of integration as the European Union, but it is unlikely given the varied interests and geographic diversity of the IORA. There is less geographical proximity and uniting features when compared to ASEAN or the BIMSTEC. The socio-politico-economic differences are too heterogeneous to be ignored. Nevertheless, the IORA plays a major role in policy dialogues concerning ocean governance and the Blue Economy.

2.2. The Idea of BIMSTEC

The Bay of Bengal Initiative for Multi-Sectorial Technical and Economic Cooperation (BIMSTEC) has identified itself as a 'sub-regional' and 'sector-driven' organization comprising of Bangladesh, Bhutan, India, Nepal, Sri Lanka, Myanmar, and Thailand. The BIMSTEC mandate covers trade, technology, energy, transport, tourism, fisheries, agriculture, public health, poverty alleviation, counter-terrorism, environment, culture, people to people contact and climate change. The Indian preponderance in the organization is very obvious. The key centres of the BIMSTEC are based in New Delhi, including weather, climate and energy centres. The Security cooperation limb of the BIMSTEC, the Counter-Terrorism and Transnational Crime Sector, is also led by India.

- BIMSTEC is home to [15]161.5 billion people.
- It amounts to 21% of the world population.
- It has a combined GDP of over US$ 2.5 trillion.

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[15] "About BIMSTEC". 2019. Bimstec.Org. https://bimstec.org/?page_id=189.

Figure 3: Military Expenditure as % of GDP 2010-2017

Military Expenditure as % of GDP									
Countries	2010	2011	2012	2013	2014	2015	2016	2017	
Bangladesh	1.3208374	1.355518	1.324419	1.258198	1.279412	1.35097	1.379672	1.38075	
Bhutan									
India	2.70746752	2.651585	2.535477	2.464118	2.488158	2.405128	2.506471	2.493046	
Myanmar			3.711037	3.80915	3.57903	4.077227	3.737467	2.483304	
Nepal	1.563665875	1.540652	1.431832	1.54186	1.629341	1.563736	1.53729	1.552752	
Sri Lanka	2.700747642	2.683158	2.155199	2.154048	2.412647	2.552805	2.14256	2.171972	
Thailand	1.556066654	1.594963	1.382342	1.405444	1.41714	1.448288	1.444401	1.422584	

In assessing the potential of the BIMSTEC for security cooperation, it is important to identify the military capabilities of each participant country. The military is generally considered a burden on the economy of a state. Among the BIMSTEC countries, Myanmar, India and Sri Lanka invest more than 2% of their GDP on their respective militaries. India is the only nation with blue water capability and is a regional power, hence, high defence spending is unsurprising. However, these values are not comparable across states. Although Myanmar's expenditure value is higher than India's, it doesn't mean that it has the superior capability. India, overall, has superior military capability and is the only BIMSTEC nation with a blue water navy. Myanmar defence spending is high due to its own internal conflict environment, and the contentions over the Rakhine State and Arakan Rohingya Salvation Army.

Figure 4: (GDP (Current USD) 2010-2017 Obtained from WorldBank
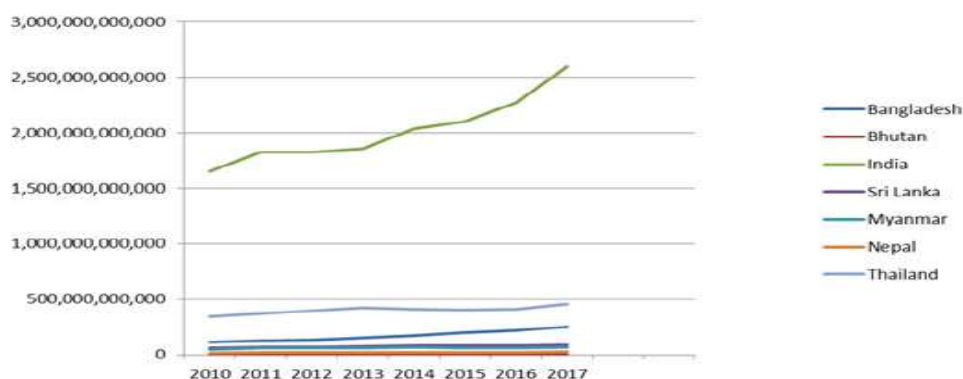
De Zylva and Hundlani (2018) have identified the strategic importance of the Bay of Bengal, through which 25% of globally traded goods travel. This also includes 70% of China's energy imports and 90% of South Korea and Japan's energy imports. In an age of global interdependence, and for purely economic reasons, the BIMSTEC is important for both US and China. While the security dimension of the Indo-Pacific Strategy has containment of China as part of its agenda, BIMSTEC must not entangle itself in a great power conflict. It should rather build solidarity, like

ASEAN, to face geopolitical challenges. BIMSTEC countries are also part of the Belt and Road Initiative (BRI), as China has considerably invested into Myanmar, Chittagong, Hambantota and Colombo.

The BIMSTEC is a regional organization has more potential in terms of regional integration and security cooperation than SAARC. Pakistan and China, which are considered contenders against India, are not BIMSTEC members. Therefore, there is minimal proclivity towards border disputes that could result in military standoffs. The few constraints towards cooperation would be the asymmetry between India and other member countries in terms of geography, economy, and military strength. An ORF issue brief has identified that the perception of India as a "Big Brother" by small states, could result in a fear psychosis that India would use these organizations to pursue a regional hegemony[16]. These fears must be dispelled because Indian hegemonic designs could be counter-balanced through the Chinese presence in BRI countries with BIMSTEC membership.

3. Security Cooperation through the BIMSTEC

BIMSTEC Security Cooperation was off to a bumpy start when Nepal boycotted the Joint Military Drill in Pune[17]. At this stage, it is difficult to make assumptions about what level of security cooperation could be achieved through BIMSTEC: collective security, collective defence or a security community. A security community is a tacit understanding and transactional relationship, to solve issues without military intervention.

Singh, writing to Asia Times, explains that India's hype in promoting the BIMSTEC stems from its growing concerns over counter-terrorism and the containment of Pakistan[18]. This is following certain trigger events, such as the 2016 terrorist attack on India's Pathankot Air Force Station at Indian Army brigade headquarters in Uri, Jammu and Kashmir. The failure of SAARC due to inter-state rivalry (Indo-Pakistan/Sino-Indian), also served as a catalyst for adding a security dimension to the BIMSTEC. Singh points out neither ASEAN nor SAARC previously had a military component. When BIMSTEC's debut military exercise in Pune kicked off, and gradually developed

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[16] Joyeeta Bhattacharjee, "SAARC Vs BIMSTEC: The Search For The Ideal Platform For Regional Cooperation", *ORF,* January 23, 2018. https://www.orfonline.org/research/saarc-vs-bimstec-the-search-for-the-ideal-platform-for-regional-cooperation/

[17] "Nepal Not To Join BIMSTEC Military Drill In India: Report," *The Economic Times*, September 8, 2018. https://economictimes.indiatimes.com/news/defence/nepal-not-to-join-bimstec-military-drill-in-india/articleshow/65733874.cms

[18] Swaran Singh, "Reviving BIMSTEC As Alternative To SAARC Will Only Stunt It", Asiatimes.Com, August 30, 2018. https://www.asiatimes.com/2018/08/opinion/reviving-bimstec-as-alternative-to-saarc-will-only-stunt-it/

the counter-terrorism and transnational crime sector with the BIMSTEC convention, these were early signs that BIMSTEC may in the future emerge as a security community. The exclusion of Pakistan and China has made the BIMSTEC an organization with no boundary disputes, nor a common threat or enemy. This makes it unnecessary for the BIMSTEC to emerge as a collective defence or a collective security-oriented organization.

3.1. Possibilities and Limitations for Security Cooperation

The possibilities for security cooperation lie in the realm of non-traditional security threats, including those arising from non-military sources. These include: transnational organized crime, information and cyber security, people, drug and arms smuggling, climate change, environmental degradation and resource depletion, risk reduction and disaster management, irregular migration and food insecurity. The limitations lie in the lack of coordination, overlapping security arrangements creating confusion with regard to state commitments and constraints to mobilizing resources. The BIMSTEC has already conducted dialogue with the participation of National Security Chiefs of member states - a workshop on Regional Cyber Security Cooperation with the Institute for Defence Studies and Analyses (IDSA), the military exercise at Pune, and an agreement on a trilateral maritime security cooperation initiative between India, Sri Lanka and the Maldives[19]. The first BIMSTEC Disaster Management Exercise in 2017 offers promise for cooperation, but the intensification of the India-China power rivalry may dampen its spirits.

The BIMSTEC has also been successful on dispute resolution. The United Nations Permanent Court of Arbitration ruled in favour of Bangladesh on the Bay of Bengal Maritime Boundary Arbitration case (Bangladesh v. India), with India accepting the judgment. To resolve boundary disputes, Bangladesh and Myanmar
have applied for arbitration at the International Tribunal for the Law of the Sea (dispute concerning delimitation of the maritime boundary between Bangladesh and Myanmar in the Bay of Bengal).

There is opportunity for sharing of information, intelligence, threat assessments and best practices on non-traditional security threats. According to Constantino Xavier of Carnegie India, cooperation on this front could be enhanced through the development of common legal instruments, more

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[19] These developments were reported in the media accessible via following links: https://idsa.in/event/workshop- on-cyber-security-for-bimstec-member-states, http://www.army.lk/news/nsa-level-meeting-trilateral-maritime- security-cooperation-between-india-sri-lanka-and-maldives, http://pib.nic.in/newsite/PrintRelease.aspx?relid=170930.

consultative platforms, information sharing mechanisms, and operational coordination. BIMSTEC already works with the South Asia Regional Intelligence Sharing and Coordination Centre on intelligence sharing related to trafficking of drugs and psychotropic substances[20]. The central weakness of BIMSTEC is organizational deficiency. The BIMSTEC secretariat does not consist of adequate human and financial resources to bolster the organization. Singh has observed that the BIMSTEC Secretariat created in Dhaka in 2014, has just 10 employees[21]. This is a major impediment to the functioning of the BIMSTEC, as IORA and even SAARC have more human resource capacities.

3.2. BIMSTEC Convention

In 2009, member states ratified the BIMSTEC Convention on Cooperation in Combating International Terrorism, Transnational Organized Crime and Illicit Drug Trafficking. Nepal was the most recent member to ratify the convention. India has called for the ratification of the BIMSTEC Convention on Mutual Assistance in Criminal Matters and is negotiating a Convention on Human Trafficking to enhance security cooperation.

The BIMSTEC convention covers the following:

- International terrorism
- Transnational organized crime
- Trafficking of narcotic drugs and psychotropic substances

The convention is problematic in several areas. Firstly, it has no comprehensive provisions on refugee management and does not elucidate state obligations on non-refoulement of refugees under the 1951 refugee convention, guidelines and repatriation issues. The convention also confers a narrow interpretation of what constitutes a 'transnational organized crime', advocating for its criminalization. The convention wholly ignores the nuanced and complex details of an organized crime, which includes people smuggling and trafficking, among whom refugees seeking safety are often victims. The terrorism rhetoric that runs rampant through the BIMSTEC is detrimental to the obligations that states owe to refugees and vulnerable people fleeing persecution elsewhere. The Bay of Bengal is a region with a large number of refugee flows, fleeing the onslaught of both the state and the ARSA (Rohingya crisis of Myanmar). The legal arrangements should take into

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[20] "South Asia: Advocating A BIMSTEC-SARICC Partnership," *UNODC,* 2018.
https://www.unodc.org/southasia//frontpage/2018/June/south-asia_-advocating-a-bimstec-saricc-partnership.html.
[21] Ibid.

consideration not just security issues, but also an understanding of the nexus of security and human rights. Against such a backdrop, the coastguards and navies have an important role to play in both rescuing and deterrence. While terrorism remains a major security concern, the BIMSTEC could also focus on illegal, unreported and unregulated (IUU) fishing, especially as it sours India-Sri Lanka relations. If the BIMSTEC could adopt its own blueprint for cooperation, IUU must receive equal attention as any other transnational organized crime. This is possible as countries are already engaged in the Sustainable Management of the Bay of Bengal (BoB) Large Marine Ecosystem (LME) project, focused on preserving marine ecosystems of the Bay[22].

The worst possible trajectory, however, is for the BIMSTEC Convention and security cooperation to end up in just rhetoric and no action. The mechanisms suffer from a dearth of coordination, as well as a lack of research on how to integrate the BIMSTEC through sound analysis of state capacities. For example, Sri Lanka is listed as the lead shepherd on intelligence sharing. However, Sri Lanka, unfortunately, lacks a domestic mechanism for intelligence sharing, which is essential for it to guide the other member states. The Easter Sunday attacks is a textbook example of a failure in intelligence coordination and lack of sound leadership within the country, which makes it ironic for Sri Lanka to take lead in intelligence sharing regionally. SAARC did not successfully achieve its goal to create a secure database for similar purposes as the BIMSTEC either[23].

Furthermore, Sri Lanka is listed as a dialogue partner of the SCO and it remains to be seen whether states will respond to regional organizations, based on the 'hype' that is generated whenever regional and extra-regional powers shift their focus from one organization to another. It is thus important for states to initiate pilot studies on integration, with empirical evidence to make tangible recommendations on how best to achieve what is envisioned through these organizations.

4. Conclusion

The BIMSTEC is an important sub-regional organization that has emerged to play a vital role in deciding the security agenda for littoral and landlocked countries of the Bay of Bengal. Although it

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[22] "Bay Of Bengal Large Marine Ecosystem | FAO And The Global Environment Facility (GEF): Partnering For Sustainable Agriculture And The Environment | Food And Agriculture Organization Of The United Nations," *FAO* (2019). (Accessed September 22) http://www.fao.org/gef/projects/detail/en/c/1073969/

[23] Referring to Meeting of the High Level Group of Eminent Experts to Strengthen SAARC Anti-Terrorism Mechanism (New Delhi, 9 – 10 February 2012), the delegation of Sri Lanka made a presentation on a web portal to be maintained in a Secure Data Centre.

may seem like an artificial arrangement, it is strategic in terms of economics and security. Given the location of the Bay of

Bengal in the Indo-Pacific, led by a 'quad' country, the BIMSTEC is an organization through which the US is attempting to curb Chinese influence in the Bay. However, some BIMSTEC countries also receive vital assistance through China's Belt Road Initiative. Therefore, BIMSTEC has the potential to build solidarity on how best to balance the US-China rivalry, through effective hedging and balancing strategies, calibrated foreign policy and defence calculations. If small states in the Bay could steer the BIMSTEC mandate to develop into a security community by adopting a blueprint, non-traditional security issues among countries could be solved better at the sub-regional level. Therefore, the BIMSTEC must be equipped with adequate resources for efficient functioning.

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SUB-REGIONALISM THE NEW REALISM IN SOUTH ASIA

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Key Words: South Asia, Regionalism, Economic Integration, Security Rivalry

1. The context

South Asia, as we know, is the world's least economically integrated region. Intra-regional trade accounts for approximately 5 per cent of total trade and investment is even lower. Comparatively, ASEAN countries have 25 per cent trade within them and the EU has 60 per cent. With transport costs among the highest in the world, it costs more to trade within South Asia than between the region and the rest of the world. Cross-border activities are constrained by security issues and a trust deficit limits connectivity with growth centres and sea-ports. As a result, the region is poorly connected to the global economy. Despite the existing reality, the region is one of the most dynamic and has enormous potential.

South Asia's "potential" is inevitably stymied by its politico-security reality. Security thinking in the region has been unable to unshackle the traditional contours of security discourse that allows consideration for human aspects. The security thought process is deeply rooted in the very nature of post-colonial state formation, alliances, and territoriality-based political engagements. Human-related issues such as development, health, and education were seen as internal agendas that do not impinge upon sovereignty directly and were treated as problems of nation-building.

The internal dynamics and extraneous factors are orienting a new set of diplomatic approaches. The traditional contours of territorial-based diplomatic engagement in South Asia are moving beyond 'protected peace' to 'functional peace', taking into account the wellbeing of the people. The socio-political context and development dynamics cannot be kept out of any national security debates. In conclusion, the chapter calls for foreign policy to be pluralistic, in the strong sense of valuing and integrating different intellectual approaches and methods, and to rise above the orthodoxy and be informed by voices and conversations beyond the traditional and insular policy communities.

Further, the intersperse of religious and linguistic groups across national boundaries in South Asia presents an intimate intertwining of the external and internal security issues. India's stature in the region apart from its size and economic and military prowess also comes from its pluralistic social fabric. In the neighbourhood, all states have a state or national religion except

India, and all except Sri Lanka and India have one official language. India's pluralism gives it the strength to transcend ideological barriers.

Keeping this in mind, the NDA government since 2014 has tried to maximize intra-regional interaction. For example, the *sab ka saath sab ka vikas* (alternative perspective on unity with inclusive growth) of the incumbent government in India, while rooted domestically has a regional span. Regional inter-linkages with the aim of promoting cooperation in the economic, social, cultural and scientific fields have opened new thinking and opportunities for the region, complementing the pace of globalization and liberalization. Emphasis on regional governance, region-building and institutionalism has been actively pursued by India vis-a-vis its neighbours, and has come to be known as the 'neighbourhood first'. The fear, of course, is that this approach, which requires patience and continuity, can easily dissipate in the face of regional security complexities and political difficulties, resulting in *adhocism* and reactionary measures.

Complementing the 'neighbourhood first', is the 'credible first responder' approach. This reflects India's capabilities and willingness to contribute resources to prevent and mitigate regional crises both in the Indian Ocean region, as well as across the land-mass subcontinent. Particular attention is given to natural disasters, by supporting neighbouring countries with relief operations. In 2015, India responded within 6 hours to the massive earthquake in Nepal by sending in a national disaster response force, and in the next few days, contributed 520 tonnes of relief aid to the people of Nepal. In 2017, in response to Cyclone More, India was first to respond to the devastating floods in Sri Lanka and Bangladesh.

Both the 'neighbourhood first' and the 'first responder' is a reflection of an interdependent world that is being reinforced by geography, where the bio-physical surrounding is no longer independent of the actions of people. Issues are increasingly getting anchored to specific terrains and the environmental interpretation is becoming crucial. For example, viewing seas as a great "commons", or considering the Himalayas as the ultimate watershed, or charting the monsoon as a rain-dependent phenomenon, gives us a new lens to look at the region.

One can recall Mackinder's summation of his article "The Geographical Pivot of History", that "man and not nature initiates, but nature in large measures control". This is critically relevant in the context of climate change that requires urgency for more technical/scientific and multi-lateral policy arrangements. In effect, the impact of climate change and the responses will move beyond the quest for protecting or conserving nature, to advancing a range of infrastructural interventions aimed at sustainability, resilience and human life. Over the next twenty years, a

large proportion of the world's infrastructure will be built in India. While infrastructure projects are designed for a long life cycle, climate and weather-related hazards will almost certainly impact the durability. Given the vulnerability of South Asian states to climate change impact, it is important for India to partner with its neighbouring countries to build a coalition of disaster-resilient infrastructure.

With an increasing population, rapid urbanization, deterioration of natural ecosystems and an ever-greater concentration of people, capital assets and economic activity in natural hazard-prone areas, the risk of disaster losses are rising. More than 90 per cent of disasters in India is related to hydro-meteorological phenomena such as floods, droughts, and cyclones.[1] In the next ten years, a large proportion of the world's infrastructure will be built in India, and it is expected that India will double its energy output, increase the length of its national highways by 50 per cent, and increase the length of its metro lines by six times.[2] All of this infrastructure will be exposed to hydro-meteorological hazards. The UNISDR Global Assessment Report 2015 pegged India's expected Annual Average Losses (AAL) from disasters at $10 billion per year. Of these, the AAL for floods accounts for 70 per cent of the total expected losses.[3] While infrastructure projects are designed for a long life cycle, climate and weather-related hazards will almost certainly impact the durability. According to the Economic Survey (2017-2018), the current infrastructure gap in India stands at $526 billion and approximately $1 trillion will be needed to make existing and future infrastructure in India climate-resilient.[4]

The ADP forecasts that the costs of climate change and adaptation in South Asia for the six countries – Bangladesh, Bhutan, India, the Maldives, Nepal, and Sri Lanka – will see an average economic loss of around 1.8 per cent of their collective annual gross domestic product (GDP) by 2050, rising sharply to 8.8 per cent by 2100 under the current fossil fuel-intensive path.[5] Understanding the causal dynamics of climate change is essential for rationally managing the risks, especially in cases where adaptation is needed, rather than simple mitigation. 'Conflict constellations' can occur, for example, climate change can accelerate natural disasters, degrade

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[1] Kamal Kishore, "Disaster Risk Management in Changing Climate: Reflections from India", A Think Piece for IDSA-PRIO event on Climate Mitigation and Adaptation: Key Strategies Bonn, November 17, 2017.

[2] Ibid.

[3] Ibid.

[4] Aparajit Pandey and Ritwik Sharma, "Our infrastructure must become climate resilient", *Hindustan Times* (New Delhi), August 30, 2018.

[5] ADP Report, Assessing the Cost of Climate Change and Adaptation in South Asia, 2014. See, https://www.adb.org/sites/default/files/publication/42811/assessing-costs-climate-change-and-adaptation-south-asia.pdf

freshwater resources and reduce food production, which in turn can induce migration. Such situations can lead to political crises and diplomatic deadlocks particularly if the affected states are fragile and unstable. Both in terms of political boundaries and geographical cohesiveness, such a scenario is not improbable in South Asia.

Policymakers need reliable information to access the possible outcomes of different courses of action and to avoid uncertainty. For example, a lack of understanding of the geophysical changes in a particular area can breakdown procedures and mechanisms in place. Therefore, interaction with government officials and experts needs to address the critical knowledge gaps of policymakers, especially on how to enhance cooperation to tackle non-traditional security threats that impinge on food, water and energy security, and how to conserve mountain and ocean eco-systems and biodiversity, that have direct impacts on the climate. This helps to re-conceptualize South Asian regionalism by generating new cognitive structures or causal frames of reference. South Asian countries can collaborate in terms of capacity, technology, monetary contribution and incentive-based management to protect the eco-system in the region.

2. Continuum

India is one of the fastest-growing economies in the world and its profile will change in important ways by 2030. According to the WEF, India will become the most populous nation in the world - with 80 per cent of households becoming middle-income by 2030, six megacities with populations over 10 million, and 2 in 5 Indians living in a city. With the new middle class, consumer spending will more than double, rising to nearly 5.7 trillion in 2030, up from 1.3 trillion in 2018. Along the way, India will have to surmount some critical challenges to make the growth story inclusive. As aspiration converges across urban and rural India the need for better access and mobility will challenge development planners. Rural India continues to be constrained by poor access to roads, power, retail facilities, and financial services. Future efforts to improve physical and digital connectivity will not only enhance well-being but also unlock the true consumption potential of rural India. Another challenge will be to develop and skill the workforce, as India is set to gain nearly 10-12 million working-age people every year until 2030. India presents a host of exciting business opportunities in the next decade, along with a path of responsible and equitable growth that includes public-private civil society partnerships; the need for skills and jobs for its working-age majority; the greater inclusion of rural India; and the building of a healthy and sustainable future for its citizens and cities.

It is difficult to imagine the rise and aspirations of India in a region that remains perpetually in disarray. To ensure that the neighbours do not mishandle their relations with India, problem-

solving approaches to create interdependence and common interests across national boundaries, become a rational choice.

The qualification of a country as a dominant power does not hinge upon a single major criterion – whether it's the strength of the economy or its military capabilities, or sometimes even the sheer physical size and population. Values and principles or ideational elements are also critical. The combination of these power sources informs policy choices and preferences. The 'neighbourhood first' takes on the challenge of divisive regional politics by forging common economic development, cultural and human concerns. This is remarkable in its orientation given that South Asia as a region has been often viewed as a flashpoint, a tinderbox, and a strategic schism. To conceptually turn it around as a union of states, reflects a distinct leadership vision.

Many argue that the neighbourhood cannot be a prerequisite for India's progress and global aspiration, nor can the neighbours, in any real term, fulfil India's greater need for investment and technologies. And so the argument continues that India needs to break free from the 'claustrophobic confines' of South Asia and think world stage. This globalist rhetoric negates the geographical reality of the region to which India is intricately connected. In attaining great power status, the core and periphery cannot be permanently divided, in fact their interaction has to be constantly reconfigured and made dynamic. Peripheral realism is what the 'neighbourhood first' seeks by developing India into a regional economic hub.

No other region in the world is culturally more homogenous, with the exception of Europe than South Asia. But while culture unites the people of South Asia, politics divides them. The Bengalis of our Bengal and Bengalis of Bangladesh; the Punjabis on both sides of the India-Pakistan border or the Urdu speaking people of India and Pakistan all share a common culture. While Nepal has its unique cultural heritage it remains an integral part of the cultural and tradition of India. Sri Lanka is both an island and part of the Indian subcontinent through historical association and cultural links. Buddhism in Sri Lanka, an Indian import, survived and evolved into a faith, while it disappeared from India.

It must be noted that the regionalism of today, is a product of multilateralism in the global system, often described as "spontaneous processes". Its comprehensiveness and multi-dimensional features mark a shift from the earlier decades of regionalism that was primarily based on security alliances. Today the process of regionalisation takes place at interregional, interstate as well as subnational levels.

3. Sub-Regional Traction

India's engagement with its neighbours in the last four years of the National Democratic Alliance (NDA) government has been striking right from the time when Prime Minister Modi invited all the heads of states for his oath-taking ceremony on May 26, 2014. It was a clear enunciation that India will not be a reluctant player in the region, but a driver of regional economic agenda. Taking the neighbourhood as a strategic imperative, the Prime Minister undertook his first foreign visit to Bhutan, followed by visits to Nepal, Sri Lanka, Mauritius, Seychelles, and Bangladesh. A new emphasis of South Asia as a contiguous cultural realm was constructed, bringing in a series of economic and political institutions at one level and at another, nurturing a sentiment of belonging.

The rationale for such thinking is far too stark to ignore. For example, the high cost of limited regional integration can clearly be seen in the eastern sub-region of South Asia. Inadequate transport and communication connectivity have resulted in physical and social isolation of the rural poor from public services and markets. The seven land-locked states in the north-east region are among the poorer states in India, despite its advantageous geographic location between Bangladesh and Myanmar. The economy of the north-east region is highly dependent on low productivity agriculture, its private sector is dominated by small and informal retail enterprises, and most of its exports are concentrated in low value-added primary products. It is also dependent on imports of consumer goods and various products from mainland India, at very high transportation costs.

Other land-locked examples facing similar challenges are Bhutan and Nepal. Both of these countries are far removed from sea- ports, while North-South movement is constrained by physiographic barriers, leaving many communities with limited access to local and international markets. Bangladesh, on the other hand, is strategically located to play a critical role in regional trade, logistics and transit. It can facilitate movement between mainland India, the Northeast region, Nepal and Bhutan, as well as overland trade flows between South Asia, Myanmar, ASEAN and the rest of the world. However, trade is constrained due to inadequate existing infrastructure networks that connect the rural and urban areas.

Leveraging proximity is an important rationale in the sub-regional context. For Bangladesh, the Northeast region in India is a natural market, given its proximity to the Eastern border. But poor connectivity within the Northeast region limits development of trade. Improved infrastructure and direct connectivity between the Northeast region, Bangladesh and other parts of India, could

significantly reduce congestion on the narrow Siliguri corridor (the Chicken Neck), through which the bulk of goods going in and out of Nepal, Bhutan and the Northeast region must pass. For Nepal and Bhutan, transit through the corridor is key to enabling trade with Bangladesh, and to accessing the seaports of Mongla and Chittagong in Bangladesh as alternatives to the congested Kolkata Port. Consumers in the Northeast region will gain from better connectivity and trade openness, allowing them to receive cheaper goods. In turn, all four South Asian countries – Bangladesh, India's Northeast region, Nepal and Bhutan – would undoubtedly benefit from improved transport connectivity with Myanmar and through Myanmar, to points further East.

Another important rationale that is not widely discussed, but has a critical role in the overall economic growth in the region, is women's economic empowerment. South Asian countries have among the lowest female labour force participation rates in the world. Further, the majority of vulnerable workers in South Asia are women, many of whom live without social safety nets or legal protection. Bringing women into the growth rate is critical to the regional economy. According to a McKinsey and Co report, India's gross domestic product in 2025 would be 60 per cent higher if women attained equal status at work as opposed to if disparity remains at current levels. This would be similar for the other countries in South Asia.

The NDA government since coming to power in 2014 has had a major thrust on women issues, particularly in regards to uplifting of women in the agriculture sector, where 65 per cent of the total female workers is engaged. For example, the *'Mahila Kisan Sashaktikaran Pariyojna'* has been implemented by the Ministry of Rural Development. It empowers women in agriculture, by making systematic investments to enhance their participation and productivity. Under the *Pariyojana*, projects are conceived in such a manner that the skill base of the women in agriculture is enhanced to enable them to pursue their livelihoods on a sustainable basis. India's gender-sensitive approaches to enhance access of women to critical resources through various programmes and services will add great robustness to regional development.

The South Asian Association for Regional Corporation (SAARC), which came into existence in 1985, had limited success, with Pakistan often being the spoilsport to many of the regional efforts. At the SAARC summit in Kathmandu in 2014, when the SAARC Motor Vehicle Agreement fell through, India decided it would pursue sub-regionalism; i.e. a similar agreement with Bhutan, Bangladesh, and Nepal (BBIN MVA). The Prime Minister made it explicit by focussing on greater connectivity with the region ('SAARC minus one') and said, "The bonds

will grow. Through SAARC or outside it. Among us all or some of us." And when India pulled out of the SAARC summit scheduled to take place in Islamabad following the Uri terror attacks, Afghanistan, Bhutan, Bangladesh, and the Maldives followed suit.

The question is not whether the SAARC will revive, but more importantly, how sub-regionalism should be further energized. Sub-regionalism is an Eastside story of integration, primarily based on three pillars: to achieve a regional electricity market that can be sufficiently viable, to be connected in the future with Central Asia and East Asia; creating transport infrastructure to move South Asia towards ASEAN levels of intra-regional trade and investment; and improving the management of shared natural resources and disaster risks through collaborative institutional arrangement. All these three elements are not easy to achieve and require policy persistence, a sound implementation strategy and an unwavering commitment from India.

Several sub-regional initiatives like the Bangladesh, Bhutan, India, Nepal (BBIN), the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), and the Indian Ocean Rim Association (IORA), are feeding into the effort to boost regional cooperation and create infrastructure for the public good, in other words, leveraging mutual strengths rather than being dragged by bilateral difficulties. These initiatives are not operating in isolation, but are interconnected. The BBIN links the eastern part of South Asia, while BIMSTEC connects South and Southeast Asia. The BBIN is a regrouping of the earlier trilateral mechanisms within SAARC, such as the Nepal, India, and Bangladesh (NIB) trilateral on development of the Ganga basin and Bangladesh, and the India and Bhutan (BIB) trilateral on the hydropower development of Brahmaputra.

Sub-regionalism since 2014 has been a centre-piece of India's diplomacy. Prime Minister Modi at the Kathmandu SAARC summit in 2014 said, "The future I dream for India is a future for our entire region." This is a far-reaching liberal-institutionalist vision that argues for providing regional public goods. Soon after, the Foreign Minister Sushma Swaraj in a speech noted, "We also recognise that India, by virtue of its size and location, has a special responsibility in driving the locomotive of South Asian growth and renaissance. I have no hesitation in saying that we will continue to institutionalise positive asymmetry in favour of our neighbours and allow all to benefit from our economy and market."

4. Political Complexities

The inescapable politics in the region has a nasty habit of raising its ugly head and scotching initiatives. Sadly, the immediate periphery does not allow India the luxury to relax. The year 2017 was a reminder of India's continued political struggle with its neighbourhood, particularly in Nepal, Maldives and Sri Lanka. With China's ingress in the region, India's regionalism will be tested as never before. As an interloper in the region, China does not have the baggage of history and nation-building, unlike India, that defines its relations with South Asian countries. President Xi Jinping, now set to be in power indefinitely, will extend China's influence beyond its borders including South Asia. China's One Belt One Road (OBOR) or the Belt and Road Initiative (BRI), has the potential to isolate India in the region with the possibility of China calling the shots. China's economic cooperation and attractive packages to South Asian countries help it to set a new narrative of dependency with these countries with a larger objective of gradually encircling India6. The last thing India would like is to jostle with China in its backyard and thereby run the risk of changing its regional priorities.

A snapshot of the prevailing politics in the region suggests imminent challenges for India in the wake of China's increasing footprint. Some of the development includes Sri Lanka handing over of the strategic port of Hambantota to China on a 99-year lease and the incumbent government in the Maldives surreptitiously signing a Free Trade Agreement with China without consulting any opposition member[7]. In the case of Nepal, which is a key actor in the sub-regionalism process, a series of events has slowed the momentum including the Madhesis disenchantment over the New Constitution and the subsequent economic blockade by the Madhesis, for which India was blamed. The victory of the pro-China left coalition of the CPN-UML and the CPN-MC in Nepal's parliamentary elections is disconcerting for India.

Meanwhile, Pakistan continues to frequently perpetuate terrorism and violates the ceasefire, thus damaging any scope for talks with India. While New Delhi has been effective in diplomatically isolating Pakistan at the regional and global level, Beijing has been stepping up its diplomatic engagement with Islamabad. Even the recent election results in Afghanistan and Bhutan are not in the best interest of India. Clearly, the neighbourhood is playing the 'China Card' to balance

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[6] Vinay Kaura, "Challenges before Modi's neighbourhood policy in 2018", *dailyO*, December 26, 2017, See https://www.dailyo.in/politics/one-road-one-belt-china-narendra-modi-indo-pak-relations-nepal-elections-hambantota/story/1/21367.html

[7] Ibid.

India's power and influence. The reality of China as the 'new best friend' in the region cannot be dismissed. India has to deal with China at various levels and simultaneously cooperate, compete and contest. Resetting the relations with China will be important for India's neighbourhood engagement.

5. Conclusion

The neighbourhood is a strategic necessity. Despite the difficult politics, India's best approach is to continue its effort to provide economic development in the region, and the potential to raise growth through increased intra and inter-regional trade is enormous. Focusing on both bilateral and sub-regional initiatives through connectivity, infrastructural build-up and where necessary, unilateral economic concessions, so as to boost intra-regional trade, the question "who is the regional power" may even become superfluous in the long-term. Looking at the region as a market can help contribute to India's own economic development. Regional integration has thus assumed primacy under the NDA government. The two-decades-old 'Look East Policy' has been replaced by the 'Act East Policy', which is intended to be more proactive in India's engagement with ASEAN. This policy is of particular relevance for the sub-regional mechanisms and focuses on boosting the sub-regional countries' productivity and participation in the new economic opportunities that will arise, as a result of better connectivity to ASEAN markets.

A national strategy is not based upon whether there should be continuity or change. It is largely about reviews and priorities, which is to say, recalibrating national strategy. The interdependent world today is clearly reinforcing geography and South Asian countries will require a different set of policies that is interdisciplinary, multi-stakeholder and inter-ministerial, as existential issues become increasingly anchored to specific terrains. For India, having taken the lead, financial resources to translate policies into action will be crucial. Failure to deliver will erode India's credibility, resulting in a loss of trust. Not surprisingly, therefore, the budget allocations for South Asia have seen an increase of 6 per cent in 2018 and by addressing some systemic weaknesses; India can pick up the pace of engagement with its neighbours on a sustained basis, and at multiple levels. Thereby, demonstrating that it has the capability and capacity to promote regional peace and development.

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4.Vinay Kaura, "Challenges before Modi's neighbourhood policy in 2018", *dailyO*, December 26, 2017, See https://www.dailyo.in/politics/one-road-one-belt-china-narendra-modi-indo-pak-relations-nepal-elections-hambantota/story/1/21367.html

ECONOMIC AND SOCIAL THREATS IN GLOBALIZED SOUTH ASIA

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Key Words: Regional Cooperation, Globalization, SAARC

1. Introduction

Globalization is defined as a process of integration of economic, social, political and cultural dimensions of different societies, identified as separate political states all around the world. Regionalization is the same process, narrowly defined for a specific geographical location. Examples of regional integration include the South Asian Association for Regional Cooperation (SAARC) and the European Union (EU). Generally, it is believed that regional integration facilitates globalization and vice-versa. However, rapid globalization can also hurdle regional integration, through political and economic pressure from superpowers within and outside the region. Therefore, one can build the theoretical notion that globalization can have harmful effects on regional integration. This study examines this theoretical notion using SAARC as a case study.

Whether globalization is a challenge or an opportunity is a relative concept. It can be a challenge because the internal affairs of individual countries are exposed to the world through globalization. At the same time, it can also be an opportunity, because it opens markets and various other opportunities for individual countries. Impacts of globalization on an individual economy, whether it is positive or negative, depends on various conditions. Levels of openness to globalization and many country-specific economic and political conditions determine the degree and the nature of these impacts. This paper examines those conditions within the context of SAARC, and compares the situation of SAARC region with selected other regional cooperations, such as ASEAN and SACU, and selected economically advanced and emerging economies (China, Hong Kong, Japan and the USA). This paper further argues that SAARC regional countries face some challenges inherited in the region. For example, prolonged political rivalry between India and Pakistan, emerging political pressure between India and Sri Lanka are vital. The emergence of India as a super-power has also become a challenge as well as an opportunity for SAARC cooperation.

Analysis in this paper is based on a literature review, as well as secondary data available on various web pages. Sources of data and definitions, wherever available, are also reported in relevant parts of the paper. This paper is organized into four sections, including the Introduction. Section 2 defines globalization, the gains and pains of globalization, and the conditions under which gains (pains) are distributed. In section 3, the degree of globalization in SAARC countries is compared with the rest of the world. Section 4 concludes the paper.

2.   Globalisation: *the Concept and Measurement*

2.1   Concept

Globalisation is defined as a process of integration of economic, social, political and cultural dimensions of different societies, mainly through technological and communication advances. BusinessDictionary.com defines globalisation as

> *The worldwide movement toward economic, financial, trade, and communications integration. Globalization implies the opening of local and nationalistic perspectives to a broader outlook of an interconnected and interdependent world with free transfer of capital, goods, and services across national frontiers. However, it does not include unhindered movement of labour and, as suggested by some economists, may hurt smaller or fragile economies if applied indiscriminately.[1]*

This definition highlights several key features of globalisation. First, that globalisation is multi-dimensional. It refers to *the integration of economic, social, political, communication and cultural affairs*. Second, *free movement of goods, services, and capital but not necessarily free movement of labour* are essential elements of globalisation. This definition also highlights that it may affect *small economies unfavourably*.

The UN (2004)[2] has defined globalisation as a multidimensional, complex and uneven process. The third tenet highlights that the degree of globalisation is not even. Some countries are more integrated into the globalisation process than others. Therefore, to measure the degree of globalisation, four indices are proposed. The four indices are *Trade Openness, Capital Openness, Information Openness* and *Container Traffic* indices.

The *Trade Openness* Index measures the degree of international trade that takes place in a country in a specified time period. This is measured in terms of Trade to GDP Ratio (TGR). Higher TGRs indicate greater trade openness. To measure this, only the Goods and Services accounts of the balance of payments are considered. The *Capital Openness* Index measures the degree of openness of capital accounts. It is measured in terms of averages of inward capital flows, and in terms of portfolio investments and FDIs. The *Iinformation Openness* Index measures the availability and accessibility of information. In general, this is measured in terms of IT literacy, PCs per-head and internet accessibility of the country. Regional disparities of such facilities, legal provisions for information rights (Right to Information) and information literacy should be added to this index, to facilitate a complete understanding of the level of

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[1] http://www.businessdictionary.com/definition/globalization.html

[2] United Nations publication. "Meeting The Challenges In An Era Of Globalizationby Strengthening Regional Developmentcooperation." Asia-Pacific Development Journal, 2004.

information openness of a country. In general, proponents of globalization argue that globalization increases trade fosters economic growth and reduces poverty.

2.2 Gains and Costs of Globalization

However, globalization is not without a cost. Gains and costs of globalization are identified in many different dimensions. Economic and political dimensions are significant among them. Most of the discussions on the gains of globalization parallel the long-standing discussions on gains from international trade. Conventional international theories suggest two types of gains from free trade. First, it is that free trade is pro-growth. It increases economic growth. The theory of comparative advantage suggests that free trade allows for specialization. The Heckscher Ohlin theory[3] predicts that countries specialize in products which use the resources abundantly available to them. The efficiency gain of specialization increases economic growth. Economic growth also increases employment. Therefore, through free-trade (and hence globalization) unemployment can also be reduced[4]. The second dimension of gains from trade is that it increases the consumption possibility of people and thereby, also their welfare.

In addition to that globalization has also created a lot of specific benefits too. For example, in 2004, Pete Geddes wrote on the improvement of the social and economic status of women through globalization on the blog of Foundation for Research on FREE Economics and Environment.[5] Lerman and Schmidt (1999) examined the impacts of globalization on labour markets. Using US data and literature, they show that globalization increases labour productivity and hence, real wages[6]. However, they agree that the productivity of certain types of industries and certain types of labour can be dropped.

The impact of globalization on wages of less-skilled workers is mixed. Lerman and Schmidt (1999) argue that with globalization, there will be a convergence of real wages paid in the USA and the rest of the world. This will, in particular, be observed for less-skilled workers. Less skilled workers in less developed countries will be benefitted by increasing their wages. Freeman (1995)[7] argues that the fall of real wages and employment of less-skilled workers in the USA and Europe are concurrent with their increased trade with less developed countries.

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[3] Suranovic, Steve. *International Trade: Theory and Policy.* George Washington University: Saylor Foundation, 2010.

[4] Soo, Kwok Tong. "The gains from specialisation and comparative advantage." Lancaster University, 2011.

[5] Geddes, Pete. *Foundation for Research on FREE Economics and Environment.* 2004. https://www.free-eco.org/ (accessed September 24, 2019).

[6] Lerman, Robert I, and Schmidt R Stefanie . *AN OVERVIEW OF ECONOMIC, SOCIAL,AND DEMOGRAPHIC TRENDSAFFECTING THE U.S. LABOR MARKET.* Washington, D.C.: The Urban Institute, 1999.

[7] Freeman, B R. "Are Your Wages Set in Beijing?" *Journal of Economic Perspectives*, 1995: 15-32.

However, Freeman (1995) highlights that the wages of less-skilled workers in non-tradable sectors have also fallen. Therefore, increased trade with less developed countries alone, cannot be the cause of real wage drops and increased unemployment in the USA and Europe.

Another issue raised in literature is the impacts of globalization on the effectiveness of government policies. In this regard, the general interpretation is that the power and effectiveness of government policies reduce with globalization. The impact of globalization on income disparity and poverty is also a widely discussed issue. In this context, a theoretical prediction based on conventional trade theories is that the income disparity in developing countries should be eased with globalization. The famous Stolper-Samuelson theorem[8] [Stolper and Samuelson (1941)] suggests that factor prices will be equal across the world through free trade. This suggests that factor prices (especially wage) in advanced countries will reduce, and those in developing countries will increase with globalization. Lerman and Schmidt (1999) and Freeman (1995) emphasise that this is more likely for less-skilled workers. They argue that the real wages of such workers in the USA and in Europe are in a decreasing trend. However, Goldberg and Pavcnik[9] (2007) find that less-skilled workers in developing countries do not experience this growth due to labour market rigidities in developing countries.

Stiglitz (2002)[10] identified four conditions that make the distribution of benefits of globalization uneven between developed and developing countries. These conditions generally suggest that developing countries do not receive the benefits of globalization. As all the countries in SAARC are at different levels of development, Stiglizian conditions are in general applicable to all SAARC countries. The four conditions are, a.) *Non-tariff barriers from advanced countries,* b.) *Agriculture subsidies in advanced countries*, c.) *Limited access to financial resources* and d.) *Constraints to use advanced technology*.

Non-tariff Barriers from Advanced Countries: Stiglitz (2002) identified a number of non-tariff barriers against the trade of developing countries. Those non-tariff barriers vary from unacceptable standards to import bans. As a result of the WTO agreement on the use of tariffs, most countries have tended to use non-tariff trade barriers to limit the volumes and patterns of trade. Based on the nature of non-tariff barriers, three motives for such barriers can be identified. The economic motive is prominent. The protection of domestic industries is the concern under

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[8] Stolper , Wolfgang F, and Pau Samuelson. "Protection and Real Wages." Review of Economic Studies, 1941: 58-73.

[9] Goldberg, P K, and N Pavcnik. "distribulional Effects of Globalization in Developing Countries." Journal of Economic Literature, 2007: 39-82.

[10] Stiglitz , Joseph E. "Globalization and Its Discontents." *W.W.Norton & Company*, 2002.

economic motive. Anti-dumping laws, subsidies for domestic producers, "buy nation" policy and similar initiatives can be classified into this category. Health and welfare concerns are under the second motive. Sanitary conditions, product standards and various other conditions (packing, labelling, etc.) can be identified under this motive. A variety of other non-economic motives, such as labour rights, are in the third category. The use of trade embargoes based upon political concerns is also a common practice employed by many countries nowadays. Obviously, most of these not-tariff barriers obstruct free trade and affect developing countries detrimentally.

Agriculture Subsidies in Advanced Countries: Advanced countries use various measures to protect domestic agriculture from free-market competition. In general, advanced countries provide various subsidies for domestic agricultural products, giving them "undue market power" in the global market. These can also be classified as non-tariff barriers.

Financial Constraints: The first two conditions are direct barriers hindering developing countries from exploiting the benefits of trade and globalization. The unbalanced manner in which international financial markets operate is also identified as a barrier for developing countries. On the one hand, developing countries find it competitive to attract FDI and portfolio investments. UNCTAD (2011) has calculated FDI performance and FDI potential indices. According to the FDI performance and potential rankings,[11] all SAARC countries for which data is available are classified in the under-performer category in terms of FDI attraction. They are low in FDI performance and also in FDI potential. As far as portfolio investments are concerned, most SAARC countries are in a less advantageous position. The level of openness of capital accounts in SAARC countries is low.

Technological Constraints: Transfer of modern technology through FDI and various technical assistance programs to developing countries is identified as one of the benefits of globalization. However, most of the developing countries are not ready to get the benefits of modern technology in advanced countries due to various factors. The human resources gap and problems of infrastructure facilities act as the main hindrance for technology transfer.

3.   SAARC in the Global Economy

This section of the paper assesses the relative position of SAARC in the global economy. The assessment is done using selected macroeconomic indicators. First, the PPP-adjusted GDP per capita and its disparity are compared. Then, selected indicators on the degree of globalization are presented for SAARC in comparison with the rest of the world. A comparison of the

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[11] Sulstarova, Astrit. "UNCTAD." FDI performance and potential rankings. 2011. http://www.oecd.org/investment/globalforum/44246319.pdf (accessed September 24, 2019).

SAARC situation is made with ASEAN, SACU and selected advanced countries. The comparison of globalization indices is based on four indices defined by the UN (2004).

3.1   Global GDP

PPP adjusted GDP per capita for most countries in the world are recorded in the websites of the World Bank, the IMF and the CIA Factbook. Table 1 below reports selected summary measures of the PPP adjusted GDP per capita. Information in Table 1 is based on World Bank[12] estimates for 2012. For several countries, data for 2012 was not available in the World Bank database. Relevant data for those countries was found from IMF[13] and CIA[14] databases.

Table 1: Descriptive Statistics

	SAARC	ASEAN	SACU	World
Average	4,151	17,516	8,625	17,430
Std	2,894	21,677	5,808	18,106
CV	0.70	1.24	0.67	1.04
Skewness	0.65	1.41	0.58	1.70
Highest	9,072	61,803	16,986	102,211
Lowest	1,054	1,405	1,963	422

Source: WB, IMF and CIA web pages

Six summary measures are reported for 4 groups. A comparison of SAARC with other country groups highlights that SAARC has the lowest GDP per capita, the lowest disparity between countries, and the least skewed distribution. The average GDP per capita in SAARC is nearly 50% less than the average GDP per capita in SACU countries.

The range of GDP per capita (PPP adjusted) by region is also reported in the same table. The disparity in GDP per capita within SAARC is much lower than the situation on the world scale. All SAARC countries earn relatively low income compared to other regions. However, as far as income disparity is concerned, all are concentrated in the income bracket of USD 9,072 to 1,054.

3.2   UN Indices

A 2004 UN report has identified four indices to measure the degree of globalization of countries: *Trade Openness, Capital Openness, Information Openness* and *Container Traffic*. In order to

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[12] https://data.worldbank.org/
[13] https://www.imf.org/en/Data
[14] https://www.cia.gov/library/publications/the-world-factbook/

measure the degree of globalization of SAARC countries compared to the rest of the world, the Open Market Index[15] is used. This index is formulated and estimated by the International Chamber of Commerce (ICC)[16]. The index is formulated using four sub-indices. The four indices used are Trade Openness, Trade Policy, FDI Openness, and Trade Enabling Environment. Each component of sub-indices is also comprised of several indices. The weighted sum of all those indices is called the Open Market Index (OMI). Items and sub-items in the OMI together with the relevant weights are available in the ICC report.

The Open Market Index (OMI) covers all four dimensions of the UN (2004) criteria of the degree of globalization. Five sub-components of OMI are Trade Openness (35%), Trade Policy (35%), Openness to FDI (15%) and Infrastructure Open for Trade (15%). Percentages given in parentheses are the weights assigned to each sub-component. Trade Openness and FDI openness are direct measures of the first two items in the UN (2004) criteria. The infrastructure component in OMI covers the other two items. In addition to those, the OMI also takes trade policies into account. This gives a long-term perspective of globalization. The OMI is calculated for 75 countries covering all the geographical and economic zones of the world. Table 2 presents the situation in selected SAARC countries, selected ASEAN countries and some other selected countries for comparison. Numbers in parentheses are the ranks of countries in ascending order of the OMI.

Table 2 shows that all the SAARC countries for which the data is available exhibit an extremely low performance. Out of 75 countries, all the SAARC countries for which data is available are ranked above 60. In 2017 Pakistan was reported as the country with the least open market in the region.

Table 2: The Open Market Index for SAARC and its Close Competitors: Selected Countries

	Trade Openness		Trade Policy Regime		FDI Openness		Trade Enabling Environment		Total OMI	
	2015	2017	2015	2017	2015	2017	2015	2017	2015	2017
SAARC Selected Countries										
Bangladesh	2.20	2.50	1.40	2.20	2.30	2.60	1.80	1.70	1.90 (73)	2.30 (70)
India	3.30	2.90	1.80	3.00	2.60	2.50	2.70	3.00	2.60 (63)	2.90 (64)

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[15] https://iccwbo.org/publication/icc-open-markets-index-2017/
[16] https://iccwbo.org/

Pakistan	1.80	1.60	2.10	2.50	2.50	2.60	2.20	2.10	2.10 (72)	2.10 (72)
Sri Lanka	2.30	2.40	2.40	3.80	2.40	2.80	2.30	3.10	2.30 (68)	3.10 (59)
ASEAN										
South Korea	4.30	3.10	3.00	4.10	3.20	3.30	4.90	4.60	3.80 (41)	3.70 (39)
Indonesia	2.60	2.20	3.90	4.20	2.30	2.20	2.80	2.50	3.10 (56)	3.00 (63)
Thailand	3.90	2.90	3.00	4.10	3.30	3.30	3.60	3.10	3.50 (47)	3.40 (48)
Malaysia	4.00	2.90	3.80	4.80	3.90	3.70	4.50	3.90	4.00 (33)	3.80 (31)
Singapore	5.20	5.50	5.80	5.90	5.70	5.70	5.20	5.20	5.50 (1)	5.60 (1)
Philippine	2.00	1.90	4.20	4.50	2.30	1.80	3.00	2.40	2.90 (60)	3.00 (62)
Vietnam	4.00	3.90	3.40	4.20	3.40	3.50	3.40	2.80	3.60 (45)	3.80 (33)
SACU										
South Africa	2.90	2.40	3.60	4.10	3.00	2.90	3.90	4.20	3.30 (50)	3.30 (49)
Botswana	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Lesotho	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Namibia	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Swaziland	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other Selected Countries										
China	3.00	2.60	2.50	3.80	3.00	2.50	3.90	3.80	3.00 (59)	3.20 (56)
Japan	2.10	2.00	4.90	5.20	2.70	2.90	5.30	5.10	3.60 (44)	3.70 (37)
Hong Kong	5.20	5.30	5.80	5.80	5.70	5.60	5.20	5.60	5.50 (2)	5.50 (2)
USA	2.10	2.10	4.80	4.70	3.50	3.40	5.20	4.80	3.70 (42)	3.60 (40)

Source: ICC 2015 and 2017

According to ICC (2015 & 2017), the overall OMI and its components can range from 6, if fully open, to 1, if poorly open. According to the same report, countries with index values in the range of 5 to 6 are most open, and those between 1 to 1.99 index values are very week. Table 2 above shows that the overall OMI for SAARC countries lies between 2 and 3. According to the ICC (2015 & 2017) classification, all SAARC countries are below average openness. Component-wise analysis of indices shows that all SAARC countries, except India, had performed extremely poorly in trade openness in 2015. Bangladesh shows poor performance in a trade enabling

environment and Pakistan shows poor performance on the Trade Openness Index. However, there has been an improvement in those indices over time. A comparison of the situation in SAARC with selected ASEAN countries and other selected countries (second and third panels of the table) show that they are very much above SAARC in terms of openness. In general, all ASEAN countries perform better SAARC countries in all sub-indices. Figures for China, Hong Kong, Japan, and the USA are also reported for comparison. According to OMI, Singapore was the most open economy in 2015 and 2017.

3.3   SAARC and Inherited Challenges

Here, the particular situation of the SAARC region, especially in the context of the global economic crisis, is also considered. Compared to all other regional cooperations, SAARC has a number of differences. It is the youngest among all regional cooperations. It consists of 8 countries with different priorities and ideological differences. Commitment and capacity of most SAARC member countries to strengthen the regional ties is low, as compared to what one can learn from EU countries as an example. The high incidence of poverty within SAARC, political instability in most of the countries, civil wars and the aftermath of wars, international interferences, as well as conflicts between local political interests and regional integrity, also act as additional challenges to SAARC. Another aspect of the issue is the competition between SAARC members for the same market. For example, India, Pakistan and Sri Lanka are separately competing in the IT/BPO market. The hidden competition between India and Sri Lanka for naval routes is another example. Almost all SAARC countries compete with each other in the higher education market.

Tables 3 and 4 show the Economic Freedom Index [17] for SAARC countries, excluding Afghanistan. It also compares the situation in the ASEAN region and several other advanced economies. Table 3 reports on the Economic Freedom Index and its sub-components are reported in Table 4. The last column of Table 3 reports the country classification. According to that, all countries except Sri Lanka performed unsatisfactorily. Bhutan is the only South Asian country classified in the "moderately free" category. In general, ASEAN countries and other advanced countries perform better than SAARC counterparts. In terms of the reported data, SAARC is also below SACU countries.

Table 3: Economic Freedom Index 2018

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[17] https://www.heritage.org/index/

	Index	Rank	Classification
SAARC			
Bangladesh	55.60	121	Mostly Unfree
India	55.20	129	Mostly Unfree
Pakistan	55.00	131	Mostly Unfree
Sri Lanka	56.40	115	Mostly Unfree
Bhutan	62.90	74	Moderately Free
Maldives	53.20	141	Mostly Unfree
Nepal	53.80	136	Mostly Unfree
ASEAN			
South Korea	72.30	29	Mostly Free
Indonesia	65.80	56	Moderately Free
Thailand	68.30	43	Moderately Free
Malaysia	74.00	22	Mostly Free
Singapore	89.40	2	Free
Philippine	63.80	70	Moderately Free
Vietnam	55.30	128	Mostly Unfree
Burma (Myanmar)	53.60	139	Mostly Unfree
Cambodia	57.80	105	Mostly Unfree
Laos	57.40	110	Mostly Unfree
SACU			
South Africa	58.30	102	Mostly Unfree
Botswana	69.50	36	Mostly Free
Lesotho	53.10	142	Mostly Unfree
Namibia	58.70	99	Mostly Unfree
Other selected			
China	58.40	100	Mostly Unfree
Japan	72.10	30	Mostly free
Hong Kong	90.20	1	Free
USA	76.80	12	Mostly free

Source: http://www.heritage.org/index/ranking

Table 4 reports all the sub-components of the Economic Freedom Index. The Economic Freedom Index reported in Table 3 is the arithmetic average of the 10 indices in Table 4. The 10

indices in Table 4 are classified into four broader categories: Rule of Law, Government Size, Regularity Efficiency and Open Market.

Table 4: Sub-indices in Economic Freedom Index, 2018

	Rule of Law			Government Size			Regulatory Efficiency			Open Market		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
SAARC												
Bangladesh	36.1	24.4	34.5	94.5	72.7	77.6	50.9	68.2	69.9	53.6	45	30
India	57.3	47.8	61.6	77.3	79.4	14.7	57.1	41.8	72.4	72.4	40	40
Pakistan	41.5	30.6	40.2	87.6	80.5	49.2	56.1	41.8	72.6	64.8	55	40
Sri Lanka	44.7	28.9	39.4	88.3	84.9	30.4	75.1	58.8	70.1	76.2	40	40
Bhutan	62.5	54.5	55.4	71.6	83	77.6	68.7	79.5	72.6	79.4	20	30
Maldives	43.9	33.5	36.4	60.8	95.8	10.7	78.3	70.8	81	62.6	35	30
Nepal	39.2	26.2	34.7	83.7	84	98.5	61.8	47.9	69.4	60.4	10	30
ASEAN												
South Korea	79.3	50.5	57.5	68.6	64.2	96.8	91.3	57.4	82.0	80.4	70	70
Indonesia	52.2	39.5	53.5	91.4	83.7	88.1	69.3	49.3	77.4	79.8	45	60
Thailand	53.7	36.4	45.9	85.8	81.3	96.5	82.5	63.9	75.2	83	55	60
Malaysia	84.1	55.4	68.2	83.2	85.6	82.4	83.9	74.4	78.6	82	60	50
Singapore	97.4	95.1	92.4	90.7	90.4	80.0	90.8	91.0	85.3	94.8	85	80
Philippine	48.7	30.9	36.4	88.7	76.9	97.1	61.3	57.9	69.6	78.2	60	60
Vietnam	49.8	34.0	40.3	74.1	79.7	40.7	63.5	62.8	68.9	79.2	30	40
Burma (Myanmar)	34.7	30.6	18.1	85.4	86.6	78.3	52.8	65.7	69.6	70.8	30	20
Cambodia	37.4	16.7	27.6	85.9	89.7	89.1	29.9	63	79.4	65.4	60	50
Laos	38.8	33.5	42.5	85.3	86.9	66.5	60.1	60.1	78.5	81.8	35	20
SACU												
South Africa	58.8	39.7	39.3	67.6	62.1	62.6	64.3	59.1	75.2	76	45	50
Botswana	58.1	52.4	45.7	65.9	82.7	94.6	68.7	68.2	78.8	83.8	65	70
Lesotho	41.5	30.9	45.7	33	59.4	63.5	53.3	58.8	75	81	55	40
Namibia	55.9	49.8	54.7	48.9	66.5	15.7	65.8	85.1	74.4	83	65	40
Other selected												

China	49.9	49.1	75.2	70.1	70.4	76	56.2	64.2	71.9	73	25	20
Japan	84.1	78	68.5	55	68.2	55.7	80.5	79	85.9	80	70	60
Hong Kong	93.3	83.8	75.3	90.3	93.1	100	96.4	89.2	86.4	95	90	90
USA	79.3	77.4	78.6	57.1	75.1	53.1	83.8	89.4	76.6	86.6	85	80

Source: http://www.heritage.org/index/ranking

The 10 indices in Table 4 are (1) property rights (2) Judicial effectiveness (3) government integrity (4) tax burden (5) government spending (6) fiscal health (7) business freedom (8) labor freedom (9) monetary freedom (10) trade freedom (11) investment freedom, and (12) Financial freedom. Each index takes the value between 0 and 100, where 0 means no freedom and 100 maximum freedom. Table 4 shows that on average SAARC countries are similar to ASEAN countries. In comparison to advanced countries, all SAARC countries in the list record less economic freedom and low levels of freedom in all sub-components. However, the disparity of most of the sub-indices is wider in ASEAN compared to SAARC. In ASEAN, Burma (Myanmar) is the country with the lowest level of freedom and Singapore is the best country in terms of economic freedom.

Table 5 reports several dimensions of SAARC countries and compares SAARC with ASEAN and other selected countries. Country ranks based on the Doing Business Index (DBI)[18], Human Development Index (HDI)[19], Population below the poverty line[20] and Political Freedom Index[21] are reported in Table 5. All this data was downloaded in June 2019. All indices show that SAARC countries perform on or below the median. The only exceptions are that Afghanistan is 47th (highest) in poverty, with 35.8% of the population living below the poverty line. Sri Lanka is 160th, with only 6.7% of the population living below the poverty line. Doing Business Indices classify Bhutan and India at relatively higher positions. Sri Lanka is positioned at 76th, the highest among South Asian countries, on the Human Development Index.

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[18] https://www.doingbusiness.org/en/rankings
[19] http://hdr.undp.org/en/content/human-development-index-hdi
[20] https://www.indexmundi.com/map/?v=69
[21] https://freedomhouse.org/report-types/freedom-world

Table 5: Several Dimensions of SAARC countries and compares SAARC with ASEAN

	DBI		HDI		Population below the Poverty line		Political Freedom	
	Rank	Score	Rank	Index	Rank	Index	PF	CR
Afghanistan	167	47.77	168	0.498	47	35.8	5	6
Bangladesh	176	41.97	136	0.608	54	31.5	5	4
India	77	67.23	130	0.640	98	21.9	2	4
Pakistan	136	55.31	150	0.562	68	29.5	4	5
Sri Lanka	100	61.22	76	0.770	160	6.7	4	4
Bhutan	81	66.08	134	0.612	142	13.3	3	4
Maldives	139	54.43	101	0.717	127	16	3	4
Nepal	110	59.63	149	0.574	79	25.2	3	4
South Korea	5	84.14	22	0.903	144	12.5	2	3
Indonesia	73	67.96	116	0.694	148	10.9	3	4
Thailand	27	78.45	83	0.755	159	7.2	4	5
Malaysia	15	80.60	57	0.802	166	3.8	4	5
Singapore	2	85.24	9	0.932	NA	NA	5	4
Philippine	124	57.68	113	0.699	102	21.6	3	4
Vietnam	69	68.36	116	0.694	146	11.3	7	6
Burma (Myanmar)	171	44.72	NA	NA	77	25.6	5	6
Cambodia	65	69.24	146	0.582	117	17.7	6	5
Brunei	55	72.03	NA	NA	NA	NA	7	6
SACU								
South Africa	82	66.03	113	0.699	122	16.6	2	3
Botswana	86	65.40	101	0.717	59	30.3	2	3
Lesotho	106	60.60	159	0.520	15	57	2	4
Namibia	107	60.53	129	0.647	71	28.7	3	3
China	46	73.64	86	0.752	168	3.3	7	6
Japan	39	75.65	19	0.909	126	16.1	1	2
Hong Kong	4	84.22	NA	NA	111	19.6	NA	NA
USA	8	82.75	13	0.924	129	15.1	1	2

Tables 1 to 5 above, clearly shows that SAARC as a group is in a relatively disadvantageous position in the global economy. It is the group of countries with the lowest average per capita GDP (PPP adjusted). None of the indices of market openness is at satisfactory progress. The Economic Freedom Index classifies all counties, except Sri Lanka, below average. Except for India and Bhutan, all the other SAARC countries are highly exposed to political and economic instabilities.

These, together with Stiglizian conditions, clearly suggest that the SAARC region will face more and more challenges with globalization. The consideration of internal political and economic instabilities within the SAARC region further reinforces this conclusion. In this context, Harris (2000)[22] questions the strength and relevance of the institutional set up of ASEAN, and other multilateral regional organizations, from which SAARC can learn. In general, Harris' (2000)

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[22] Harris, Jonathan M. "Basic Principles of Sustainable Development." Global Development And Environment Institute, 2000.

opinion is that the institutional framework of all regional cooperations should be revisited in line with lessons from the global economic crisis.

4.   Summary and Conclusions

This paper examines globalization as a process of integration of economic, political and social dimensions of individual countries, into a global framework. The economic dimension of globalization is the key concern of this paper. Through literature reviews, it is highlighted that globalization increases economic growth through increased efficiency. It also improves the welfare of citizens, by expanding consumption possibilities. The theory further argues that small countries experience greater gains from globalization. However, its impacts on income disparity within an economy, as well as among countries, can have detrimental effects - especially in developing countries.

Stiglitz's pre-conditions of gains from globalization are also reviewed. In addition, inherited problems of SAARC are also discussed. Using the secondary data available, the SAARC region is also compared with several other regional cooperations. All these lead the reader to conclude that challenges to SAARC will further increase with globalization. However, it does not mean that globalization is exclusively a challenge. It will not be difficult to accrue the gains of globalization to SAARC through more strategic policies.

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