

# Building Trust and Strengthening Regionalism in South Asia during the Pandemic

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South Asia is characterised by fragile democracies, traits of semi-authoritarianism, lagging civil political space, violent terrorism and border disputes. Growing ultra-nationalist and populist policies in South Asian countries for long created a bottleneck for intra-regional trade and as such prevented the building of trust between peoples and nations across borders. The lack of trust into one another at various levels has for long prevented the integration of the South Asian region. The South Asian Association for Regional Cooperation (SAARC), once the hope for regional integration and multilateral cooperation in South Asia, has been doomed to disfunctionality due to intraregional conflicts and lack of trust.

While other regions have succeeded to integrate and furthered multilateral cooperation, as is the case in Southeast Asia, South Asia has failed to build trust, neither through trade nor through political cooperation.

A recent Brookings report stressed the lack of economic integration as follows: “Despite geographical proximity and the existence of bilateral and multilateral free trade agreements (FTAs), South Asia is one of the least economically integrated regions in the world. Owing to protectionist policies, high logistics cost, lack of political will and a broader trust deficit, intra-regional trade in South Asia remains well below its potential at 5% of the region’s global trade”.<sup>1</sup>

The region lacks connectivity in goods, people, services, knowledge and foreign investment (FDI) to ensure economic growth. Trade liberalisation initiatives have been long delayed. The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) has been under negotiation for more than

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<sup>1</sup> Sinha, Riya, and Niara Sareen. 2020. *India's limited trade connectivity in South Asia*, 26 May, (<https://www.brookings.edu/research/indias-limited-trade-connectivity-with-south-asia/>), accessed 26 May 2020.

15 years, SAFTA and South Asian Economic Union no longer feature in New Delhi's regional focus.

To name just one example, the Indo-Lanka Free Trade Agreement (FTA) dates back two decades, with negotiations on the Comprehensive Economic Partnership Agreement (CEPA) delayed due to ultra-nationalist political forces which have voiced against it in Sri Lanka and protectionist measures in place.

In addition, national political climates of rising ultra-nationalism play their part in preventing the emergence of trust beyond borders and peoples.

The ultra-nationalist forces are a key obstacle that has stalled multilateral trade liberalisation in the region and broken trust in intraregional trade. To pursue higher intraregional trade and to build the desperately needed trust among nations, a clear political leadership is needed which keeps away domestic protectionist measures and promotes trade interdependence in the region rather than out of it.

Border-conflict, the rise of ultra-nationalist forces, little intraregional trade and low people-to-people interactions have prevented the regional integration in South Asia for many years. For national gains, fragile trust between nations has been broken. While these political advantages at the national level can relate to several causes, be they elections, political mobilisation, or actual international conflicts over borders and dominance, it recently have been terrorist attacks, which came into the focus. They have even more furthered political leaders' focus on national issues, and those political leaders who prioritise national security over multilateralism have gained in elections, as has been the case in India and Sri Lanka, following the Balakot attack and the Islamist Easter Sunday Attacks respectively.

The current pandemic, which has challenged the national governments worldwide and likewise in South Asia, as well as the consequences arising from the global attempts to limit the spread of the disease, however, may bring a change to South Asia.

On 23 May 2020, a phone conversation between the Sri Lankan President Gotabaya Rajapaksa and the Indian Prime Minister Narendra Modi took place, in which the Sri Lankan President sought financial support from India to deal with the country's significant foreign exchange issue, which has emerged from the pandemic's consequences. Despite several tensions between the two states, the Indian Premier assured: "We are ready to help under terms that are favourable to

Sri Lanka”.<sup>2</sup> Even more, SAARC was reawakened out of its dormancy since 2014, to fight the ongoing pandemic collectively. India and Sri Lanka pledged to provide high amounts of money for the regional health hazard, the largest humanitarian health crisis the region has faced in decades. Total contributions towards the fund amounted to US\$21.6m. India provided crisis assistance to its regional neighbours, including supplies of medical equipment to Bangladesh, food to Afghanistan and a team of 14 medical experts sent to the Maldives.<sup>3</sup>

The South Asian Association for Regional Cooperation (SAARC), long hindered by intraregional conflicts, thus, may now be provided with a new opportunity of becoming a viable tool of multilateral cooperation.

This situation of crisis, which provoked leadership exchange and regional cooperation, may pose an opportunity to building trust between the nations of South Asia. Reciprocated help and support in times of crisis may change the mutual perceptions of one another and thus allow for trust to grow. Accordingly, the joint responses to the pandemic might further the regional integration in South Asia.

Even more, while pandemics are a threat to the entire human race, there is an opportunity we could discover by working towards a common regional agenda, strengthening global and regional integration.

India, South Asia’s regional power, and its ability in the absence of strong regional cooperation to undertake a meaningful regional leadership role is essential. To increase and strengthen its collaboration with the South Asian countries and to extend to key Indo-Pacific partners will have an important impact in overcoming this humanitarian crisis, improving its trade and the economic challenges caused by COVID-19 across South Asia.

Despite the hopes, this might however not be enough.

The growing nationalist sentiments in politics in the pre-pandemic era were an unblemished factor in South Asia and many regions. South Asia will face a daunting challenge in the post-pandemic period. Ultra-nationalism might not just go away after the crisis. The already toxic ultra-nationalist and populist political environment in many countries might further the tendency to ‘deglobalisation’.

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<sup>2</sup> Srinivasan, Meera. 2020. *Gotabaya seeks additional \$1.1 billion SWAP facility from Modi*. 24 May, (<https://www.thehindu.com/news/international/gotabaya-seeks-additional-11-billion-swap-facility-from-modi/article31662546.ece>), accessed 27 May 2020.

<sup>3</sup> Solanki, Viraj. 2020. *Why India’s response to COVID-19 matters to us all*. 29 April, (<https://www.iiss.org/blogs/analysis/2020/04/sasia-why-indias-response-to-covid-19-matters-to-us-all>), accessed 01 June 2020.

It is on South Asians and their leaders to take the next step and continue cooperation. If this is made possible, South Asia might take the subsequent step towards multilateralism and regional integration.

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