

POLICY PAPER

NEPAL & THE NEW ASIAN DYNAMICS



A talk Program on “Nepal and the New Asian Dynamics” was organized by the COSATT in cooperation with the Political Dialogue Asia Programme of the KAS on Feb. 10, 2020, in Kathmandu. A renowned Indian academic, journalist and foreign policy analyst, Prof. C Raja Mohan delivered the talk at the event. Currently, he is the Director at the Institute of South Asian Studies, National University of Singapore, a member of COSATT network.

As a foreign policy and geopolitical analyst he said that, with the beginning of the twenty-first century, a number of important and unprecedented changes have occurred in the world and in Nepalese politics too. Important changes have also occurred in international politics through waves of globalization, privatization, and liberalization with a direct impact on contemporary foreign policy of South Asian states

including Nepal. Therefore, he asked the audience how Nepal is thinking about the world of the twenty-first century ?

A Growing Interest in South Asia

South Asia’s geopolitics, as in other parts of the world, is the product of its geography and history, and its international context and domestic politics. South Asia as a region has emerged lately as a dynamic growth region as a result of its geostrategic position and market-oriented reforms. Besides India, countries like Bangladesh, Sri Lanka and Nepal have attracted not only the key players from the region but also the western powers.

US interest in the region has grown multi-fold over the years. Looking at the twenty-first century, in particular, US foreign policy towards this region

seems to have been broadly determined by South Asia's geostrategic position as well as demographic and economic potential. Lately, the emergence of the Indo-Pacific in the list of US strategic priorities has also prompted South Asia to take it more seriously. As American Indo-Pacific Policy unfolds, countries in the region such as India, Sri Lanka, and Nepal are viewed as crucial partners in fulfilling their scheme of things. On the other hand, as a rising great power, China is making inroads into South Asia and its actions are largely altering the international status quo. China maintains different levels of interaction with South Asian countries at bilateral and multilateral levels, ranging from Bangladesh, Sri Lanka, and Nepal which have the strongest economic and political ties. Similarly, South Asia is also enhancing its relations, particularly trade and business with the Southeast Asian region. South Asian and Southeast Asian economies have been isolated from each other over the past decades, but increasingly leaders and business operators in both regions are seeing the benefit of greater links, which would be a win-win situation for both the regions. Myanmar will play a critical role as a land bridge between South Asia and Southeast Asia in linking the two regions, but its border links to northeast India are poor because of difficult terrain.



Prof. Raja briefly discussed South Asia's two key determining components and how these factors have been playing crucial roles in the international system.

He listed them as; regional geography, and major power contestation. He also said, South Asia can have a common identity but we shouldn't be bound by geography. Borders, despite all efforts, remain porous. Cultures cannot be contained and identities are always expanding.

Regional Geography

While discussing on geography, he said, long natural boundaries define the Indian subcontinent. Mountain ranges ring the north, and bodies of water surround the rest. To the east lies the Bay of Bengal, to the south the Indian Ocean, and the west the Arabian Sea. The largest mountain range is the Himalaya, which defines the region's northern and northeastern boundary. A subrange of the Himalaya-the Hindu Kush-sits at its western end, while a ridge running from north to south defines the eastern end, dividing this region from China and mainland Southeast Asia.

At the start of the new millennium, South Asian geography emerged as a region of immense international concern. The central positioning of South Asia in the world map makes this a critical geopolitical region. The geography of a certain area, available natural resources, and physical determinants can

have both political connotations and political interest. For instance, Sri Lanka is in the heart of the Indian Ocean, Pakistan's Gwadar port is strategically located at the apex of the Arabian Sea, Chittagong is the busiest seaport of Bangladesh- for these countries their geographical positioning plays a crucial and strategic role in contemporary international trade and geopolitical system. Moreover, the Indian Ocean has been an important location in the geopolitical equations of the world's great powers, primarily due to the Indian Ocean's economic significance on maritime trade

from the east-west. This shows that geopolitics is an important concept that is closely related to the foreign policies of countries. Similarly, The Bay of

Bengal today plays a crucial role as a hub to leverage synergies between South and Southeast Asia.

The new narrative about the Bay of Bengal is driven by a variety of actors and interests. For India, which has nearly a quarter of its population living in states bordering the bay, it is seen that its growth and development rely on the degree of connectivity with South East Asian markets, as reflected in its 'Act East' policy. For Bangladesh and Sri Lanka, the Bay of Bengal's growing centrality is helping to realize their economic interests in South Asia's emerging markets and reduce their dependence on India. To Nepal and Bhutan, both landlocked between India and China, growth prospects would improve by lending a stronger maritime connection to their Himalayan hinterland economies. Likewise, Myanmar and Thailand's 'Look West' policy will only succeed if the Bay of Bengal is transformed into a connectivity hub with sufficient investments in infrastructure. These are some examples of evolving geography in the region and a couple of decades ago, their importance, as well as possible challenges, were not realized as today. Nevertheless, these changing geographies have been today's reality and need to be understood correctly, he said.

Major Power Contestation in the Region

As China aims to position itself at the core of the world stage, it also strives to become the regional leader. South Asia as a whole has been a key geopolitical priority in the calculations of Chinese foreign policy. As exemplified by its Belt and Road initiative, China has developed its economic and political interests across the region. It is the largest trading partner of India, Pakistan, and Myanmar and has increasing ties with virtually every other country in the region. On the other hand, India has deepened ties with neighboring provinces of China and it further wishes to expand the relationship. Both China and India are competing for a leading role in the region. This struggle takes place in different forms, sectors, and countries, and

is frequently entangled with geo-political and geo-economic rivalry. Likewise, military and security concerns are becoming increasingly important with China and the US growing their military presence in the Indian Ocean. The United States also has an economic and security interest in the region.

Giving examples of the advancement of countries like China and Russia, Prof. Raja Mohan said that the pursuit of national interests is the legitimate goal of these states' foreign policy. These nations have adopted a policy of national interest prevailing over ideologies, which might not be the case of South Asian countries. For instance he said, China's economic and foreign policies have been changed at different intervals of time and they have followed the path that makes them prosperous. In the early 1980s, then Chinese leader Deng Xiaoping adopted a policy that economic growth and reform were the main tasks of the Chinese Communist Party and government, stressing that all other policies would serve the primary interest of economic growth. Deng suggested China's international strategy's fundamental principle as: Keep a low profile and said, "it doesn't matter if the cat is black or white, as long as it catches mice." He also said that in contemporary international system even the nations following the same ideology have been contesting with each other to fulfill their own interests. For instance, China-Vietnam rivalry pertaining to delimitation of the South China Sea has received increased attention.

Poor Regional Integration

On poor regional integration and collective growth, he said, the economic choices we made have led to South Asia becoming less integrated than other regions. He further said political partition need not have been followed by the economic partition. The nation-states of this region all chose socialism as their economic policy, and by looking inwards reduced the value of connection. Socialism means you choose to develop on your own, disconnected from everybody

else, he said. And this disconnection is evident in the functioning of the regional body-SAARC, which hasn't held its summit since 2014. Mentioning the nature of the South Asian countries, he noted that states should be guided by pragmatism yet ideology has long driven South Asian states.

According to Prof. Raja Mohan, South Asia is too focused on the form when it should be focused on the function. This assessment is in play right now in Nepal, with the debate over the US Millennium Challenge Corporation Nepal Compact, where politicians and analysts all seem to focus on the form, without really understanding the content. He also said, there is a huge ongoing debate between choosing the China-led BRI project or US-funded MCC project. He opined that it is totally up to Nepal to choose, however, he also suggested that Nepal should be able to take maximum benefits from both the projects rather than making calculative assumptions. In this context, the Chinese are famously pragmatic, he said. They haven't let ideology get in the way of doing business. The world's biggest trade relationship is between the US and China. When Deng Xiaoping opened up China, they had no objections to taking money from the Americans. So why should Nepal ?

Discussing India's foreign policy particularly towards its neighbors, he said, India's foreign policy has been primarily about four broad concerns- the neighborhood, the expanded neighborhood, the fundamentally changing international system and the great power relations in contemporary time. Under the government of PM Modi , India pursued a foreign policy of 'neighborhood first' in 2014, and this continued even in his second term. Foreign policy doesn't change with change of governments, he added. As PM Modi came in, the broad directions were set, which is a continuation of previous foreign policies but with a bolder touch and greater freedom to maneuver domestically.

Prof. Raja Mohan concluded by raising a few questions about Nepal's domestic and foreign policy;

Scope of ideology-is there a role of ideology in Nepal's foreign policy-what approach is it, a practical or ideological one ?

What are the enduring features of Nepal's geography-is Nepal's geography limited only to its immediate neighbors-India and China or does Nepal's ties go beyond its present geography ?

Nepal as a bridge state-Can Nepal be a bridge between India, China, Central Asia, and beyond ?

Equidistance policy-Does Nepal wish to pursue a policy of equidistance if not already ? Is it pursuing a balanced relationship with the major powers ?

Participants from multiple stakeholders attended the event including government representatives, former ministers, ambassadors and diplomats, civil society leaders, policy makers, embassy representatives, members of the strategic community, academics and researchers.
