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**Subhas Chandra Bose Chair
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PODCAST TRANSCRIPT

EPISODE -06

The Long View

**India, China and the South Asian
Neighbourhood**

In Conversation with

Ms. Suhasini Haidar

Guest host

Prof. Ashok K. Kantha

**Subhas Chandra Bose Chair of International Relations
Chanakya University, Bengaluru**

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Diplomatic Editor, The Hindu

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**Subhas Chandra Bose Chair Professor of International Relations,
Former Ambassador of India to China**

The Long View | Episode-6

India, China and the South Asian Neighbourhood

In Conversation with Chair Professor Ashok K. Kantha and Guest, Ms. Suhasini Haidar

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Key Takeaways

- China's influence in South Asia has increased through trade, infrastructure, defence, investment and political engagement.
- Political instability across South Asia is creating new challenges and opportunities for both India and China.
- India must strengthen its neighbourhood ties instead of focusing only on competing with China.
- India should use its strengths in culture, connectivity, geography, trade, and people-to-people relations to build stronger regional ties.
- South Asia needs greater regional cooperation to address shared challenges such as food, energy, pollution, climate change and supply chains.
- India should engage more with young people and improve trade, travel, education and connectivity to make its neighbourhood relationships stronger.

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Editorial Note:

This transcript has been lightly edited for readability, clarity and British English. Repetitions, fillers, false starts and obvious speech-recognition errors have been removed or corrected while preserving the substance and conversational character of the discussion. The views expressed by the participants are their own and do not necessarily represent those of Chanakya University or the Subhas Chandra Bose Chair of International Relations. The opening promotional teaser has not been repeated in the main transcript.

Transcript

Prof. Ashok Kantha: Welcome to the sixth episode of the Longview. It is a platform of Subhash Chandra Bose Chair of International Relations at Chanakya University, Bengaluru, and what we try to do in this forum is to look at issues, not from point of view of headlines of the day, but we delve a little deeper and we step back because we believe that big changes are taking place today. With the apology to a very senior journalist who is my guest today, these changes are not always captured in headlines. For that, you need to look at trends, ruptures, possibilities, and that can happen only when you have somewhat unhurried our conversation. That is what we are going to do today. And today, the topic is something which is at the heart of India's security predicament, that is China's role in South Asia and in our neighborhood. How do we deal with it? And when we discuss China's role, India's role in neighborhood comes in because the two cannot really sort of be separated. And to explore that theme, we have a very distinguished journalist with us, Suhasini Haidar. She needs no introduction. She is the diplomatic editor of The Hindu. She also has a podcast I follow very closely, the WorldView program, which is very popular. She has taken a lot of interest in the neighborhood. She really believes that we are anchored in South Asia, in fact, it is at times fashionable to say that the rise of India can transcend its neighborhood. Neither Suhasini nor I subscribe to that theory. So today, what we will do, we will utilize the fact that Suhasini, not only has a granular understanding of what is happening in the neighborhood, but she can also step back and take a strategic view of bigger trends and developments.

Suhasini, welcome to Longview. You have spent long years reporting from across the neighborhood and the Indian Ocean. And a few people have watched the China factor play out in our region, as you have done. So let me begin with one question. What is the nature of the China challenge that we talk about? Is it about these big these infrastructure projects, the debt trap that we talk about, or is it something much deeper where China has started looking at South Asia as part of its strategic periphery, where it is engaged much more deeply through deployment of funds, through defense partnerships, or through something which can politely be called elite capture. So what is the nature of where China challenges, and do you think it has changed in recent years, especially the past decade, when Xi Jinping had been at the helm of affairs in China?

Ms. Suhasini Haidar: Thank you, Ambassador Kantha, for inviting me to speak about not just the subject that, as you said both of us share an interest in, but because these are issues that we tend to put things that aren't working at the moment, onto a back burner, which is the opposite of how perhaps it should be. So if our sense of our neighborhood of a South Asian region is not right now looking like a successful idea, it is important that we actually try to deal with it, engage with it, and find out why. I think when it comes to India and China, and of course, here we are talking about really the neighborhood, but when it comes to India and China, I always feel India has several fronts with China. We always focus on the LAC or on the bilateral issues India has with China. But then there are other fronts. There is the Indo-Pacific front, where for us are the maritime boundaries, but it also goes all the way up to the Pacific Ocean and to Taiwan in particular, which gets China interested. The third is perhaps not an

exact frontier. It is sort of a political frontier, and that is Tibet. The fact that there is in India, the government in exile as they call themselves. Certainly, it is His Holiness, the Dalai Lama, who lives in India. That is something that becomes a front every once in a while. But it is this frontier of the neighborhood, where India's own neighborhood seems to have become one of the frontiers where India has to grapple with the China challenge, that we have to look more and more at, particularly, as you said, in the last few years, because it is not just that India is trying to curtail or contain the influence China has in the neighbors. Let us be honest and put Pakistan on one side because that is a totally different relationship, but the other neighbors that we are speaking about, India is also having to grapple, (A), with those in our neighborhood who want to deal much more with China, and also (B) those in our neighborhood who would like to play India off against China. It benefits them to, in a sense, hold India consistently, hold our feet to the fire in terms of saying, well, we've always got the China option there. So I think that is the nature of the challenge. I am completely convinced that if India were to get its neighborhood right, it has an obvious advantage in the neighborhood. There is no question that in South Asia, India has much more in common with its neighbors. It is much more liked than any other big power. But we can discuss where that certainly goes off the rails. The last point you said, Has it become more difficult in the last decade since Xi Jinping came? I would say it is a little before that, because it is towards the end of the 2000s that we saw China begin to push on its land boundaries. And then in the early 2010s, when China started to look at its maritime boundaries more closely, lay claim on islands, lay claim on a push back on nine-dash maritime boundaries in the maritime region around the South China Sea, that we also saw China begin to look more closely at many of our South Asian neighbors. So I do think that it has been now a decade and a half of seeing China push much more into the neighborhood. And if you wanted to see the real contrast, I think you would see the early '90s to 2015 and '16. And with one small example, in the early '90s, when there was a kind of blockade on Nepal between India and Nepal, there were problems, there were bilateral issues, and there was some kind of a blockade at the border with Nepal. At that time, we had seen Nepali politicians go to Beijing. And they came back and wrote about how what the Chinese leadership said at the time was, we can help you with provisions, with resources, whatever you need. But eventually, your problems with India are yours to resolve in the region.

Prof. Ashok Kantha: True

Ms. Suhasini Haidar: The difference by 2015, 2016, when there was a blockade, was Beijing's decision to announce an eight-power point infrastructure agreement with Nepal and to say, yes, we're willing to open up and give you access to our land ports, and in a sense, not say anymore that essentially this was India's backyard, neighborhood.

Prof. Ashok Kantha: True. I think the point you made is very valid. I happened to be in Nepal from 1997 to 2000. At that time, the blockade was still pretty much a life memory. But you know Nepalese told us that some Chinese diplomats conveyed the same thing to us, that, look here, we tell Nepal that you have to make your peace with India. We cannot step in, that is not in the realm of a possibility at this stage. You will also recall that in '96 of November, Jiang Zemin, was visiting India. On his way, he visited Pakistan, and in his speech to the Senate of Pakistan, the message he conveyed was that, 'you need to sort of work out things with India'.

That is a really distant memory now. So things have changed very dramatically. So, Suhasini, I wanted to take the conversation to the larger geopolitical context and what is happening today, and argue that perhaps we are entering a phase which will be even more challenging. You have seen the recalibration in US-China relations over the last several months particularly, the Busan Summit in October last year, and more recently, meeting between Trump and Xi in Beijing, and understanding that they arrived on this constructive strategic stability framework. For the Chinese, it was a very big win because they were trying to get some framework for working with the USA on their terms, at least since 2012. At that time, Hu Jintao made an attempt, but did not succeed. In 2013, Xi Jinping reached out to Barack Obama and nearly succeeded, but Barack Obama stepped back. This time they agreed, and then you had Trump talking about G2, both at Busan and after the Beijing Summit. You know the way Chinese are looking at these developments is that China has come out stronger. And the USA first blinked in April last year during the tariff war which was taking place. And then they are quite keen not to offend China. This is one. The one conclusion they are drawing is that they have more space to deal with India. If you look at their strategic literature, they are suggesting that India is seeking improved relations with China because they are in a bad place vis-a-vis the USA. And with the USA, our relations are going through a rough patch. So will it be correct to say that we are facing a strategic squeeze from both sides? And that both in Washington DC and Beijing, our strategic salience has been eroded, and our neighbors are aware of that. And honestly, if we talk about strategic autonomy, we cannot deny the same option to our neighbors either. So they would also like to get the best deal out of our strategic predicament. How do you look at that? And do you think this is something which is going to last, which will become an additional complicating factor in our relations? You saw what happened during Operation Sindoor, with regard to the kind of unprecedented operational support China provided to Pakistan. You have seen US behavior in our neighborhood. With Pakistan, especially the dealings with the interim government in Bangladesh, completely unmindful of our sensitivities. So how do you look at this conjunction of circumstances, if I may say so, trends?

Ms. Suhasini Haidar: I think it is absolutely clear that in India's neighborhood, both the US and China are working out their strategies unmindful of India's concerns. Either they don't want to be mindful of where India's interests lie, or they actively are working against them. And I want to come back to that, but I do want to talk about the G2 idea because this gained so much salience when Trump went to Beijing, even though there was really nothing that came out of that visit. This idea of just for the moment, strategic stability between the two big powers of the world. The G2 was a term that I think was first brought up by a think tank in 2008 when the Obama administration had just come in. I think perhaps as they were, maybe 2009, were just trying to make some overtures to China when it came to the environment and other issues. And I think at that time, no official spoke about G2, but there was a massive reaction in India to this idea of a G2. And so for Mr. Trump to say it now, to say that I'm going to... Well, I think it was before Busan that he used the term G2. It was really quite shocking, given the history of it, that no official had yet used that term. Why does it upset India? Because one of the places where India and China, as you know, always disagree, is on the idea of a multipolar Asia. China would like to speak about a multipolar world, but not about



a multipolar Asia. In Asia, China would like to reign supreme. And what the US's idea of G2, and if you go by extrapolation to Mr. Trump's own idea of spheres of influence, you realize that this could, as an idea, lead to the world being carved up in terms of China's sphere and the US's sphere, and perhaps a little bit in the middle is Russia sphere or Europe sphere. But I do not think it is a long-term solution. There is no question that Thucydides trap, if you like, in some way or the other will come into play, which is that an established power and a rising power will inevitably go into a conflict. Apart from that, the US and China have spent the last few years making it very clear that their relationship is built for competition. That is how they see it and they can call it rivalry. They can call it some kind of strategic incompatibility, but actually, it is competition between the two of them. They have different worldviews, they have different ideologies, they have different internal underpinnings. Even though the US had for a while maybe become complacent and gotten used to the idea of a unipolar world and therefore gave China a leg up in the years you were speaking about the late '90s, I think it has become quite clear to the US that China did not grow as they had hoped, and China did not moderate as they had hoped. In fact, now we see China really going in the opposite direction. And China, too, has made it clear that they think Pax Americana has not done so well and maybe it is time to think about what Pax Sinica can bring for the world. If you look, we consistently speak about weapon systems, military, and how they are organized. They are now organized, not in terms of what we call the a-la-carte system. The US and China have very little, if any, overlap when it comes to how they are preparing for that big conflict with each other, whether it is over Taiwan, whether it is over some other area of interest for both of them. It may not come as a big conflict, but they are preparing for it. And I think they are also seeking allies that will choose one over the other. So in other words, even though they might speak about a G2 between them, they want those who are their allies to make it very clear that they are on this side of that. So I do think it is not a long term. When it comes to inside South Asia and how they are playing out, it has seemed haphazard. Because we are not necessarily seeing US versus China in our neighborhood. What we are seeing is China has a very systematic and strategic vision of how they have come to South Asia. We saw it perhaps in Central Asia before we saw it in South Asia, and we certainly see it now. We have seen it in Southeast Asia in the past, whether it was the Belt and Road initiative and how that was mapped out. I remember in the early days, China had hoped for BCIM, Bangladesh, China, India, Myanmar, the corridor, to be a part of the Belt and Road. So some of the maps of the Belt and Road initiative originally had those. But there is no question that China had a plan for South Asia that involved these inroads when it came to infrastructure being built. The UFWD, that does a lot of these development projects for China, has been extremely active. Also the Confucius Institutes. We don't have them in India, but we know that some equivalent of them work in our neighborhood. But it is a little more than that. And perhaps that is something we could discuss a little later. But if you were to look at 2008 or 2009 and compare it to 2019 figures on four parameters: trade, investment, tourists, and students. I have chosen these four parameters, but there are other parameters you could choose as well. If you were to look at China's engagement with each of its South Asian neighbors, you would find that in that one decade, China turned it around. If India was the predominant power in the neighborhood with the first in fact, the top sort of engagement when it came on these issues, within a decade,

China had turned a lot of it around. Not Nepal, because Nepal's land boundary with India still means a lot of the trade goes there, but that is changing as well. But in terms of investment, in terms of students being brought from South Asian countries and tourists being sent to them.

Bertil Lintner, when he wrote the book *Great Game East*, spoke about China's ability to put a panda somewhere as a sign of its soft power reaching places. And I remember him coming once and saying to me, I wonder where that first panda will appear in South Asia. He was worried it would be Bhutan because that had the best environment and the weather for it. But the truth was that China went about it in this very logical but certainly systematic way. Covid disrupted that. I think China's Wolf warrior phase disrupted that. But Trump America has also had its own contradiction. If you look at how America is working with the neighborhood, yes, there is an investment component with Mr. Trump coming to power and cutting USAID. It has got a lot of the US's programs, except perhaps the MCC, which is still working in Nepal, the Millennium Compact Challenge. But the US has tried in other ways, and it has actually built on its influence politically with each of India's neighbors, whether it is in terms of appointing an Ambassador who is now the special envoy for South Asia and Central Asia, or whether it is in maybe just nudging along movements inside these countries. There is no question that the US has taken a decision, and this is not pertaining to Trump alone. It also was the Biden administration before that, where they have built their own lines. Bangladesh, you mentioned.

Prof. Ashok Kantha: That happened during the Biden administration, actually, the first signals here.

Ms. Suhasini Haidar: And you see that America that makes it our principle was not necessarily sticking to any principles. In the same year that Pakistan had elections, and I am really jumping around with the years over here, but in the same year that Pakistan had an election, so did Bangladesh. And yet we saw the US announce sanctions for Bangladeshi officials who were seen as pro-Sheikh Hasina, making a point that they wanted free and fair elections in Bangladesh. However, when it came to Pakistan, there was an obviously stolen election over there where I think Imran Khan was winning and then he was not winning anymore. There were no dictats from America when it came. So it was very clear that America was trying to play an influential role in the region, even before the changes in these countries happened. And I think that is something India has had to deal with.

Prof. Ashok Kantha: True. If I could ask for a very brief comment on what you said about G2. I fully agree with you that G2 is unlikely to happen for two solid reasons. One, as you mentioned, a rivalry is baked in the system on both sides, in the USA and China. They will remain strategic competitors. In China, in fact, even the formal documents, they continue to describe the US-led West seeking to contain and suppress China. That assessment has not changed. A second assessment which has not changed is that the USA is a declining power. It is a declining but dangerous power. They are quite worried about certain signs of what the USA could do in Venezuela and also the way they could mobilize forces in Iran. So they are concerned, yet this competition will continue. So this period of strategic stability is mutual convenience. Both sides are buying time. Let us see which side uses that time better. I suspect China might be a better place there. That is one. The second point which I wanted to make



is that G2 will not happen because others have agency. You expect countries like Japan or India, or even Korea for that matter, will roll over and accept its sphere of influence carved out by Washington DC and Beijing. That will not happen. But what I have talked about is the G2 overlay, a perception that these two countries are working together that itself reduces the space available to others, including India. And this has happened even earlier. Earlier, we were talking about the Paris Agreement. What was the backdrop of the Paris Agreement? It was a bilateral deal between the USA and China, between Barack Obama and Xi Jinping. So that creates complications for us. Now, coming back to our neighborhood, we have talked about the bigger picture.

Let us now go into some of the individual countries. We have seen big changes taking place in three countries. Sri Lanka, where there was an atomic crisis, triggering a political crisis, where we stepped in a manner which, in a way, pulled Sri Lanka from the brink. So we played an important role as first responders in a very different sense. Then you had Bangladesh, which is again, a youth-led movement, but very complex in terms of forces involved. We did not quite read that properly, especially during the interim period. Signals were sent. We did not differentiate between people of Bangladesh and certain forces we wanted to hit or target. Then in Nepal, you have K.P Sharma Oli and that government collapsing. Now, we have Balen Shah, who is taking a much more assertive position, including a territorial issue. Now, these changes are happening and there are certain common threats. But there are also very specific forces driving these changes in three countries. How do you see this change, landscape, impacting China's position in South Asia, specifically in these three countries? And how do you see it impacting India's options vis-à-vis three countries?

Ms. Suhasini Haidar: Since 2019, this has been an extremely volatile region. It is just that perhaps compared to what was happening in the rest of the world. COVID, Russia's invasion of Ukraine, October seventh in Israel, and then Israel's bombardment of Gaza, we have seen the US's Tariff Wars. We have seen the US and Israel's war on Iran. Now we are seeing a possible end to that. Now, all of this is happening in the rest of the world. But in South Asia, you mentioned three. But I would say there was already this churn going on in Afghanistan, where by 2021, the Taliban took over. In Pakistan, we saw a youth movement of sorts that was really squashed by the military there, but it could have been much bigger. We saw the coup in Myanmar. In fact, the coup leader, President Min Aung Hlaing has been here in India, and he is now in China. And we also saw in Maldives, a street movement which had an unknown sort of leader, similar to what we have seen in all the others. Mohamed Muizzu, who was extremely hypernationalistic at the time, came to power, not something India had wanted and not something India had hoped for, particularly because he had come to power along with a movement that was calling for India out. Eventually, one of his first conditions to deal with India became that Indian soldiers or people in uniform should no longer be stationed in Maldives, and he was able to prevail on that. But the point being that this was beginning to look like an extremely volatile region. There were many reasons for it. There was the economic reason, of course, and the heavy losses due to COVID, loss of tourism, loss of exports, and a kind of economic disruption. In Sri Lanka, of course, we saw fertilizer security, food security, fuel security, in each of these countries, that has also played out. And a pushback of this Gen Z against what they saw as authoritarian government. So whether it was Sri Lanka, whether

it was Bangladesh, whether it was Nepal, that was what they were pushing. Eventually, the spark on Nepal was the shutting down of social media. So we have seen certain trends, if you like, in all of South Asia. What this has meant, I think for China, has been a new focus on South Asia, because as nobody knows better than you, the one thing China does not like is instability of any kind. And instability so close to the region makes it kind of double down. So we have actually seen China taking a greater interest politically in each of these crises.

And in another respect, which I think perhaps is an opportunity lost for India, because since 2016, India has refused to go ahead with the SAARC process. It is not just the SAARC Summit in Pakistan, there arguably, we could have allowed the process to move forward. After all, Prime Minister Modi did not have to go to Pakistan. We could have sent somebody else, perhaps the President could have gone. We could have, during the COVID years, pushed along the SAARC process to allow for a virtual SAARC hosted by Pakistan so that you move it to next. After all, in SAARC's entire history since the '80s, it has always got stuck, either when it is in Pakistan, sometimes when it is in India. But I think we lost that opportunity. And what we have seen is China trying to build South Asia frameworks that some people call as SAARC minus India. They have one framework, which is a Himalayan framework, working with Nepal, Afghanistan and Pakistan. They have other frameworks where they work on poverty alleviation, for example, where they involve all South Asian countries, but India is not a part of that. If you would remember, in 2014, China wanted to be a member of SAARC, and of course, there was a pushback there. So the question is, is China now using this instability in the region? And the fact that India has refused? I mean, we do have BIMSTEC, but one would say that now with the problems with Bangladesh, even that has fallen a little by the wayside. We are looking at a situation where it is likely to get more and more contested for India. As I said, when it comes to the US's role, this is a role that is perhaps, as I said, unmindful, unthinking, but it is increasingly coming closer and closer. During the war with Iran, one of the first acts was the American Navy torpedoing an Iranian ship in the Indian Ocean. Just more recently, three Indians dying, three attacks on ships in the Gulf of Oman, again in the Indian Ocean. What it is doing is threefold, whether or not it is meant to be that way. It is taking away from India the idea of its predominance when it comes to strategic power in the region. It is taking away from the idea that India can be a first responder. Instead, India has become a victim of sorts of US action. And it is letting India know that despite India's engagement with the US and with Japan and others, the QUAD, in the Indo-Pacific, that the Indian Ocean is not necessarily part of those understandings. These are all very dangerous, but also these are very important markers that India has to watch very closely because its neighborhood has always been all said and done, an area that India saw as its home. And if there were ideas of a zone of peace, those are all being shattered, not just by China's insidious, very systematic forays, but also the US is very unthinking forays.

Prof. Ashok Kantha: You are absolutely right. When it comes to South Asia, clearly, its strategic salience for China has gone up and which is reflected in facts and figures. You were citing earlier, you know one figure I would like to add is that last year China's trade surplus with South Asia was 167 billion dollars out of a global trade surplus of 1.19 trillion dollars. India was 116, but other countries were 51. It is a very large amount. In South Asia, they have top three recipients of Chinese defense exports, Pakistan, Bangladesh, Myanmar, in that order.



And the striking feature of what they have done in the last 10 years, has been the involvement in domestic political affairs of these countries. So they have suffered some losses. K.P Sharma Oli, they had invested and he became a non-performing asset. That is a different matter. But they are not giving up. They are continuing that BRI, CPAC, numbers have gone down a little bit, but in the initial phase, South Asia was number one recipient. So this all shows that they are taking a very different view of South Asia. Coming to the USA, the point you made is very important because there was a period, you will recall India-Sri Lanka Accord. A good part of the Accord was, in fact, about how to keep the USA out. From there, we moved to a situation where we started looking at the USA as a partner in South Asia. I think time has come to rethink because all instances you cited do not quite suggest that India and the USA are on the same page in South Asia. That complicates our policy to deal with China. Because we will have to do things on our own, not as part of a larger outsourcing to some of our partners. Let me come back to a couple of bilateral issues. You talked about churn in all these countries. I would like to take up one country you did not mention, but one country you are deeply interested in and that is Bhutan. In Bhutan, we are witnessing some signals which are quite disturbing. On one hand, in terms of ground situation, Doklam has been completely taken over by China. So 2017, we declared victory too soon. We did not realize that China has a plan B. That plan involved going around to Amo Chu valley, and they are there. So reaction time available to India for any Chinese movement towards Champari Ridge is very narrow now. And something you have written about earlier, how youth in Bhutan, for instance, are not quite looking at India. Their empathy and natural connection was there. There is a growing body of opinion in Bhutan saying that we must have better relations with China, both for economic reasons and for their own settling of boundary issues. How do you look at this? Because that is something we have always talked about, that one relationship which is solid, but does it look so solid now?

Ms. Suhasini Haidar: Well, I will certainly say the relationship remains solid. After all, Bhutan is one of those countries where we say this is the gold standard of India's relationship in the neighborhood, even though we had issues over the decades. But I think the leadership has made it clear that this relationship is above all the other problems we may have, and we can work them out behind closed doors rather than in full public view. Even India's very muscular policy towards other neighbors in the last decade that we have seen has not played out when it comes to Bhutan, even when we see things like Bhutan putting a new tariff on Indian tourists coming in, which started only after COVID. We did not see an Indian reaction. There was a much greater understanding of what Bhutan needed. When it comes to the border, there is no question that Bhutanese have been in rounds and rounds of talks, I think 24 or 25 rounds of talks with China, over the area that we loosely call the Doklam plateau, but it is a very specific area of grassland that is close to what we call chicken's neck, the Siliguri Corridor, which China has wanted to swap. And the swap they have offered Bhutan has been extremely advantageous to Bhutan if they were to accept it because it gives them control over double the area that China wants in Doklam, and it will close a gap, if you like, on the Bhutanese Northern frontier for them. China has also used not just the carrots, but also the sticks. A few years ago, you might remember China suddenly laying claim to Sakteng in the east of Bhutan. As a kind of reminder to Bhutan that there are tri-junction areas with India and other places

as well. Completely something that did not have a precedent, that was illogical even in terms of China's claims. But the fact that they made it at a wildlife and international conference, certainly worried people in Bhutan. So one way or the other, what we are seeing is a kind of nudging of Bhutan towards accepting this particular land agreement, whether they do it immediately, whether the Bhutanis, of course, have a lot of patience and take their time to do it. India should be prepared. And even Indian officials in Bhutan that I have spoken to say we should at least be prepared for what happens the next few days. And I think, to be fair, the government does have plans in place on how to protect India's boundaries there and how to solidify the control of those areas. But I think there is also a larger threat, and you pointed to it, that we must really look at, and that is this next generation and how to capture their imagination, which is not just a challenge for Bhutan but also for us. Prime Minister Tshering Tobgay, of course, has been there before. But prior to him, we had the first Bhutanese Prime Minister who had not been educated in India. This is something we have never seen because India had this what you call elite capture. India had a way of capturing the young of Bhutan, bringing them here for studies, bringing them here on fellowships, government officials who would come to train, not just in India, but in Bhilai, in Tata-

Prof. Ashok Kantha: K5 himself.

Ms. Suhasini Haidar: Correct. He was at the NDC. So that kind of connection has gone loose. Maybe India has had other preoccupations in that time. And that is something we have to think about. Very briefly, I would say there is a new project that India has to engage with, which is the Galifou Mindfulness City. This is something that is the Fifth King's own vision, own dream, 1,000 square kilometers to the south of Bhutan to build a South Asian SEZ, which is a carbon zero SEZ. So things like outsourcing, things like hospitality, hotels, health and wellness, spiritual destinations will be promoted from education as well. Now, these are going to need a lot of infrastructure and a lot of investment. They are meant to show the Bhutanese youth that there is a future. Can India be a part of it? Because India has got its own compulsions. India has to take care of its own youth and provide opportunities for it. But can India show a slightly larger heart, realizing that this is not just a connection to Bhutan, but a connection to India's own Northeast and the states over there, and can bring prosperity for the region in a way we had envisioned in a sense, with Bangladesh, when we had spoken about building more connectivity in this region? I think we have to think about that because if this project were to fail, then Bhutan may become dependent on other sources. And that would not be good for India either.

Prof. Ashok Kantha: Well, that brings me to my last question. You know the long view, how do we deal with not just China's challenge, but how do we deal with our neighborhood? Because I have felt that instead of obsessing over China's challenge, we need to put our act together when it comes to the neighborhood. And this is something we had an occasion of discussing separately, that neighborhood first policy is sort of running out of course, because that kind of summit-driven diplomacy, focusing on elites, focusing on ruling parties, is not working any longer. We need to look at new constituencies, you just referred to youth, for instance, which has played such an important, pivotal role in virtually all countries in our neighborhood. What do you think we need to do which will essentially involve working to our strength, which are



quite a few, in fact, with vis-a-vis our neighbors, because natural flows in virtually all these countries, with the exception of Pakistan, are towards India. They are not towards China. What can we do? If you had to give some suggestions ?

We cannot have Monroe doctrine, we cannot keep anyone out. But we need to create a more sticky interdependency. It cannot be dependency alone because dependency has become a very dangerous weapon. So you cannot expect our neighbors to become more dependent on us. What can we do in terms of, for instance, supply chains where neighbors become an important ingredient our own industry, even in terms of technology, book, 'Our Model', in terms of creating a different kind of economic ambiance, where India becomes truly an engine of growth in a non-reciprocal manner that we have talked about, but not really delivered on that. What do you think we need to do?

Ms. Suhasini Haidar: Well, I completely agree with you. I think India has advantages in this neighborhood that no other power does. And we have to understand that leverage, whether it is about culture, whether it is about family ties across boundaries, about food, and just the fact that we understand each other. I have been privileged because I was a journalist when SAARC still existed, but also I covered South Asia. And I have traveled to every one of these South Asian countries that was a member of SAARC. And I don't think it is an unnatural construct, as many try to project, South Asia doesn't really mean anything, one is going one direction. The truth is geographically, we have this region that is bounded by the mountains to the north, that is bounded by the waters to the south, that shares the same environment, that shares the same, as I said, culture, food, languages in common between us all. We all understand each other. Even in a country like Pakistan, if I were to show you a comedy show from Pakistan, you would get the humor immediately. There is no question that these are familial bonds, and we need to understand that leveraging them is not about the heart, but about the head, because each one of our future challenges can be better faced if we face them as a region, whether it is food, fuel, fertilizer, security. As a cartel, we could do a lot more because this is an area of growth, this is an area of demand, this is an area of young populations. When it comes to the environment, when it comes to pollution, there are no environmental problems that can be solved by one country in a silo.

Today, Maldives sees black clouds, brown clouds of pollution because of India and Pakistan. Bhutan has an AQI that goes up, even though Bhutan has no manufacturing because of India and Nepal. We have to understand that resolving these issues, and our own pollution issue that comes up once a year, the air pollution, requires an all-off airshed management approach. China did it. That's how China cleaned its air. We have to realize that the rest of the world is sorting out their problems regionally. That is the one thing we do not have. Every other part of the world is organizing itself in regions, even the African Continental Free Trade Agreement, or the parts of Africa. The European Union is a great case in point to compare. ASEAN countries, despite their differences, do organize themselves. There is also RCEP now, which is a little extra. You know MERCOSUR has it. Even the US has got its deal with Canada and Mexico. We need to understand that the rest of the world is organizing itself regionally because globalization has lost some of its cache. Going alone, protectionism does not work for most countries. What is the happy medium, the Goldilocks solution? That is the region.

If we are not able to take the benefit from that, when you ask what can India do, as you said, without reciprocity, without even explaining that we are not doing things in a reciprocal manner, I think there is a lot we can do, whether it comes to taking the duties down in the region, whether it comes to opening up trade.

Prof. Ashok Kantha: Non-tariff barriers.

Ms. Suhasini Haidar: Non-tariff barriers. Offering our trading and logistics advantages to our neighbors to use, opening out trade when it comes to buying produce from them or giving produce to them. One very small example, which Sri Lankans actually had first mentioned, is what if your LTA, Leave Travel Allowance, that massive government official numbers across India, is opened out to the region? Go anywhere in the region and you can claim LTA. What if you were to focus for once on connectivity in the region? There is no country in South Asia that can connect to the other directly without coming through India. Why can't India be a hub to them? Today, if somebody from the region wants to come to India and use it as a transit point, they have to sit separately. They do not have access to the same duty frees and others that they do. So this kind of prism of suspicion through which we see each of our neighbors should really be replaced by a prism of empathy, a prism of understanding what the other feels. And for that, the ability to walk in our neighbors shoes to understand. Because you know we keep saying, what are they worried about? We do not see ourselves as a threat to anyone. We think of our history where we have never threatened anybody. But our neighbors don't see it that way. Our neighbors see a real threat from a very large India, very muscular India, now increasingly majoritarian India. And India that is not necessarily pushing the values of secularism, pluralism, inclusivity, democracy as they used to, or certainly is telling its neighbors to do it, but not necessarily following it itself. So not an India that is leading by example in that sense. At that time, we need to see the prism of our neighbors a little more closely and perhaps encourage more travel. You know, my last point, and I say this at every school or college I ever go to, is make it a mission to travel to India's neighbors over land or foot or ferry. We have this idea that our neighborhood begins when we get on a plane and reach somewhere. So therefore, we look at Dubai and we look at Singapore. But we very rarely look at our own neighborhood and see it the way a Belgian looks at France or Spain and Italy or any of these countries in Europe have now come to see each other. If we do not exist in our own geography, then we are never going to be able to work together in that geographic sphere, I feel.

Prof. Ashok Kantha: Well, Suhasini, on that note, we'll conclude this conversation. But I couldn't agree more with you that we have to be comfortable in our geography. So any talk of transcending our neighborhood is not going to be helpful. The Viksit Bharat 2047 project which cannot happen, delinked from our immediate neighborhood. That requires a lot of fresh thinking. That requires also, in a way, revisiting, as you suggested, our entire approach to regionalism, because there are problems which cannot be resolved either bilaterally or even a sub-regional construct. Maybe that will be the subject of another conversation. But thank you very much, Suhasini, for sparing your time and for having this fascinating conversation today. Thanks a lot.

Ms. Suhasini Haidar: Thank you.



Summary

In the sixth episode of the Podcast Series, The Long View, Chair Professor Amb. Ashok K. Kantha and Ms. Suhasini Haider, Diplomatic Editor, The Hindu, discuss the theme 'India's Neighbourhood', focusing on China and South Asian neighbourhoods.

The conversation highlights the strategic complexities of 'India's Neighbourhood' and the expanding footprint of China across South Asia and explores how the 'China factor' plays a determining role in shaping India's relations with countries in the South Asian neighbourhood, including China's close relations with Pakistan. The episode also analyses these developments in the larger geopolitical context such as the recent recalibrations between the U.S and China and what implications this relationship could have for India.

The podcast conversation further highlights the importance of having an improved regional cooperation in South Asia and the need for countries in the region to collectively address shared challenges. The concluding segment of the discussion explores how India should design and adopt a different approach than China in managing its ties with the neighbouring countries.

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About the Guest

Suhasini Haidar is the Diplomatic Editor of The Hindu newspaper, one of India's oldest and most-respected dailies. Over a career spanning more than three decades, Suhasini has been on assignment in several conflict and covered major developments internationally. She was a reporter for CNN International and Foreign Editor at CNN-IBN prior to this. Suhasini regularly writes columns for The Hindu and presents a show on YouTube "Worldview with Suhasini Haidar". Suhasini is the recipient of a number of awards and has contributed to a number of books on Indian Foreign Policy and South Asia.

About the Host

Shri Ashok Kantha is the Chair Professor of the Subhas Chandra Bose Chair of International Relations at Chanakya University. A career diplomat with over 38 years of experience, he served as India's Ambassador to China (2014–16), Secretary (East) in the Ministry of External Affairs, and High Commissioner to Sri Lanka and Malaysia. He is a former Director of the Institute of Chinese Studies, New Delhi, and has held several senior positions dealing with China and India's neighbourhood. A specialist on China and South Asia, he was also the lead Indian negotiator for key agreements with China on the boundary question and military confidence-building measures.

Transcription Note: Audio transcribed using Happy Scribe and edited by Dr. Faareha Usmani, Non-Resident Fellow at Subhash Chandra Bose Chair on International Relations, Chanakya University, Bengaluru.



About the Chair

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