

INDIA AS THE ENGINE OF RECOVERY FOR SOUTH ASIA

A Multi-Sectoral Plan for India's
Covid-19 Diplomacy in the Region

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The Covid-19 pandemic presents an unparalleled challenge to the peace and prosperity of South Asia, home to one-fourth of the world population. Aside from the immediate health crisis, the pandemic also threatens to undo decades of economic development in the region and destabilize it socially and politically. It is imperative that India take on the leadership role in the region during this time of crisis. As the largest nation in South Asia, it needs to assume the responsibility of assisting its neighbourhood in combating the pandemic and getting on the path of a sustained recovery. This report, from the International Relations team at the Centre for Policy Research, offers a multi-sectoral action plan for India's Covid-19 diplomacy in the region, covering critical areas of health, food security, ecology, trade and finance. Focusing on the immediate problems as well as long-term challenges, the report envisions a prosperous South Asia, with India as its engine of recovery.

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1. Introduction

South Asia is a single geopolitical unit, with dense economic complementarities among its varied sub-regions. It is a shared ecological space. It has a shared history. Its peoples have deep cultural affinities even as they celebrate their immense diversity. But its current division into several independent and sovereign states is also a reality; as is the complex political dynamics among them. South Asia is not only a fractured polity. It is a fractured economy as well. Intra-regional trade in South Asia is less than 5% of the total external trade for the region as a whole. It is fair to say that South Asia is among the least connected regions of the world. It is less connected today than it was on the eve of the partition of India in 1947.

By virtue of being the largest, most populous country with economic and military capabilities that exceed those of all its South Asian neighbours combined, India becomes the fulcrum, the centre of gravity for the entire region. This very asymmetry of power holds both peril and promise for India's smaller neighbours. Peril, because its actions frequently over-ride the interests of its neighbours. This happens at times in absent-minded neglect; at times in prickly reaction to perceived attempts at balancing India's overwhelming footprint through extra-regional relationships. But there is also promise in forging a close partnership with India, which could effortlessly become a powerful engine of growth for the entire region. Its asymmetry in this sense is an advantage not a handicap. It could open its vast market to everything that its neighbours wish to sell and that would be a veritable drop in the ocean. It

could throw open its dense transport network and ports to facilitate both intra-regional and inter-regional trade for all its neighbours, which would make up a small fraction of what is handled each day by this network. India could lead the way to South Asia becoming a more integrated economic grouping. The creation of dense economic interdependencies among South Asian countries could also anchor more successful neighbourhood diplomacy. Mutuality of economic interest may help soften the political angularities inherent in asymmetry.

Given the porous borders of South Asia and regional interdependencies, India's recovery is inevitably entwined with that of its neighbourhood and vice versa.

A review of India's neighbourhood policy has become urgent in context of the uncertainty surrounding the immediate and long term impact of Covid-19 on South Asia. The health crisis is far from over and the total human cost of the pandemic is yet to be calculated. Meanwhile the threat of overwhelmed medical infrastructure in the region continues to loom. In the immediate aftermath of the pandemic borders have become even harder than before. Additional barriers have emerged disrupting movement of cargo and people. Countries like Nepal, Bhutan and Bangladesh and the island country of the Maldives are heavily dependent

on India for essential supplies of food, medicines and a range of consumer goods. On a longer timeline, economies of all South Asian countries have been badly hit by the pandemic. It is now clear that recovery will not be quick or painless. The longer the crisis endures the greater and more severe its economic fallout.

Not surprisingly, the need for a collective front found a strong echo during the virtual summit of the South Asian Association of Regional Cooperation (SAARC) leaders in March this year. But the broad consensus notwithstanding, there has been little to follow up on the commitments made in the summit. In terms of preparing a comprehensive regional response, SAARC remains far behind other regional groupings such as Association of Southeast Asian Nations (ASEAN) and the African Union (AU). Bilateral cooperation between India and its neighbours has also been limited in scope and measure. Collective learning opportunities to share information, experiences and lessons within the region have also been ignored.

Here is an opportunity for India to make itself the prime driver of recovery in the region since it has a scale of economic capabilities that the others do not have.

However, given the porous borders of South Asia and regional interdependencies, India's recovery is inevitably entwined with that of its neighbourhood and vice versa. Moreover, India's aspirations of becoming an influential actor on the international stage cannot be realised until it can convincingly demonstrate that it can play a meaningful role within the region. In the post-pandemic world, such a role

requires leading the neighbourhood on a path to sustained recovery. Finally, as the largest nation in the region, with a long-held reputation for acting ethically and altruistically in the world, India also has a moral obligation to assist its neighbours in this time of crisis.

The clichéd refrain of turning the crisis into an opportunity will hinge on New Delhi's willingness to design a comprehensive roadmap for South Asia. Here is an opportunity for India to make itself the prime driver of recovery in the region since it has a scale of economic capabilities that the others do not have. In what meaningful ways can Indian foreign policy repurpose South Asian regionalism post COVID-19? To what extent can the pandemic be a game changer that helps strengthen regional capacity building as a strategic priority within South Asia? What kind of potential pathways could this represent for SAARC's institutional journey?

This collaborative report from the Centre for Policy Research engages with some of these fundamental questions and presents a comprehensive assessment of options for India's neighbourhood policy in the post-COVID international system. The report offers a multi-sectoral action plan that New Delhi can adopt to assist South Asia's recovery from the pandemic. The practicable policy recommendations offered in this report cover critical areas of health, food security, ecology, trade and finance.

Rest of the report is divided in three sections. The first section looks at the key challenges facing the region. The second section reviews India's Covid-19 diplomacy in the region so far and presents an action plan. The concluding section explores possible pathways to reinvigorate South Asian regionalism.

2. Key Challenges Facing South Asia Due to COVID-19

In the last few months, a review of India's neighbourhood policy has become urgent. It is imperative to repurpose Indian foreign policy in the light of the daunting challenges that the pandemic poses. There can be no doubt that COVID-19 has cast a shadow on virtually every aspect of life, not least the economy. Economist, Hu Angang rightly refers to its impact as the 'three declines' (economic growth, per capita income and trade growth) and 'three increases' (unemployment, fiscal deficit and inflation).¹ It is little wonder that the COVID-19 pandemic has invoked parallels with

the Spanish flu of 1918-19, the recurring plague pandemic that raged from 1860-1960 and the Great Depression of the 1930s presaging the sharpest fall in global GDP and sharpest rise in record-high unemployment rates in recent memory. Geopolitically, the pandemic is clearly set to be a game changer by reordering global strategic equations radically.

The following set of three critical drivers will crucially impinge on both the manner and direction of India's COVID-19 diplomacy in South Asia.

Confirmed Cases of Covid-19 in South Asia

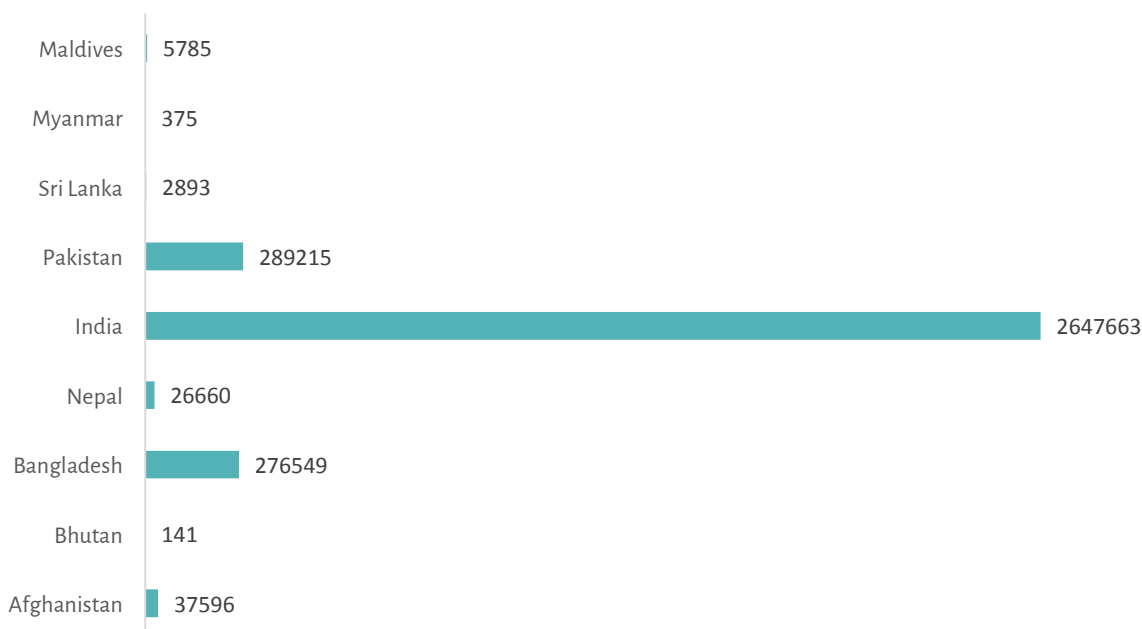


Figure 1: Source WHO (As of 17 August 2020)

¹ Hu Angang, "The World and China's Economy Under the COVID-19 Pandemic", 5 May 2020, accessed at

<https://valdaiclub.com/a/highlights/the-world-and-china-s-economy-under-the-covid-19/>

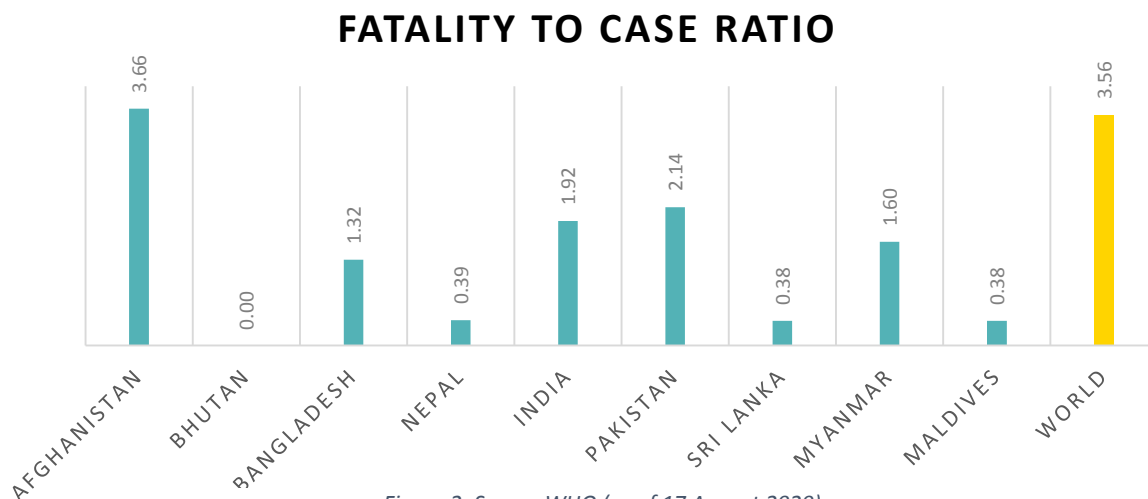


Figure 2: Source WHO (as of 17 August 2020)

2.1 A Regional Health Crisis

The pandemic poses enormous challenges for South Asia, which has close to a quarter of the world population and high population density.² With limited state capacities, some countries in the region are at risk of simply getting overwhelmed. At the beginning of the pandemic, it appeared as if its spread in South Asia was not too severe. However, in the last couple of months, the infection has proliferated in the region at a shocking rate. Currently, India has the third highest number of cases in the world and it is likely to become the most infected country in the world by 2021 if the pace continues unabated. In some other parts of South Asia, the pandemic appears contained for the moment. However, given the inevitable movement of population between these parts and the regional hotspots such as India, Bangladesh and Pakistan, the risk of new

outbreaks remains high. It now seems likely that the spread of the virus will peak in the region much later than the rest of the world. Worse, with lower than average rates of testing in South Asia compared to East Asia and Europe, a complete picture of the situation may not emerge until it is too late.

While there has been considerable attention paid to the direct impact of the pandemic, its indirect impact on national health is little understood as of now. As per a recent study by *Lancet*, the indirect effects of the pandemic on maternal and child mortality in low- and middle-income countries is likely to be more severe than the pandemic itself.³ A look at past pandemics such as Ebola is a sobering reminder of the long-term disruptive impact on basic and regular health services that tend to be neglected due to the overwhelming focus on the epidemic itself.

² Despite considerable efforts by South Asian governments, the testing rate in the region still remains relatively low. Even in countries with very low population, the testing has not reached close to the level now achieved in the developed world, while countries like India continue to have abysmally low rates of testing.

³ Timothy Robertson et al., "Early estimates of the indirect effects of the COVID-19 pandemic on maternal and child mortality in low-income and middle-income countries: A modeling study", *Lancet Global Health*, 12 May 2020.

2.2 Looming Economic Recession

The pandemic will also cast a long shadow on the economies of South Asian countries. In April, the World Bank had estimated that the region's overall growth rate would fall to 1.8 to 2.8% in 2020, its worst performance in 40 years. Since then, projections have become even more dismal. While in April, IMF's World Economic Outlook expected Indian GDP growth to be 1.9% in 2020 and 7.4% in 2021, by June it had revised the projection to expect a growth rate of -4.5% in 2020 and 6% for 2021.⁴ Lockdowns that accompanied the pandemic have crippled many sectors of the regional economy and

threaten the overall South Asian growth story. Threats such as capital flight or credit crunch continue to loom over the region. Severe decline in global trade and tourism is also expected to hinder regional recovery. Remittance outflows to South Asia are expected to decline by 22% to touch USD 109 million in 2020 as a result of the global economic slowdown brought about by the pandemic as well as the fall in oil prices.⁵ According to the latest projections, South Asia could see 42 million people pushed into extreme poverty.⁶

As per the Task Force set up by the Nepal government on COVID-19, the government would have to create 1.5 million new jobs if it is

Projected GDP Growth Rate 2020

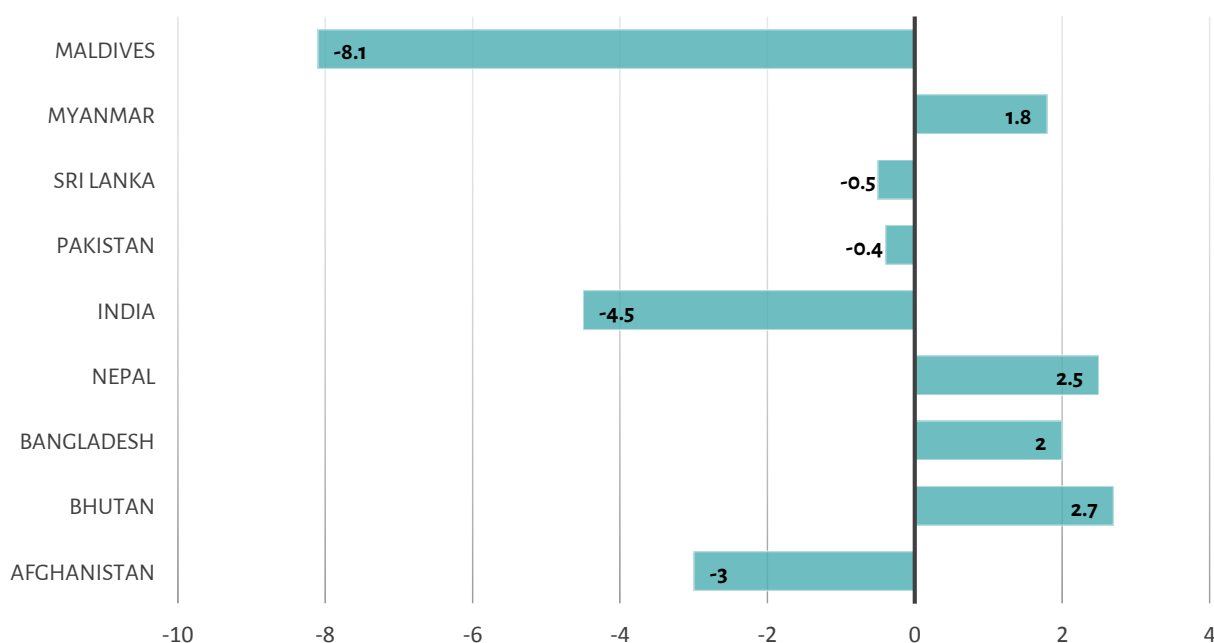


Figure 3: Source IMF

⁴ "World Economic Outlook", IMF, June 2020

⁵ Press Release, World Bank, 2020. "World Bank Predicts Sharpest Decline of Remittances in Recent History", 22 April, accessed at <https://www.worldbank.org/en/news/press-release/2020/04/22/world-bank-predicts-sharpest-decline-of-remittances-in-recent-history>.

⁶ Remya Nair, "India could see millions pushed into extreme poverty due to pandemic: World Bank analysis", *The Print*, 12 June 2020 accessed at <https://theprint.in/economy/india-could-see-millions-pushed-into-extreme-poverty-due-to-pandemic-world-bank-analysis/440298/>

to avoid an unemployment crisis.⁷ This is more than double the target of 700,000 jobs originally set by the government over the next fiscal year. Nepal has already registered more than a 60% dip in remittances due to the lockdown.⁸ As per recent figures released by Afghanistan's National Department of Labour, two million people have lost their jobs due to the pandemic.⁹ Fawzia Koofi, Afghanistan's first woman Member of Parliament and human rights advocate has called the situation a choice between 'dying from poverty or from COVID-19'.¹⁰

The pandemic is also compounding an economic slowdown that the economies in the region were struggling with since 2019. At least four countries in the region have already approached the International Monetary Fund for emergency funding. For countries like Sri Lanka, which were already facing severe debt problems prior to the pandemic, the current global financial crunch is likely to further worsen the situation.

The global slowdown is projected to severely impact South Asia's major exports - business

services, textiles and garments and transport equipment. This explains why Sri Lanka has been promoting the idea of 'Made in Sri Lanka', estimated to have a potential of USD 100 billion.¹¹ Similarly, India has launched the 'Atmanirbhar Bharat' (self-reliant India) campaign to shift focus on domestic manufacturing and service industries.

Fawzia Koofi, Afghanistan's first woman Member of Parliament and human rights advocate has called the situation a choice between 'dying from poverty or from COVID-19'

The region is also witnessing significant capital outflow. Since February, Sri Lanka has witnessed net capital outflow of USD 490 million representing about 0.6% of the country's entire GDP.¹² Foreign portfolio investors have withdrawn USD 6.4 billion from India's equity markets.¹³ According to the World Travel and Tourism Council, the pandemic has

⁷ Prithvi Man Shrestha, "Government task force says Nepal needs 1.5 million jobs to avoid unemployment crisis", *Kathmandu Post*, 16 June 2020 accessed at <https://kathmandupost.com/national/2020/06/10/government-task-force-says-nepal-needs-1-5-million-jobs-to-avoid-unemployment-crisis>

⁸ Mushfiq Mobarak, Bishal Chalise and Corey Vernot, "Measuring the Human Cost of Lockdown", *Nepali Times*, 13 June 2020 accessed at <https://www.nepalitimes.com/latest/measuring-the-human-cost-of-lockdown/>

⁹ "Afghanistan's Surging Unemployment Triggered by Coronavirus Outbreak", *Ariana News* (Kabul) 18 April 2020 accessed at <https://ariananews.af/afghanistans-surging-unemployment-triggered-by-coronavirus-outbreak/>

¹⁰ Mohana Basu, "Afghans Face a Choice Between Dying from Poverty or From COVID, says MP Fawzia Koofi", *The Print*, 13 June 2020, accessed at

<https://theprint.in/world/afghans-face-a-choice-between-dying-from-poverty-or-from-covid-says-mp-fawzia-koofi/440883/>

¹¹ Kelum Bandara, "COVID-19 an opportunity to reshape, reorient and reposition economy: Kenneth De Silva", *Daily Mirror* (Colombo), 23 May 2020 accessed at <http://www.dailymirror.lk/opinion/COVID-19-an-opportunity-to-reshape-reorient-and-reposition-economy-Dr-Kenneth-De-Silva/172-188821>

¹² "Policy Tracker", IMF, July 2020 <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>

¹³ "FPIs rush to exit India, withdraw \$6.4 billion amid Covid-19 uncertainty", *Business Standard*, 19 May 2020, accessed at https://www.business-standard.com/article/markets/fpis-rush-to-exit-india-withdraw-6-4-billion-amid-covid-19-uncertainty-120051900869_1.html

wiped out 100 million tourism jobs worldwide. The Indian tourism industry is projected to incur a revenue loss of INR 1.25 trillion in 2020.¹⁴

The impact of COVID-19 on oil prices and the global and Gulf economies is likely to result in the return of large numbers of migrant labor from the Gulf who will join the growing numbers of unemployed within the region.

Finally, beyond remittances, the impact of COVID-19 on oil prices and the global and Gulf economies is likely to result in the return of large numbers of migrant labour from the Gulf who will join the growing numbers of unemployed within the region. According to estimates by the International Labour Organization, nearly a million South Asian migrant workers have already returned home with close to 500,000 to Nepal and 250,000 to Bangladesh.¹⁵ Although this offers opportunities to restructure economies in the region towards more sustainable practices, the short term impact of this massive influx is sure to be disruptive. Moreover, given the track record of South Asian governments whether or not the opportunity will be grasped is not sure.

¹⁴ Jayajit Dash, "COVID-19 impact: Tourism industry to incur Rs. 1.25 trillion revenue loss in 2020", *Business Standard*, 28 April 2020, accessed at https://www.business-standard.com/article/economy-policy/covid-19-impact-tourism-industry-to-incur-rs-1-25-trn-revenue-loss-in-2020-120042801287_1.html

¹⁵ "Migrant Workers Need Support, Jobs At Home Amid Pandemic: Labour Body", *NDTV*, 24 June 2020

2.3 Dealing with Harder Pandemic Borders

In the immediate aftermath of the pandemic, it is a fact that borders have become even harder than before. Across the region, countries have imposed restrictions on trans-border movement to contain the spread of the pandemic. Many of these disruptions have severely impacted the handling capacity of freight corridors resulting in congestion at major seaports such as JNPT Mumbai, Chittagong and Colombo.¹⁶ This is further compounded by the dependence on manual transshipments at border points, lack of digital processing and automated inspections. Policy attention needs to focus on the revival of the freight transport sector within the region, which will be central to ensuring uninterrupted regional supply chains. Officials from India and Bangladesh held discussions in early May to explore effective ways to reduce congestion at custom stations and facilitate smooth movement of essential commodities. Currently, cargo trains are permitted between Petrapole-Benapole, Gede-Darshana, Rohanpur-Singhabad, and Radhikapur-Birol.¹⁷

A pressing priority will be to ensure expedited clearance procedures to prevent supply disruptions of essential goods and medical supplies across the region. Also vital would be to ensure the protection of front-line workers

¹⁶ United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), "Strengthening Freight Transport Corridors of South Asia in the Aftermath of COVID-19", Policy Brief, No. 6, May 2020.

¹⁷ "Dhaka, Delhi for Keeping Supply Chain Uninterrupted Using Railway Links", *Dhaka Tribune*, 3 May 2020 accessed at <https://www.dhakatribune.com/world/south-asia/2020/05/04/dhaka-delhi-for-keeping-supply-chain-uninterrupted-using-railway-links>

handling goods and cargoes through the provision of personal protection equipment. Countries like Nepal, Bhutan and Bangladesh and Maldives are heavily dependent on India for essential supplies of food, medicines and a range of consumer goods. While the offer of assistance is a good gesture, more important would be keeping open these supply lines for essential items and critical supplies. More than 60% of Nepal's imports are from India including essential commodities such as oil, medicines and food.¹⁸

Several pre-existing systemic factors have also severely impacted the capacity of the region to rapidly respond in times of emergency as well as adapt to changing demands on the ground. India has not been able to fully overcome the

political and psychological barriers that arise out of apprehensions of domination among its neighbours. South Asia's intraregional merchandise trade of USD 23 billion (as of 2015) remains far below the estimated potential of USD 67 billion.¹⁹ Lack of institutional connectivity has also worked to keep levels of border trade considerably below potential. In addition, complicated procedural requirements and paperwork have resulted in higher transaction costs and diverted trade to informal private channels at the cost of the exchequer. Multiple handling and trans-shipment of goods are common, resulting in mindless duplication of procedures. Lack of efficiency of border corridors has been a factor hindering competitiveness and trade expansion.

India as Trading Partner to the Neighbourhood (2018)

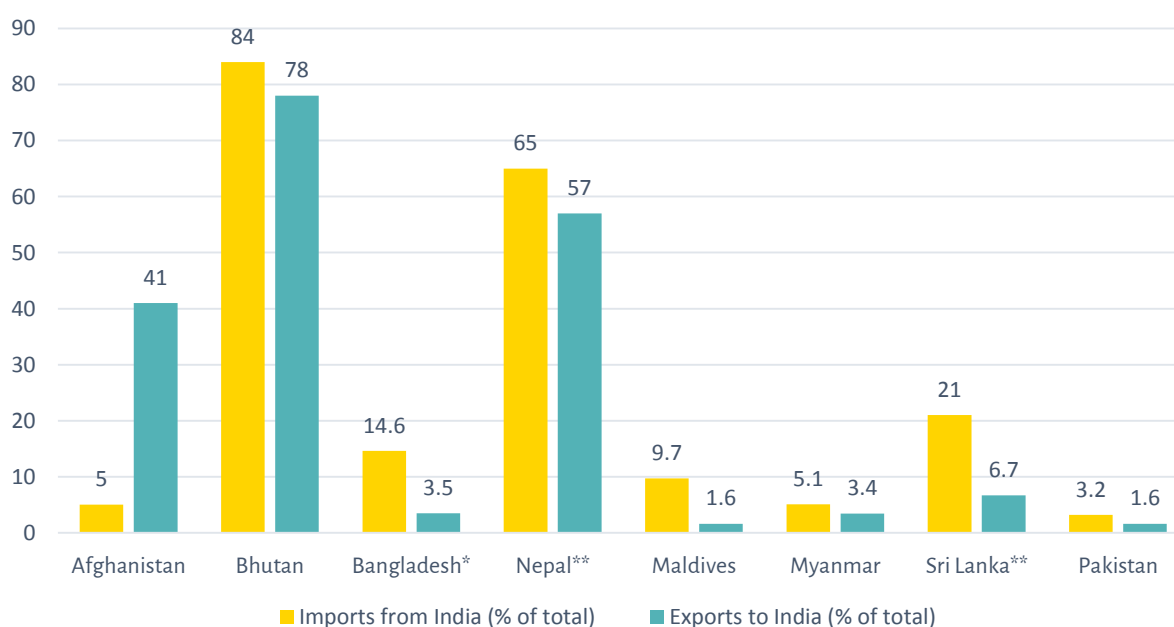


Figure 4: Collated from various sources. * for 2018-19. ** for 2017

¹⁸ Abhishek Sharma, Shiva Raj Mishra and Warren A. Kaplan, "Trade in Medicines and the Public's Health: A Time Series Analysis of Import Disruptions During the 2015 India-Nepal Border Blockade", *Globalisation and Health*, 13, No. 16, 2017

¹⁹ Kathuria, Sanjay (ed, 2018). "A Glass Half Full: the Promise of Regional Trade in South Asia." (<https://openknowledge.worldbank.org/handle/10986/30246>)

3. A Regional Action Plan

Early into the crisis, Indian Prime Minister Narendra Modi sought to organize a regional response to the pandemic by calling a virtual summit of South Asian Association of Regional Cooperation (SAARC) leaders on 15 March. It was a laudable initiative taken early into the crisis, when most other regional groupings were still struggling to get their act together. Since then, India has undertaken a range of bilateral and multilateral humanitarian and commercial initiatives to assist its neighbours and the global community at large. However, it appears that in the last couple of months, the momentum of regional cooperation has somewhat dimmed. SAARC nations have failed to follow up on their promises of regular consultation and cooperation, while no new initiatives have been proposed.

At a bilateral level, India has been proactive in offering critical humanitarian assistance to the neighbourhood. It has donated 25 tons of medical supplies including paracetamol and hydroxychloroquine tablets, surgical masks, gloves and other protective equipment to Afghanistan, Bangladesh, Bhutan, Maldives, Nepal and Sri Lanka.²⁰ India has also sent a medical team to Maldives. It has promised 750,000 tons of wheat to Afghanistan. It has also extended a swap facility to Maldives for USD 150 million. Another swap facility of USD 400 million was granted to Sri Lanka in July of this year after protracted negotiations.²¹

At the regional level, the most notable initiative has been the creation of the SAARC Covid-19 Emergency Fund with a commitment of USD 21.8 million from all South Asian countries, USD 10 million of which has been promised by India. However, the fund engendered controversy from the beginning as India and Pakistan disagreed over administration of the fund. So far, details of disbursements under the fund have remained unclear. Most of the disbursement has been on a bilateral basis rather than at a regional level.

Early steps have not been followed up with a systematic regional approach to combat the pandemic, many initiatives have fallen by the wayside and India's bilateral assistance to its neighbours has left a lot to be desired.

A number of other measures were also announced and follow up meetings held in April and May, such as the setting up of a website on COVID-19 to share information and best practices under the SAARC Disaster Management Centre, Gandhinagar; the setting up of a SAARC COVID-19 Electronic Information Exchange Platform (COINEX) that can serve as a platform for exchange of specialised information and tools on COVID-19 among health professionals and online training and e-

²⁰ "Transcript of Virtual Weekly Media Briefing by Official Spokesperson (June 11, 2020)", Ministry of External Affairs

²¹ "RBI signs \$400 mn currency swap facility for Sri Lanka", *The Hindu*, 25 July 2020

Looking back at India's Response to the 2004 Tsunami

Despite its early commitment to support the region in its efforts to fight the pandemic, India's assistance to its neighbourhood has been somewhat anemic and scattershot. In this regard, looking back at India's response to the 2004 tsunami in the Indian Ocean can be instructive. During the tsunami, India was one of the first to extend urgent aid and medical support to its neighbours not only in South Asia (notably Sri Lanka and the Maldives), but also in Southeast Asia. New Delhi had dispatched a naval group to carry out rescue operations in its neighbourhood, which began within 12 hours of the disaster. Navies of the US, Japan and Australia also began relief operations. To avoid duplication and achieve better distribution, four nations worked together closely. They set up a coordinating group at the Foreign Secretary level to share information and plans daily.

Within India, the Ministry of External Affairs (MEA), the Ministry of Defence and Indian Armed Forces, especially the Indian Navy, worked very closely. MEA and the Indian Navy held joint press conferences frequently to brief Indian and foreign media on the status of the relief efforts. India also committed Rs 100 crore (US\$ 23 million) for the long-term rehabilitation efforts in Sri Lanka and Maldives.

This brought wide exposure to India's efforts and capabilities as well as earning it goodwill from countries in the region. It also paved the way to closer defence cooperation between India, the US and East Asia including bilateral and multilateral naval exercises. It proved an eventual precursor to the Quadrilateral Security Dialogue between India, Japan, Australia and the US. India's experience during the 2004 tsunami is a useful case study to understand how the challenge of a tragic natural disaster can also offer opportunities to enhance India's international stature and develop closer strategic ties with other actors.

learning modules; a follow up video conference with senior health officials; a SAARC trade officials meeting and Health Ministers meeting organised by Pakistan attended by India; a SAARC WhatsApp Contact Group and video conferences for professionals on patient management, testing, disease surveillance, training webinars for health care personnel etc.

However, these early steps have not been followed up with a systematic regional approach to combat the pandemic; many initiatives have fallen by the wayside and India's bilateral assistance to its neighbours has left a lot to be desired. A deeper response and a daily update of India's assistance and support to its South Asian neighbours at the level of the Foreign Secretary or at least at the Joint Secretary level would have kept India's regional role in focus. In contrast, other nations in East

Asia and the Pacific have managed to capture international attention for their handling of the crisis and laid claims to international leadership in Asia.

To be sure, India has earned some goodwill in the region due to its humanitarian assistance. However, sustaining this goodwill will require making a transition from responding to emergencies to building resilience and investing in practices of trust and predictability. India needs to do much more in terms of offering leadership and support, especially to its neighbourhood. For example, preliminary studies, suggesting that rates of infection and mortality from COVID-19 in the region, South East Asia and even Africa are similar, could be the subject of deeper research and cooperation in the discovery of drugs and vaccines against the virus.

With a dysfunctional global safety net and limited state capacities in the region, South Asia remains extremely vulnerable to the health, economic and political challenges of the pandemic. As the leading nation of the region, it would be in India's enlightened interest to furnish as much assistance to its neighbours as possible. Given the porous borders and economic interdependence within the region, India's own recovery is deeply intertwined with that of its neighbourhood.

To play a leadership role in the region more effectively, Indian foreign policy needs to adopt a multisectoral action plan. The following section sets out a prescriptive mid-term agenda covering critical sectors such as health, food security, ecology, trade as well as fiscal and financial cooperation.

3.1 Cross-Border Cooperation in Health

Leveraging India's Strengths in Pharma and IT

As the third-largest producer of pharmaceuticals in the world with a share of 10% of global production, India can position itself to play a critical role in the search for a COVID-19 vaccine and its equitable distribution in the region. Being at the forefront of generic drug production, India can also effectively leverage its position as a global vaccine hub by making the vaccine available in regional and global markets at a low price. Currently, there are 14 big government-backed projects spread across eight cities of the country that are leading the search for a vaccine. Of these one

Learning from China's Aid to South Asia During the Pandemic

While China's role during the pandemic has engendered considerable controversy, Beijing has acted swiftly to lend support to countries across the world. China's aid footprint in South Asia has been considerable. Its assistance to the region has been characterized by the following features:

- **Multiple Types of Aid:** Much like India, China has dispatched large quantities of medical supplies to South Asian countries. However, its assistance has taken several other forms as well including construction of hospitals, support in maintaining supply chains, credit lines and converting existing Chinese infrastructure in the country into medical facilities.
- **Multiple Sources of Aid:** Aside from the aid dispatched by the Chinese central government, South Asian countries have also received aid from Chinese provincial governments, the Jack Ma Foundation and the Chinese companies operating in the country. By packaging details of these aid efforts together, Beijing has been able to present larger figures of its bilateral assistance.
- **Civilian Character of Chinese Medical Teams:** Unlike India, which has dispatched military medical teams to Maldives, Chinese medical teams sent to various countries (Pakistan and Bangladesh in South Asia) have consisted of civilian medical experts. This has allowed it to avoid unnecessary political controversy like the one that New Delhi faced in Sri Lanka in April when it was rumoured that an Indian military medical team will be sent to the island nation.
- **An Active PR Strategy:** Beijing has made concerted efforts to publicize its aid to various countries by making details of aid readily available and embedding Chinese journalists with its medical missions. In contrast, details of Indian aid to its neighbours is difficult to come by and has not been adequately publicized.

has entered the trial stage while four others are at an advanced stage.²²

Exploring Cross-Border e-Health Options

One potential fecund area that could quite easily contribute to benign Indian leadership could be regional cooperation among health professionals. India should actively explore options for cross-border e-health cooperation including web conferencing systems for sharing clinical knowledge and expertise among healthcare professionals in the region. A regional infectious disease epidemiology network programmed on the lines of the Global Infectious Disease Epidemiology Network (GIDEON) could be a valuable diagnostic tool. There are also interesting takeaways from cross-border disease surveillance networks around the world. For instance, the East African Integrated Disease Surveillance Network (EAIDSNet) established a web-based portal that links human and animal health disease surveillance. The European Union has also recently set up a COVID-19 Clinical Management Support System as an intra-regional platform.

Framing Regional Protocols for Logistics and Supply

India can take the lead in framing regional protocols in consultation with frontline border agencies for safe handling, supply and logistics chains at designated ports of entry. In particular, Customs and Sanitary and Phytosanitary agencies will need to draw up a standardised set of guidelines for the handling of cargoes as well as identify a list of critical commodities among others. In this regard, the recent agreement signed by the 16-member

Southern African Development Community (SADC) outlines specific procedures for facilitation of trans-border trade and transport in the region including protocols to be followed for decontamination at points of entry.

Institutionalising Cross-Border Inter-Agency Cooperation

India can effectively leverage already existing direct links between district administrations in India's border states and their counterparts across the border to institutionalise inter-agency cooperation in the region. For instance, District Magistrates and officials from Mizoram and Tripura have in the past held regular exchanges with their counterparts in Bangladesh to evolve shared strategies. Similarly, Manipur and Myanmar's Sagaing Division have also successfully collaborated in the past to expedite modalities of a private sector initiative in the health sector to conduct corrective surgeries in Myanmar.

Being at the forefront of generic drug production, India can effectively leverage its position as a global vaccine hub by making the vaccine available in regional and global markets at a low price.

Sharing Cross-border Regulatory Responsibilities

Different border agencies could share regulatory responsibilities that can lead to faster clearances on the ground. Joint customs and quarantine inspections or one agency

²² *Times of India*, 16 May 2020

undertaking exit and entry screening of drivers and workers on behalf of other agencies could yield all-round benefits. To avoid possible gridlocks and delays, modalities for coordination across several critical sectors such as Customs, Health, Logistics and Security agencies need to also be agreed upon. Best practices from Europe and ASEAN countries could serve as valuable reference points for such an exercise.

3.2 A Wake-Up Call for Food Security

The pandemic has alerted the world to a very real risk of global food scarcity caused by disruptions in food supply chains, impacts of the lockdown on harvests and dislocation of migratory labour. Historically a region with high food insecurity, the risk to South Asia is especially significant. To exacerbate the

problem, parts of the region have witnessed widespread locust attacks in the recent months. Further, with the global food supply at risk, the region cannot depend upon external aid or the global food market as the only solution. While only a few countries in the neighbourhood have witnessed significant food price hikes so far, there are concerns that food insecurity may be intensified across the region should the pandemic persist.

India is well positioned to assist the neighbourhood to alleviate any concerns of potential food scarcity. It expects a bumper harvest in the kharif season.²³ In June, its food reserves stood at a whopping 83.3 million MT, more than twice the national minimum required stock of 41.1 million MT (as on 1 July of each year).²⁴ India can take some steps immediately to assist the neighbourhood and create a regional food safety net.

Food Price Change between February and July 2020 (%)

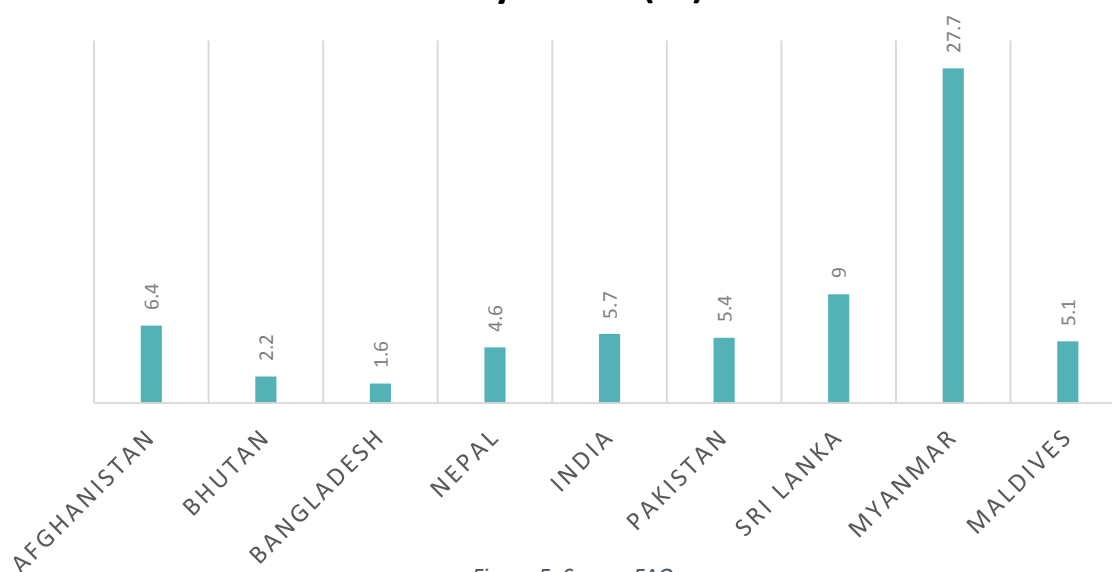


Figure 5: Source FAO

²³ "The Good News". *Indian Express*, 13 July 2020

²⁴ "Food Grains Stock in Central Pool for the years 2016-2020", Food Corporation of India

Regular Engagement and Information Exchange

India should immediately call for a meeting of neighbourhood agriculture ministers to discuss issues relating to food security and production arising out of the pandemic. It should also call for a meeting of the SAARC Food Bank Board. It should also pursue regular updating and expansion of the SAARC Food Bank Information System to ensure quick and smooth exchange of information.

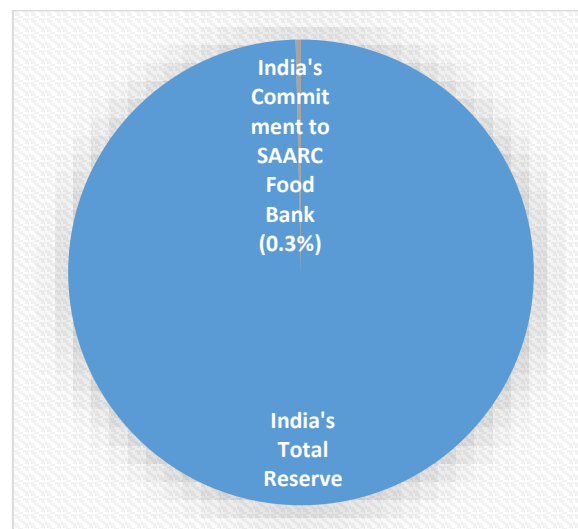
Increasing the SAARC Food Bank Stock

Currently, the regional commitment to the SAARC Food Bank stands at 486,000 MT, which is inadequate. For instance, even a 0.8% decrease in Bangladesh's food production from 2018 can offset the entire stock. India should unilaterally increase its contribution to the stock dramatically. Even though currently India is by far the largest contributor to the Bank, at 306,400 MT its contribution represents only 0.3% of the national reserve that the country currently holds.

Making SAARC Food Bank Easily and Cheaply Accessible

Despite a few instances of major food scarcity in various South Asian countries, SAARC Food Bank has never been utilized in its 13-year history.²⁵ To meet the current crisis, India should immediately call for making the bank more accessible. The eligibility criteria to withdraw from the bank in time of a crisis should be made less restrictive and a mutually acceptable, lenient pricing mechanism should

be put in place to ensure that critical time is not wasted in negotiations.



Lowering Trade Barriers

Over 70% of the population of South Asia depends for its livelihood on land, water and forests through subsistence agriculture, horticulture, animal husbandry, fishing, forest products and crafts in the rural sector. This remains a highly protected area in regional trade. Beyond more liberal use of national food stocks and reserves and food banks, the time may be right for India to consider bolder measures such as freer agricultural trade in South Asia. Nothing would galvanize regional trade and integration benefiting farmers at the grassroots than such a measure. While there will no doubt be resistance to such liberalization of trade within India and the region, as the biggest food exporter in the region, India should seek to lower tariff and non-tariff barriers to intra-regional food trade. It should take care to iron out any implementation challenges through close

²⁵ See: Rahman, M. "Operationalizing the SAARC Food Bank: Issues and Solutions", Development Paper 1803, UN ESCAP, November 2018

consultation with the neighbourhood. It should also ensure exemptions for the neighbourhood when imposing food export restrictions and be mindful of its negative externalities.

3.3 An Ecological Blueprint for South Asia

Closely related to concerns over food security is the pressing challenge that climate change presents for the region. While climate change is a global and cross-cutting challenge, there is no doubt that its effects will inevitably compound the stresses South Asia already faces due to demographic pressure, social changes, and continuing poverty. Therefore, there is a pressing need to evolve a South Asian perspective on climate change, taking into account the particularities that characterise the region.

Pandemics and Ecology

The linkage between pandemics and ecology needs to be acknowledged. It may not be obvious that there is a connection between the current pandemic and ecological degradation but in fact the two are interlinked. The growing risk of the transmission of zoonotic diseases such as HIV, Ebola, SARS, H5N1 and Nipah virus underline the risks posed by habitat fragmentation, degradation and wet markets. Half of all infectious diseases are estimated to be zoonotic in nature with three of every four infectious diseases being transmitted from animals to humans.

Monsoons and Food Security

There is now enough evidence that the monsoons are being affected by climate change. This is a grave concern given the overwhelming dependence of agricultural

ecosystems in the region on seasonal monsoons. For instance, the monsoons constitute the lifeline for 80% of India's farmers and have a decisive impact on farm output and economic growth. But despite the evident effects of climate change on seasonal monsoons, most climate models are unable to cope with these changing patterns, since they are based on trends that were manifest in a period of more regular and constant monsoon phenomena.

We urgently need to undertake a joint study of the evolving patterns of the monsoons under the impact of climate change, the likely effect on economic and social conditions in our countries, and what measures we need to evolve in order to adapt to these changes. Doing such studies on a national, bilateral or even trilateral basis would be insufficient, and would yield only partial results.

There is a pressing need to evolve a South Asian perspective on climate change, taking into account the particularities that characterise the region.

Preserving Biodiversity

Working together to formulate a region-wide plan to preserve the rich sub-continental biodiversity will be another critical priority. This may require setting up forest corridors and protected cross-border biodiversity zones, thereby protecting endemic species of flora and fauna. It is also necessary to undertake a region-wide inventory of biodiversity resources and create a SAARC gene bank. The wealth represented by the thousands of species of

medicinal plants and herbs is presently being lost because of lack of information and shared knowledge.

3.4 Restoring Regional Trade Cooperation

Given the importance of international trade for the region's growth, it is critical for South Asia to work together to minimise the impact of COVID-19 on it. The current pandemic is expected to have disastrous consequences for international trade. Early estimates by the World Trade Organization expect global trade to fall by 13%-32% in 2020.²⁶ This would mean that even the most optimistic scenario will be similar to the 2008 Financial Crisis and the worst case will be akin to the Great Depression.

Along with the trade disruptions due to lockdowns and fall in global demand, global

trade also faces the risk of rising protectionism in various parts of the world. Four of South Asia's major exports – business services, textiles and garments, transport equipment and labour exports – are expected to be severely affected, either directly or indirectly. Tourism makes up a significant share of the economies of Maldives, Nepal, Bhutan, India and Sri Lanka and will also be drastically affected.

In particular, India is expected to witness severe decline in its international trade. As the largest trading nation of the region, India should play a leadership role in ensuring trade recovery in the region. New Delhi needs to take a two-pronged approach on this issue – to preserve and enhance intra-regional trade, and to assist the neighbourhood in minimising the adverse impact of fall in global trade on them. Following are few steps that India can immediately undertake:

Projected Decline of Indian Trade in 2020 - Three Scenarios

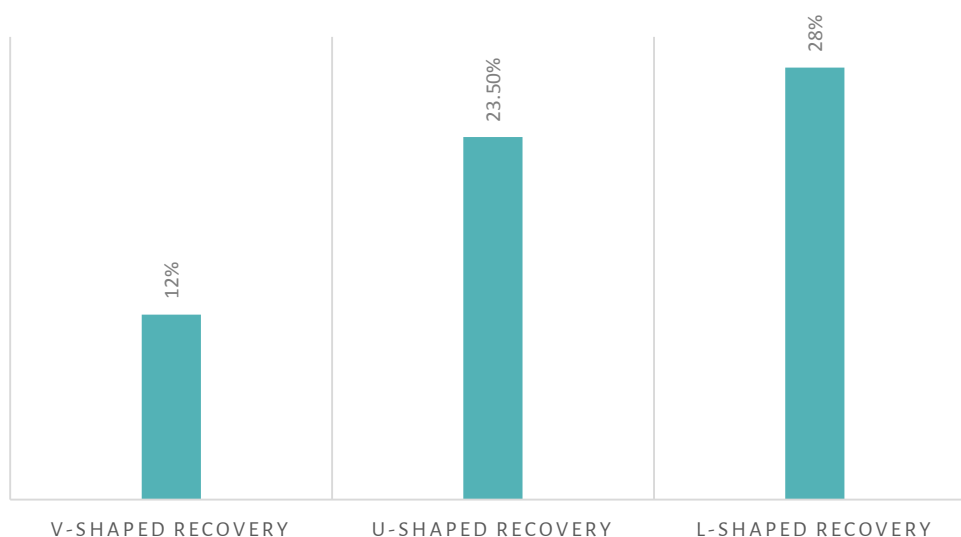


Figure 6: Source WTO

²⁶ WTO, 22 June 2020 accessed at https://www.wto.org/english/news_e/pres20_e/pr858_e.htm

Engagement of Trade Ministers

India should call for an immediate meeting of regional trade ministers to discuss the challenges of COVID-19 and develop a joint strategy for regional and international trade. Following the call of Prime Minister Modi for the region to cooperate, trade officials of the region met on 8 April 2020. However, this meeting needs to be followed up with far more frequent, high-level contacts and a more ambitious agenda. A mechanism should be established for trade officials to communicate with each other quickly.

Reducing connectivity costs

Trade costs within South Asia are the highest of any region. Reducing these will have very high payoffs – perhaps higher than those achievable via trade liberalisation. Speeding up electronic data interchange, using single windows and risk management systems, employing GPS tracking along border points will help to reduce such costs.²⁷ COVID-19 provides this opportunity since it is encouraging activities that are amenable to digitization. A relevant example here is Bangladesh's acceptance of electronic rules of origin certificates under SAFTA, until December 31, 2020.²⁸ India could coordinate and encourage greater use of digital clearance systems at borders, and offer technical assistance to its neighbours to that end.

India is not only a significant trading partner for the entire region, but also necessary as the critical transit route for the landlocked countries of Bhutan and Nepal. Covid-19 restrictions have disrupted the cross-border trade significantly. Even after India relaxed

internal restrictions, constraints on cross-border traffic with Nepal and Bhutan remained stringent.²⁹ India needs to put mechanisms in place to address such problems quickly.

Addressing Indian Quality Standards and Ensuring Effective Implementation

Another important initiative that India can take in regard to regional trade is to build capacity among testing and certification agencies in neighbouring countries to meet Indian quality standards. It is already doing this in Nepal, Bangladesh and Sri Lanka, but much more is possible on this front. One approach is to focus on food products that have stringent standards, as well as other products of prime importance to exporters in India's neighbourhood. To complement this, India can increase dissemination of information on its quality standards in the region, to minimize surprises for exporters at India's borders. Fast and effective implementation of such measures will go a long way towards building confidence and capacity in the neighbouring countries to export to India's vast market.

India should champion globalization and caution the world against autarkic tendencies. It should also leverage its upcoming G20 presidency in 2020 to advocate for critical reforms in the global governance structure in favour of the developing world.

²⁷ Kathuria, "Glass half full"

²⁸ "NBR relaxes rules on Certificates of Origin to facilitate global trade," *The Daily Star*, 31 July 2020

²⁹ "Indo-Bhutan or Indo- Nepal border continuing with tight restriction even in the 4th part of lockdown", *The Economic Times*, 19 May 2020

Expanding Regional Trade Finance

Often, one of the features of a global economic crisis is contraction of trade credit. While latest figures are unavailable as of now, it is reasonable to assume that South Asian countries will not only suffer a decline in available credit but also witness paucity of cash to carry on international trade. Trade finance is a key component of trade in the region. For instance, about 30% of Bangladesh's imports are financed by buyer's credit.³⁰

In recent years, Indian trade finance institutions have not paid much attention to the neighbourhood. South Asia makes up a very small percentage of the revenue that Indian banks earn from trade finance abroad. For instance, Sri Lanka constitutes less than 1% of the total revenue of Indian banking industry's trade finance activities abroad.³¹ In FY 2018-19, EXIM India disbursed Rs. 8.72 billion under the Buyer's Credit programme to 17 countries but none of them was from the neighbourhood.³² India needs to make concerted efforts to offer substantial trade credits to the region, which goes beyond petroleum exports and project financing. This will not only assist the neighbourhood in meeting its import demands in the short run but also deepen intra-regional trade in the long run.

Sharing Economic and Business Intelligence

While the economic fallout of COVID-19 is likely to be severe, it is also a moment of opportunity for South Asian exporters to gain new ground. This is particularly significant due to current

disruptions in global value chains. However, effective exploitation of these opportunities requires information. India should call for establishment of cooperative mechanisms to gather and share economic and business intelligence about global trade. This will help in ensuring minimization of intra-regional competition and maximization of collective gains.

Championing Globalization

Global economic crises often create temptations for countries to turn towards protectionism to make short-term gains. In the current international climate of hyper-nationalism, this risk is especially potent. However, for South Asia, international trade is critical to sustain growth. Using its position as a major actor on the world stage, India should champion globalization and caution the world against autarkic tendencies. It should also leverage its upcoming G20 presidency in 2020 to advocate for critical reforms in the global governance structure in favour of the developing world. Prime Minister Modi has already called for the world to come together to 'help usher in a new globalization' in the recent meeting of G20 leaders. India needs to pursue this idea and transform it into a pro-globalization international campaign. PM Modi should also assure the region that his call for self-reliance is not a call for trade protectionism within the region, and can in fact spur greater regional cooperation for self-reliance.

Revitalizing Regional Trade Associations

The India government should also seek deeper partnership with the private sector to enhance

³⁰ "Overall Import Payments", Bangladesh Bank

³¹ "Survey on International Trade in Banking Services: 2018-19", Reserve Bank of India, 31 Jan 2020

³² Annual Report, 2018-19, EXIM Bank of India

regional trade. One of the means to do so is to rely on regional trade associations. India should seek to revitalize the SAARC Chamber of Commerce and Industry. It should also seek deeper engagement with the Northeast Chamber of Commerce which has shown deep interest in cross-border trade in the past.

3.5 Fiscal and Financial Cooperation

As the largest economy in the region and an important actor in the global governance system, India can play a crucial role in assisting its neighbourhood in mitigating the financial fallout of COVID-19 by focusing on the following areas:

Enhancing regional engagement on finance

Following up on Prime Minister Modi's call for the region to work closely to manage the pandemic, SAARC Finance Ministers should start holding frequent virtual meetings immediately to share information and develop a collective response. SAARCFINANCE, the network of the region's central bankers and finance secretaries, should be revitalized and its meetings convened frequently. The SAARCFINANCE Database should be expanded to serve as an information sharing tool as it was originally intended.

Increasing Limits of SAARC Swap Arrangements

In light of the 2008 Financial Crisis, SAARC Finance Ministers had recognized that sudden credit crunch was a major cause of concern in the region. Accordingly, the Reserve Bank of India (RBI) offered a Framework for SAARC Swap Arrangement in 2012, essentially offering region's central banks currency swaps in rupees,

dollars and euros. The arrangement is intended to provide a back stop line of funding for the SAARC member countries to meet any balance of payments and liquidity crises. Backed by a corpus of USD 2 billion, each country has been given a ceiling of USD 400 million. Since then, India's neighbours have used this facility repeatedly and have sometimes requested additional lines going up to USD 1.1 billion.

With mounting liquidity pressure as the pandemic continues, South Asian countries require stronger lines of defence beyond their own reserves.

In the current pandemic, with the global financial markets in turmoil, Maldives and Sri Lanka have already approached RBI for swaps. With mounting liquidity pressure as the pandemic continues, South Asian countries require stronger lines of defence beyond their own reserves. RBI should consider raising the ceiling of USD 400 million per country, which has remained fixed since 2012. As a point of reference, the ceiling of Japan's swap line to India was USD 3 billion in 2008, raised to USD 50 billion in 2013 and went up further to USD 75 billion in 2018. With its recently approved swap line from the US Fed, RBI is well positioned to extend the safety cushion to its smaller neighbours.

Offering COVID-19 Lines of Credit

India should offer specialized lines of credit to its neighbours to assist them in meeting their mounting healthcare costs and financial fallout from the pandemic. India can offer such loans bilaterally, or it can do so on a regional basis, perhaps by contributing to and leveraging the

Central Government's Debt to GDP Ratio (%)

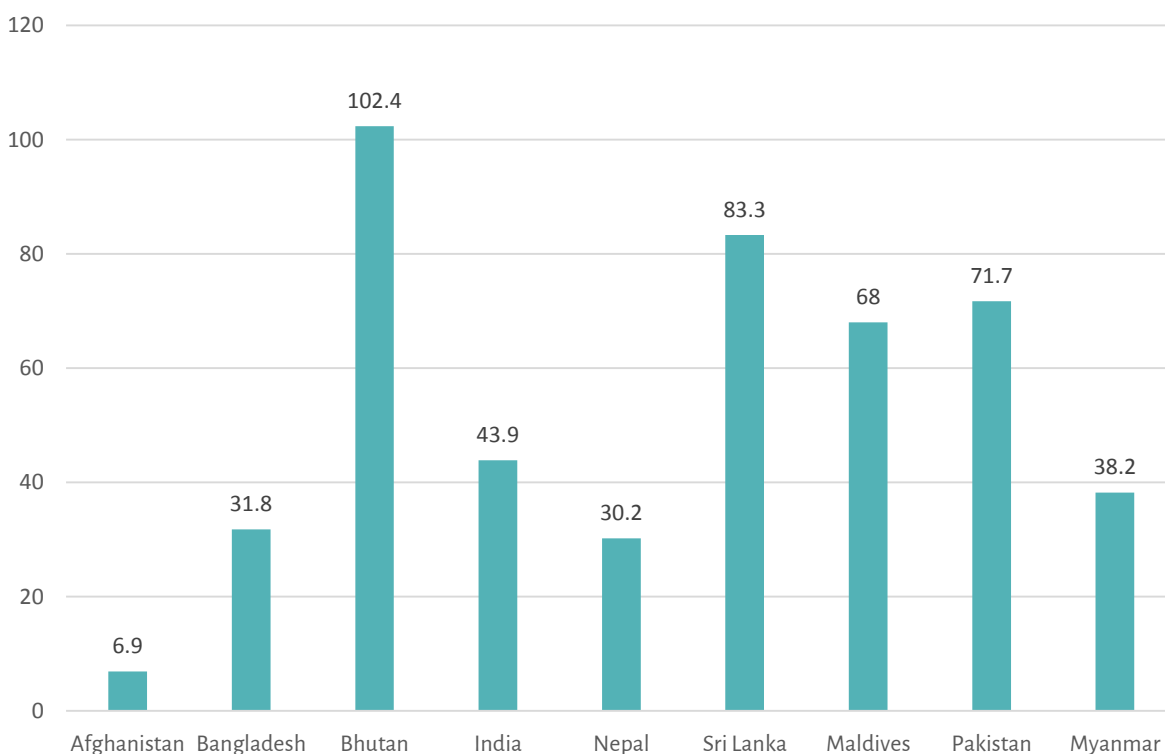


Figure 7: Source IMF

COVID-19 SAARC Fund, thereby using it as a vehicle to enhance regional cooperation. It is important to note that in March 2020, China gave Sri Lanka a concessionary loan of USD 500 million to support Colombo during its financial problems and the COVID-19 crisis.

Advocating Debt Relief

The pandemic arrived at a time when the world was already witnessing a historically unprecedented 'debt wave'. While debt vulnerability of South Asian countries is varied, some are likely to face severe pressures especially given the economic fallout of COVID-19. Thankfully, the world's major creditor countries have already suspended debt service for the poorest countries of the world. Under the term sheet issued by the Paris Club, all

South Asian countries (except India and Sri Lanka) are eligible for this moratorium until the end of 2020 from official creditors. There is also conversation to extend the moratorium further into 2021.

However, more will be needed. The initiative needs to be expanded to bring in private creditors as well. For instance, 30% of Maldives' long-term external debt is held by private creditors. There may also be need for longer moratoriums and sustained debt relief. As a major official creditor in South Asia, India can lead by example by suspending or restructuring its loans to the neighbourhood. It can also use its position in G20 and other multilateral organisations to advocate for wider debt relief for the neighbourhood from international lenders.

Assisting Neighbourhood Remittance Flows

Remittances from migrant workers and the diaspora are a critical source of income for the countries of South Asia. With the economic impact of the pandemic being felt across the world, coupled with rising barriers to mobility, remittance flow is likely to fall across the subcontinent. The Middle East, one of the biggest sources of remittances for the region, is likely to see severe economic fallout due to the additional pressures of low oil prices. While there is little that India can do to help the neighbourhood in terms of decline in remittances, it can leverage its international banking infrastructure to minimize disruptions and lower the transaction cost of the remittance flow. India can also help its neighbours in expanding the number of migrants using formal channels for sending remittance back

home and enhance the ease of access to digital banking.

Revitalising and Expanding Asian Clearing Union

Asian Clearing Union is a unique payment settlement facility between most South Asian countries, Myanmar and Iran, used to clear payments on a multilateral basis. In times of an economic crisis, ACU can play a significant role in easing the pressure on member country reserves. Indeed, the 2008-10 period witnessed the highest usage of the facility by transaction amount in its history. As one of its significant members, India can steer the Union to play a meaningful role in the current crisis by proposing reforms like inclusion of local currencies and by expanding its membership by canvassing other nations of Southeast Asia and the Middle East.

Remittances as Ratio of GDP

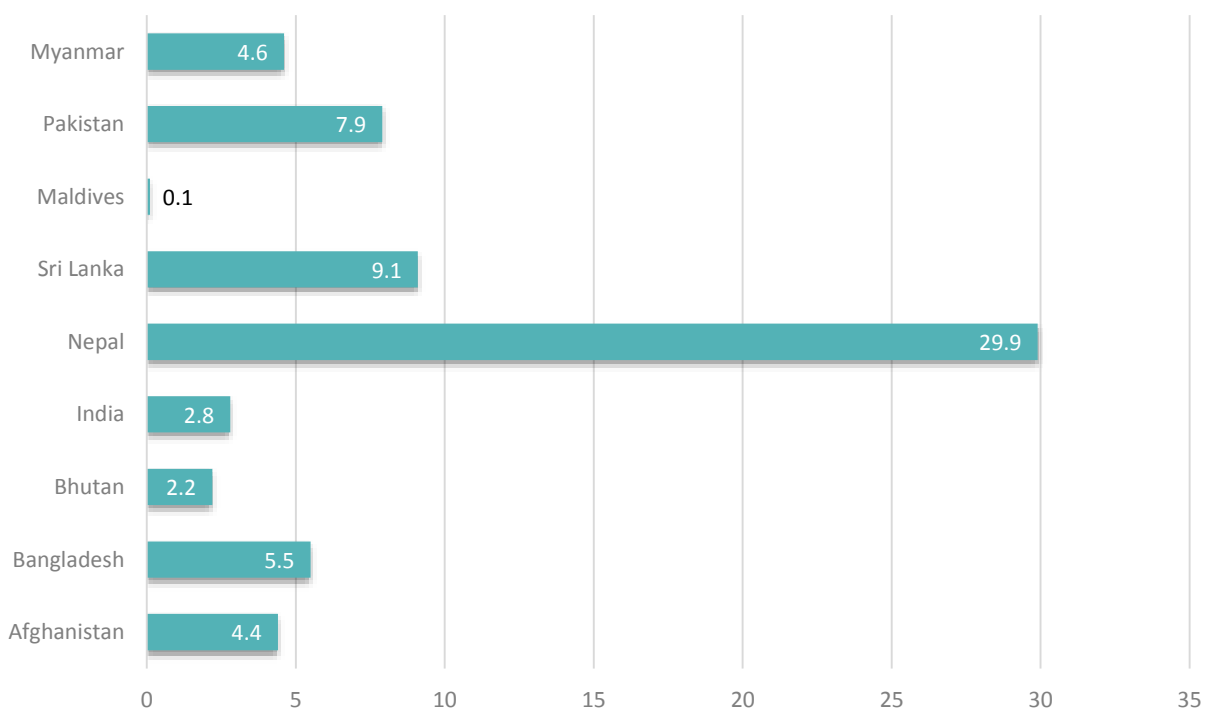


Figure 8: Source World Bank

4. Reinvigorating South Asian Regionalism

While SAARC has evolved into a consultative forum, it is yet to evolve into a credible regional entity with an impressive record for joint action on collective action problems. Ironically, despite being plagued by weak institutionalism, trust deficit and stasis, the need for institutionalising functional cooperation has never been greater.

The pandemic could be a catalyst for initiating precisely these kind of long-overdue conversations within the region. The list of region-wide, crosscutting challenges that confront South Asian societies has been growing longer by the day. These include the pervasive poverty of large sections of its people, and the scourge of cross-border terrorism, human trafficking, environmental degradation,

The list of region-wide, crosscutting challenges that confront South Asian societies has been growing longer by the day. These include the pervasive poverty of large sections of its people, and the scourge of cross-border terrorism, human trafficking, environmental degradation, climate change and now pandemics, to name just a few.

climate change and now pandemics, to name just a few.

When one talks of alternative scenarios for foreign policy, one must also talk of 'alternative diplomacies'. The locational advantage of border states as primary points of contact with the neighbourhood can enable it to play an important role in transboundary governance in a post-COVID region. Sectoral regional dialogues on cross-border trade, transport, health steered by field-level actors can do more to instill trust among India's neighbours than if these were to be only steered by New Delhi.

Strengthening the Convening Capacity of BIMSTEC and BBIN

Strengthening the convening capacity of BIMSTEC and BBIN to play a more direct role in these areas can send the right signal at this stage to back Prime Minister Modi's intention to revive and repurpose SAARC. Many of these challenges require institutional solutions and not all of them need to or can be managed by the Centre. The history of cross-border regionalism reiterates that these delegated cross-border functions are not zero-sum equations but can instead be instances of cooperative federalism in action.

Repurposing BIMSTEC and BBIN will call for moving away from the top-heavy institutional structure that characterises sub-regionalism in South Asia. For instance, it was New Delhi that hosted the BIMSTEC's Working Group Meeting

to negotiate regulation of passenger and cargo vehicular traffic in 2018. The Annual BIMSTEC Disaster Management Exercise was hosted by New Delhi in 2017. New Delhi also hosted the meeting of the BIMSTEC's Working Group on Customs Cooperation in 2018. The nuts and bolts of resuming cross-border trade such as framing protocols and chalking out standardisation procedures are best delegated to border agencies. Meetings to forge inter-agency coordination customs, disaster preparedness and transport can be hosted by border agencies and stakeholders on framing protocols and guidelines for resuming cross-border trade.

Strengthening the Formal and Learning from Informal Regional Networks

Indian foreign policy also needs to balance formal, inter-governmental initiatives with informal, bottom-up processes. Importantly, both formal and informal arrangements can produce lasting functional interdependencies that need to receive the highest political backing. Informal networks can work with—and not necessarily at cross-purposes with the Centre on regional public goods. An interesting example in this regard is the Mekong Basin Disease Surveillance Cooperation (MBDS), which began in 1999 as a subregional forum among six member states (Cambodia, China, Laos, Myanmar, Thailand and Vietnam) with a focus on border health. It went on to get formalised in 2001 with a Memorandum of Understanding among the member countries.

There are also interesting instances from cross-border regions that have succeeded in circumventing the geopolitical logic to operationalise issue-based linkages. For instance, the Middle East Consortium on

Infectious Disease Surveillance (MECIDS) is an example of a network of public health experts and officials from the Palestine Authority, Israel and Jordan formed to collectively combat the 2009 H1N1 influenza.

For the sake of our collective future, we need to shed the hesitations of the past, and take bold and visionary steps. This is the compelling requirement of our time.

The key takeaway has been the willingness to find common ground and collaborate in a region beset by endemic geopolitical tensions and conflicts. Any reappraisal of India's South Asia policy thus at the outset needs to map the diversity of this engagement by looking *inter alia* at the nature of engagement (formal and informal); activities (social, economic, cultural, political); duration (sustained and episodic) and actors (public and private).

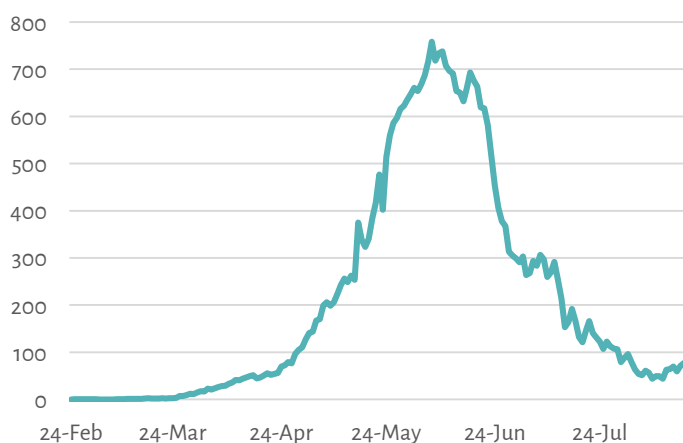
Realising the Vision of a United South Asia

South Asia has succeeded in establishing its identity as a credible and relevant regional entity, though the SAARC organisation does not yet have an impressive record of joint action on shared challenges. SAARC has evolved into a consultative forum rather than a vehicle for collaborative action. There is an urgent need for it to become an empowered regional body to address these challenges and India will need to take the lead in this regard. For the sake of our collective future, we need to shed the hesitations of the past, and take bold and visionary steps. This is the compelling requirement of our time.

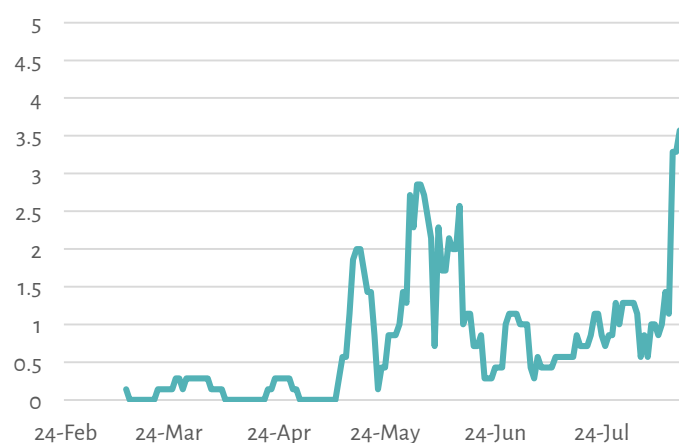
Appendix 1: Who is Bending the Curve?

Country-wise daily cases of Covid-19, smoothed and averaged over a rolling 7-day window. Source: *Our World in Data*. Data until 17 August 2020. Graphs are on different scales and not comparable.

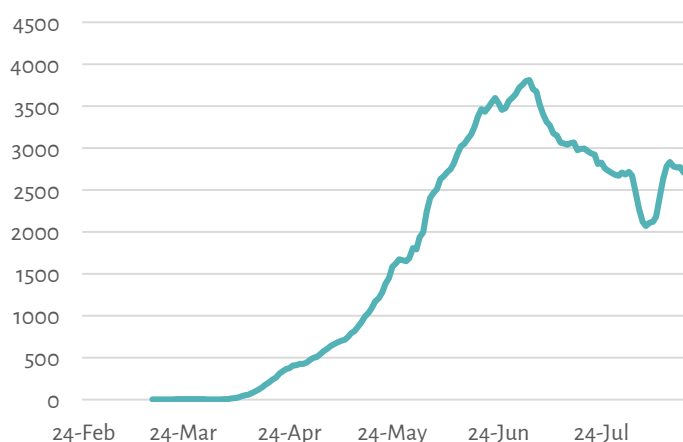
Afghanistan



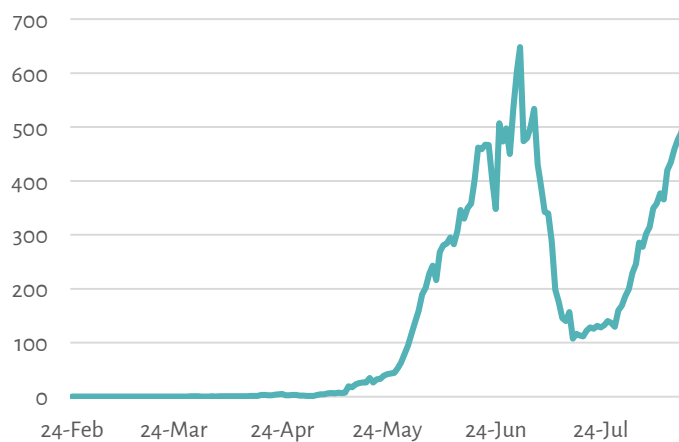
Bhutan



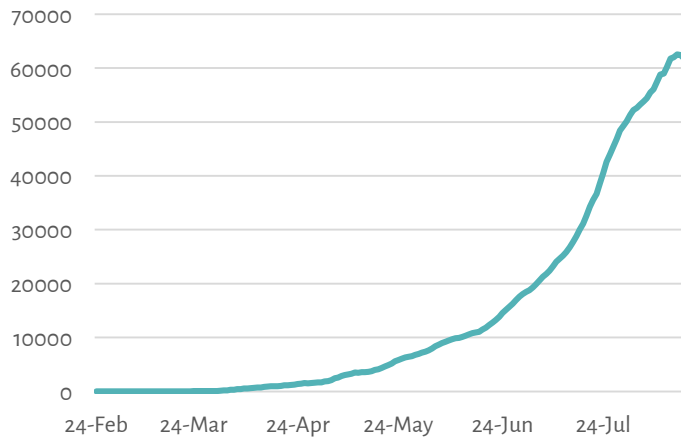
Bangladesh



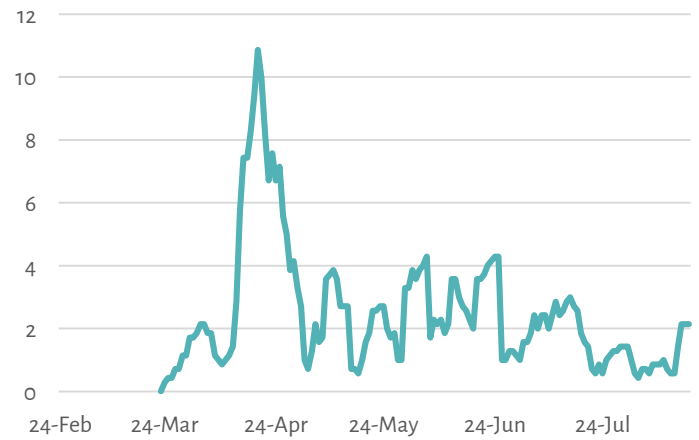
Nepal



India



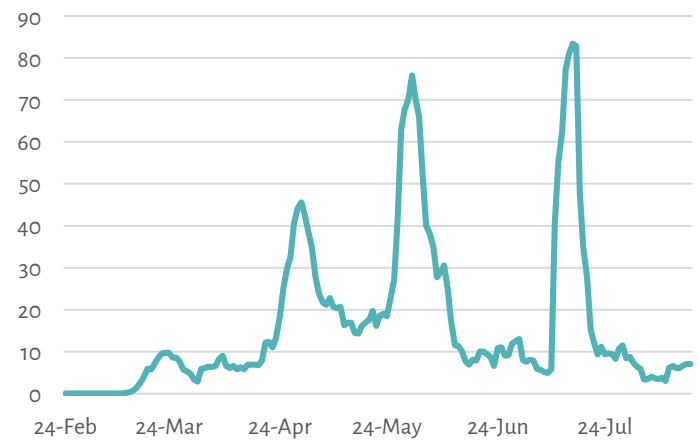
Myanmar



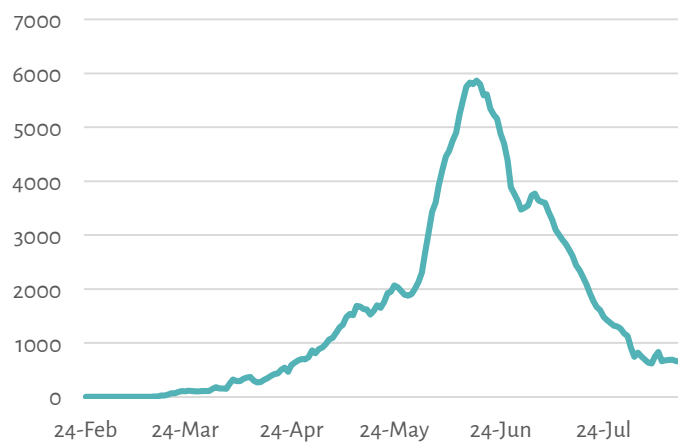
Maldives



Sri Lanka



Pakistan



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