

Crisis from Kolkata to Kabul: COVID-19's Impact on South Asia

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Cover: An Indian volunteer wearing a protective mask and face shield stands guard on a road, as India remains under an extended lockdown due to COVID-19 on May 6, 2020 in New Delhi, India. (Photo by Yawar Nazir/Getty Images)

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INTRODUCTION

The world's most populous region, South Asia, with almost 1.9 billion people living in eight countries, has so far had fewer reported infections and fatalities per capita from the novel coronavirus than projected in early models. However, the region is unlikely to escape the widespread disruption and damage felt across the globe, and its worst health-care crisis may be yet to come.

In South Asia, as in other regions, the COVID-19 pandemic is testing the capacities of states to provide security and effective healthcare and to maintain essential services. It is also having an impact on fragile democratic institutions and societal bonds, in addition to putting considerable strains on the economy.

It may be that India, Pakistan, and other countries in South Asia have a low number of confirmed cases because the region is behind on testing, tracing, and isolating. Although inadequate testing is a problem in other parts of the world, too, it serves as an excuse for South Asia's governments to keep the publicly stated numbers in check.

Governments share figures only for those who have been tested or otherwise accounted for in woefully ill-equipped

Photo Caption: Medical staff light candles for World Nurses Day at the Sawai Man Singh Hospital during India's nation-wide lockdown in Jaipur on May 12, 2020. (Vishal Bhatnagar/NurPhoto via Getty Images)

public-health systems. There may be other patients who are not being counted, inadvertently or in some cases, deliberately. Government-mandated lockdowns, first introduced in Bangladesh and India and subsequently adopted across South Asia, have been somewhat successful, but the extent of the region's exposure to COVID-19 is still not fully known.

India and its neighbors have many people under the poverty line, insufficient investment in social capital, especially healthcare, and large migrant labor forces. Even if the numbers of fatalities and confirmed cases remains low, the International Monetary Fund (IMF) has predicted that the pandemic will have a devastating impact on South Asia's economies.

The IMF projects that India's economy, which until recently was expected to contribute to global growth, will experience further slowdown.¹ According to the IMF, Nepal, one of the smaller South Asian economies, will become the fastest-growing economy in the region with 2.5 percent growth, followed by Bangladesh with 2 percent, then India with 1.9 percent.

Sri Lanka is expected to have negative growth, with its economy shrinking by half a percent. Pakistan is likely to be the worst hit, with negative economic growth of 1.5 percent.

India, the largest country in the region, would ideally be suited to playing a major role in rebuilding its neighborhood because of its central location and large economy. It would be in the U.S. interest to encourage this outcome. India, however, would simultaneously be dealing with a slowing economy, rising social tensions, divisive politics, and insufficient investment in healthcare.

There is a geopolitical reason, too, for the United States and other democracies to encourage Indian regional leadership in post-pandemic rehabilitation. China has been expanding its influence in South Asia and could step in more aggressively to assist weakened governments with a view to controlling them in

the future. India could emerge ahead in the contest with China with the right mix of policies.

India has opted for a regional response to the COVID-19 crisis and offered technical assistance and medical equipment to its neighbors, some of whom remain wary of China. Beijing's lack of transparency at the outset, when the coronavirus first appeared in Wuhan, is also unlikely to enhance confidence in Chinese leadership. China would still have the advantage of its larger foreign currency reserves and the ability to offer loans and investment. This can be mitigated through closer collaboration between India, the United States, and other democracies.

The country worst hit by COVID-19 in South Asia is China's most dependable ally, Pakistan, the second-largest country in the region. A fragile state with a large military, a strong jihadi terrorist presence, and nuclear weapons capability, Pakistan's many fault lines are likely to be exacerbated by the pandemic and the economic downturn in its aftermath. The slow and fumbling response of Pakistan's civilian government has already positioned the military to step in and take charge once again, diminishing Pakistan's civilian democratic facade. This will only strengthen China's grip on Islamabad.

Pakistan's response to the coronavirus resembles that of Sri Lanka, another country heavily indebted to China. Both Pakistan and Sri Lanka focused their early comments on praising Beijing. Pakistan even helped Chinese propaganda by spreading conspiracy theories claiming that the virus originated with British or US biological warfare preparations.

Although Pakistan's precarious economic situation has led it to seek assistance from the IMF, it will likely not take long for it to turn to China for help, just as Sri Lanka has done. Western governments could continue to try to aid Pakistan, hoping to keep it out of China's stranglehold, but that would be the pursuit of sunk cost. Pakistan's embrace of China is already tight; its military leadership's antipathy to India is unlikely to help reorient

Islamabad towards the West any time soon. Indian and Pakistani troops have exchanged fire along the Line of Control (LOC) in Kashmir, following intelligence reports that Pakistan might be increasing terrorist infiltration into Indian-controlled territory.

That Pakistan might try to use the COVID-19 emergency to expand subconventional war against India, or that India believes it would, reflects the depth of mistrust between the two neighbors. Pakistan relies on its close ties to China to pursue

what its generals see as permanent conflict with India. In the aftermath of the ravages of the coronavirus, China-Pakistan relations can be expected to remain close, setting the stage for a new round of competition between China and India for regional pre-eminence.

Following is a country-by-country report, with inputs from experts on the ground, on the coronavirus pandemic's impact in South Asia and its human, economic, and political consequences.

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INDIA

According to the Indian Council of Medical Research, as of May 21, 2020, India had tested 2,615,920 COVID-19 samples.² At that time, there were 112,000 confirmed cases and 3,435 deaths.³ Given that the country's population is around 1.4 billion, India's leaders have cited the numbers as evidence that it is withstanding the challenge of the virus well.

The government of Prime Minister Narendra Modi and his Bharatiya Janata Party (BJP), which returned to power with a massive mandate in May 2019, made limited testing, combined with strict quarantine of those with a travel history or symptoms, the centerpiece of their COVID-19 policy. A strict nation-wide lockdown, shutting all businesses and directing everyone to stay at home, began on March 22, 2020.

Officials expected the lockdown to quarantine most of the population and thus limit further community transmission. The drastic lockdown was considered India's only option because its health-care infrastructure is not set up for massive testing

or for catering to millions of infected patients. Indian experts admit that it might be more difficult for the country to ramp up testing, trace contacts, isolate people, and neutralize the spread of the virus. According to Manoj Joshi, distinguished fellow at the Observer Research Foundation, India "may be able to even do so in cities, but the poor countryside is likely to be triaged."⁴

In the first weeks of March, India evacuated and quarantined many of its citizens returning from other countries. Its borders have been sealed since March 22, 2020, and movement across the borders of India's twenty-eight states and eight union territories was banned. Prime Minister Modi had initially ordered the lockdown to last until April 14, 2020, later extending it till

Photo Caption: Passengers of the first train arrive in Kolkata on May 12, 2020, after the reopening of the Indian Railways network following the seven-week nationwide lockdown. (Indranil Aditya/NurPhoto via Getty Images)

May 17.⁵ Some easing of these restrictions have started with the country being divided into zones (red, orange and green), restarting of rail services from May 12, and intimation that by June large segments of the country may open up. India has also launched a massive repatriation exercise for its citizens, primarily stranded students and workers, being brought back through special flights and ships.⁶

Managing the COVID-19 crisis well is politically important for Modi and the BJP. Even after decisively winning federal parliamentary elections, the party has faced setbacks in several state elections. Further, before the pandemic, the BJP faced major challenges from countrywide protests against the Citizenship Amendment Bill, an economic slowdown, and unrest resulting from what critics see as majoritarian communalist policies.

The situation created by COVID-19 has exacerbated India's economic downturn. It has also exposed the lack of capacity, especially in healthcare, and shown that state governments, some controlled by parties other than the BJP, did better in dealing with the consequences of the pandemic. States not run by the BJP have been more proactive since the beginning of the virus outbreak.

Kerala, for example, applied its experience in dealing with Ebola and SARS. That—along with a health-care infrastructure that is better than that of the other states, help from community activists, and contact tracing—have helped Kerala keep COVID-19 under control. A large number of Indians living abroad, especially in the Middle East, come from Kerala, which is a coastal state. Without adequate measures, it might have had a much larger number of cases among families of those returning from overseas.⁷

French academic Christophe Jaffrelot has observed that even if opposition-ruled states can do a better job than the central government in dealing with the virus, this would not affect Modi's standing. In his view, Modi has managed to retain the

image of “the strong man India needs” and has been able to “mobilize the nation on emotional issues.”⁸ Thus, it is doubtful that a unified, nation-wide opposition to the prime minister will emerge.

That said, India's abysmal investment in human capital development will continue to stymie the Modi government's efforts to combat the pandemic. As states controlled by opposition parties try to outdo the federal government in delivering services, governance will be further politicized. Unfortunately, the resulting political competition is unlikely to be a healthy one.

India's healthcare is an area where mis-governance has undermined the development of human capital. India spends only 1.28 percent of GDP on health, resulting in a shortage of trained doctors, primary health-care centers, and hospitals.⁹ This shortfall cannot be overcome in the midst of a pandemic, which is likely to test a weak infrastructure beyond its capacity.

Moreover, the lockdown has imposed a strain not just on India's health-care system, but also on its transport infrastructure. India struggles to provide basic goods and services to its people under normal conditions. The effort to prevent the coronavirus from spreading by shutting down businesses and telling people to stay at home is making the delivery of food, water, and essential services difficult.

Economic and Social Ramifications

India's economic growth, which reached a high of 7 percent in 2016, was wavering around 4.5 percent even before COVID-19 struck. According to IMF projections, growth will fall to 1.9 percent in 2020.¹⁰ Indian economist Rupa Subramanya, however, has warned against pinning hopes on the IMF's relatively positive predictions and believes the country should be prepared for negative growth. According to Subramanya, it would be more realistic to expect “a contraction of GDP and a surge in unemployment directly due to the prolonged and

total lockdown.” She points out that Japanese investment bank Nomura estimates that 70 percent of India’s economy is currently frozen and expects that to result in “a big drop in GDP growth which may well go negative.”¹¹

According to Nitin Pai, head of the Takshashila Institution, India’s immediate challenge “is to provide relief to the affected people and businesses, alongside an economic revival plan. The longer-term challenge is economic reconstruction.” Pai adds that it is hard to form an objective opinion about the government’s handling of the current crisis “because it’s unprecedented and there are no benchmarks.”¹²

Pai has joined critics of the World Health Organization (WHO), noting that “the world would perhaps have been better off had WHO raised the alarm in late January or early February. Its overcautiousness in raising the alarm meant that the world’s governments didn’t get the urgency until mid-March. Why WHO did what it did is another matter, but I think we must recognize that fact.”

Several Indian scholars and public figures have criticized the lack of government preparation before the announcement of a complete lockdown. According to Joshi, “middle-class people were able to cope” with the suddenness of the lockdown, while “migrant labor” was devastated. “Many of them have only informal employment, with no unemployment benefits. The shutdown of the economy meant that hundreds of thousands of people were thrown out of jobs and are facing the prospect of slow starvation.”

Images on social media and television of thousands of poor migrant workers and their families trying to walk across the country to their homes shocked the world, leading the government to create camps to house them temporarily.¹³ But putting thousands of people in temporary camps might not be the right way to prevent the spread of COVID-19. As Subramanya notes, “The gains India made over decades in poverty alleviation may be wiped out in the coming weeks and months.”¹⁴

The fear of a return to food poverty for millions has resulted in demands that the government use its extensive food stocks to provide for all. There have been suggestions to set up public canteens for migrant labor and to send food to children and the most marginalized members of society. In a recent op-ed, three of India’s top economists, Amartya Sen, Abhijit Banerjee, and Raghuram Rajan, argued for support to farmers and small businesses. “Farmers need money to buy seeds and fertilizer for the next planting season; shopkeepers need to decide how they will fill their shelves again; many others have to worry how they would repay the loan that is already due. There is no reason why, as a society, we should ignore these concerns.”¹⁵

The ruling BJP appeared open to these suggestions. Conventional Indian thinking and policymaking has often accepted an enlarged role for government, and socialism remains a buzzword among India’s political circles, even on the right. However, government relief measures would also further diminish the prospect of a deregulated Indian economy. The BJP initiated discussions with economists and business leaders to revive the conversation on structural reforms that have been on the agenda for the last two decades but have never been implemented. During these discussions, party leaders once again spoke of decreasing regulation and lowering the cost of doing business while maintaining financial support to the lower strata of society.

The countrywide total lockdown has affected every sector of the economy, including agriculture, manufacturing, and services. Experts were critical of the government’s initial economic package of \$22 billion¹⁶ (1.7 trillion Indian rupees). As Manoj Joshi pointed out, it was only 0.8 percent of India’s GDP. By comparison, the US and Singaporean relief packages amount to 10 percent of each country’s GDP.

Responding to both internal discussions and external critique, on May 12, 2020, Modi announced an all-encompassing economic relief package of \$264 billion (20 trillion Indian rupees), including

the initial package.¹⁷ The Prime Minister also intimated that there would be reforms in the areas of land, labor, and capital. One of these proposals is of giving tax exemptions for 10 years to companies that set up new factories in labor-intensive areas, like textiles, food processing, leather and footwear.¹⁸ That labor market reforms are being discussed was visible when on May 8-9, three BJP-led states, Gujarat, Madhya Pradesh and Uttar Pradesh, announced that all new manufacturing plants would be exempt from almost all exiting labor laws for a period of three years.¹⁹

If these changes spread to other states, they could provide manufacturing with the requisite boost it needs and also help with employment and job creation. Many countries and investors want to move their manufacturing out of China. India, with a large labor force and proximity to China, could become the venue for relocation. The Indian government hopes that a combination of geopolitics and internal economic policies will provide Indian industry with the necessary boost to access foreign markets and obtain access to both foreign investment and foreign technology.

In addition to economic reforms, the government must also mend India's social fabric. Over the last decade, but especially in the last five to six years, there has been a steady rise in intolerance and communal majoritarianism within Indian society. In February 2020, while President Trump was in India, one of the worst sectarian riots in decades hit the capital, New Delhi. Muslim-neighborhoods were targeted by Hindu vigilante mobs, eliciting retaliation. Police did not react in time to protect the victims and dozens of people were killed.²⁰

Components of Indian society, including the media and many television channels, have used COVID-19 to portray the virus in religious tones. After the Islamic fundamentalist group Tableeghi Jamaat held a conference in Delhi and Pakistan in March, Delhi became a key COVID-19 hotspot, leading critics to call this a "corona jihad."²¹ As Joshi points out, this demonization of

Muslims—who number almost 200 million in India—weakens social cohesion and must be countered.²²

Christophe Jaffrelot observes that social frictions only "amplify trends which were already obvious before."²³ He points to the spread of "ghettoization" and the extension of discrimination against India's minorities into hospitals and delivery of essential services. In recent days, India has witnessed cases of hospitals segregating patients based on religion, which does not augur well for a multicultural India. If India is to attain its economic goals, it is important for it to maintain an integrated society.

External Relations

India has traditionally responded to humanitarian disasters by drawing closer to its neighbors and working together with its international partners. This time, too, Delhi was quick to act and pushed for a regional response to the pandemic coordinated by SAARC (South Asian Association for Regional Cooperation). It also acted in concert with other nations, both bilaterally and through the W.H.O.

India proposed setting up a SAARC COVID-19 fund and contributed \$10 million to it.²⁴ India has sent medical teams to Nepal and the Maldives to help them set up quarantine facilities and to train their personnel.²⁵ In recent weeks, it has sent hydroxychloroquine to its neighbors and to other countries, including the United States.²⁶ The Indian Navy has kept two ships on standby for immediate deployment to any foreign country if there is a need to evacuate Indian personnel or deliver emergency provisions. Retired Navy Admiral Shekhar Sinha, referred to India as "the first responder to humanitarian disasters" in the Indian Ocean region.²⁷

Most experts agree that India's pursuit of a regional response was the right choice, even though adversarial relations with Pakistan have made cooperation difficult. At every SAARC meeting about the coronavirus, Pakistan has insisted on talking about the dispute over Kashmir before other matters. According

to Jayadeva Ranade, president of the Center for China Analysis & Strategy, this is Delhi's way of letting its neighbors know that it is "willing to help" even when faced with pressing domestic demands on its limited resources.²⁸

Joshi, the Indian scholar, has noted that "humanitarian disasters don't respect state boundaries." India is the only country in

South Asia that borders all its neighbors, but they do not border each other. Joshi argues that this is an opportunity for India to take the lead, using its resources, location, and technical expertise and its experience from dealing with various disasters over the years. If it is able to do that, Joshi believes, this would "benefit the SAARC region as a whole and promote India's security as well."



PAKISTAN

With 48,091 confirmed cases as of May 21 and 1,017 deaths, Pakistan faces the most serious threat from the coronavirus in South Asia.²⁹ Pakistan has slightly less than half the number of cases as India, even though its population is one-sixth the size. Suspicions persist about the credibility of official statistics, suggesting that Pakistan might have been harder hit by the pandemic than its officials admit.

Prime Minister Imran Khan's government, led by Pakistan Tehreek-e-Insaf, was not prepared to deal with this pandemic and initially pretended there was nothing serious to worry about. Pakistan did not evacuate its citizens (primarily students) from Wuhan, China, and flights and movement between Pakistan and hotspots like China and Iran were kept open long after the rest of the world had suspended travel.³⁰

It was only on March 23, 2020, that the government announced several measures, quarantining more than three thousand travelers from Iran, closing borders with neighboring countries, and instituting international travel restrictions and social distancing measures.³¹ Some provincial governments had already implemented lockdowns, like the southern province of Sindh, which is ruled by the opposition Pakistan Peoples Party.

The government's measures faced resistance from religious groups that oppose restrictions on religious observances and gatherings. This has led to serious consequences. After

Photo Caption: A volunteer disinfects a mosque as a preventive measure against COVID-19 in Peshawar, Pakistan on April 1, 2020. (Saeed Ahmad/Xinhua via Getty)

the Tablighi Jamaat conference, 20,000 attendees had to be quarantined.³² Pakistan expert Mohammad Taqi warns that “with the Muslim holy month of Ramadan starting at the end of April, dillydallying over the congregational prayers—suspended in several Muslim countries and at Islam’s key holy sites—could be a make-or-break moment for the country’s health-care infrastructure.”³³ But the government deferred to clerics, creating the likelihood of further virus spread during Ramadan.

Pakistan’s poor track record on human rights and protection of religious minorities worsened as the government used the cover of the coronavirus crisis to continue actions that are usually condemned internationally. Author and human rights advocate Farahnaz Ispahani describes the government’s attempts “to muzzle journalists and the partly independent press with the arrest of media owners, the shutting down of popular talk shows, and the policing of the internet.” Ispahani also notes that cases of “discrimination against religious minorities have been reported in distribution of food rations and even in medical treatment.”³⁴

Civilian rule and Pakistan’s partial democracy have also been casualties of the COVID-19 pandemic. From 2008, after the collapse of General Pervez Musharraf’s military regime, Pakistan appeared to be moving towards democracy. The military remained powerful, but elected civilian governments tried to gradually assert their authority against the country’s military intelligence establishment until 2018. Over the last two years, under Prime Minister Khan, the country has slid towards being a democracy in name only. The coronavirus crisis has eroded even the semblance of civilian control. Under Khan, the civil-military relationship had been good because he was the military’s protégé. Now, however, the military is openly taking major decisions that constitutionally fall within the civilian domain.

Pakistan’s economy, already in bad shape, is likely to worsen after the COVID-19 crisis. The IMF has projected a negative growth rate for Pakistan of 1.5 percent in 2020.³⁵ The country

also expects a decline in remittances from the Persian Gulf, and while Pakistani professionals in the United States and Europe might continue to send some money, the amounts will be drastically reduced. In late March the government announced a relief package of 1,200 billion Pakistani rupees (\$5.5 billion) for cash transfers to low-income families for the purchase of meat, health supplies, and food, and even for electricity payment relief.³⁶ But relief package delivery was uneven in different parts of the country and was marred by corruption and political wrangling.

The government’s relief package did little to deal with the underlying weakness of the economy, including the potential for diminished exports and remittances and high indebtedness. Since 2018, loans from the IMF and from Saudi Arabia, the UAE, and Qatar have proven insufficient to boost Pakistan’s economy, burdened by years of heavy military spending and debt servicing.³⁷ Pakistan requested and obtained an IMF loan of \$1.4 billion under a rapid financing instrument to tide it over until the COVID-19 situation improves.³⁸ But further borrowing without increased productivity will only aggravate Pakistan’s economic predicament. Already low tax collection is likely to fall even further now that taxpayers will have less income because of the coronavirus lockdown.

According to Uzair Younus, non-resident senior fellow at the Atlantic Council, the current crisis is more serious than crises Pakistan has faced in the past, when the informal economy kept the country afloat even during times of low growth. “COVID-19 has created a situation where both the formal and informal economy have come to a complete halt,” Younus pointed out, suggesting that the government might need to take care of the poor and unemployed informal-sector workers.³⁹

Pakistan, says Younus, needs to “execute a whole-of-country approach that seeks to push structural reforms, implement public development projects that can kick-start the economy, and create an enabling policy and political environment for economic growth.” It is unlikely, however, that the country’s

fragmented polity and tradition of persistent military intervention would allow Pakistan to implement any long-term plans even after the current crisis.

In the realm of foreign policy too, Pakistan remains weak, having put most of its eggs in China's basket. Although India faces international pushback over rising intolerance and its policies in Kashmir, there is little support for Pakistan's stance against India.

Pakistan remains on the UN Financial Action Task Force (FATF) gray list of countries not fulfilling their obligations to cut off terrorist financing. In October 2018, Pakistan's terror watch list had 7,600 names. Over the past eighteen months it has removed 3,800 of them, in order to claim that there are fewer terrorists in the country and make it easier to get off the gray list.⁴⁰ The decision by a Pakistani court to release the killers of *Wall Street Journal* reporter Daniel Pearl, murdered by al-Qaeda in 2002, has kept the country in the news for its refusal to take action against jihadi terrorists. According to defense analyst Ayesha Siddiqa, the immediate decision to re-arrest all four meant that Islamabad wants to avoid "tough questions regarding the military's continued links with militancy."⁴¹

Moreover, Pakistan had hoped to become the pre-eminent power in Afghanistan once the United States agreed to withdraw its forces and paved the way for the Taliban's return to power. But peace in Afghanistan remains elusive, with the Taliban continuing to refuse a cease-fire during the pandemic.

Pakistan's response to COVID-19 appears to show that it is prioritizing its strategic relationship with China over caring for its own people or addressing the spread of the virus. The country has also become a center for conspiracy theories that accuse the United States and the UK of "creating" the virus as part of biological warfare experiments.

Former Pakistani UN ambassador Hussain Haroon has put out a video explaining that the virus was created by the British and the Americans and unleashed on the world.⁴² Zaid Hamid, a pro-military jihadi propagandist, and several Pakistani television anchors and social media personalities have advanced similar conspiracy theories. Even after the pandemic ends, the effects of this propaganda will linger, and Pakistan's public will remain anti-Western and pro-China.



AFGHANISTAN

As of May 21, 2020, there were 8,676 confirmed cases of COVID-19 in Afghanistan, with 193 deaths.⁴³ According to the Afghan Ministry of Public Health, 90 percent of these cases are tied to pilgrims and workers returning from Iran, where almost 100,000 Afghans work.⁴⁴ The rest are Afghan refugees returning home from Pakistan.

The response of the Afghan government, like that of many of its neighbors, was slow and showed a lack of preparation. It also reflected Afghanistan's unique situation, as it borders two COVID-19 hotspots, Iran and Pakistan. The first lockdown in Afghanistan was in Herat on March 25, 2020, and Kabul was next. There has been no countrywide lockdown, however, and until mid-March 2020, the government had not closed its external borders.

The government's response has included building a hospital in Jalalabad, setting up screening procedures at borders and quarantine camps for refugees, opening labs in key cities (Kabul, Herat, Jalalabad), and procuring supplies from abroad. The government also enhanced stay-at-home orders by adjusting the civil service work schedule, ordering social distancing, closing public places to gatherings, and postponing the launch of a new school year.

It also cancelled Nowruz celebrations, while the Hajj and Religious Ministry called on people to pray at home and avoid

Photo Caption: Members of the Tawaan Foundation distribute face masks, gloves and disinfectants to villagers in Jalalabad, Afghanistan on March 18, 2020. (Wali Sabawoon/NurPhoto via Getty Images)

holding mourning ceremonies at mosques. However, experts argue that these measures were too few and half-hearted. On March 25, 2020, the Health Ministry stated that in the worst case, 80 percent of Afghans—approximately 25 million people—would contract the coronavirus and 110,000 would die.

Herat, the province bordering Iran, was the epicenter, as thousands of Afghans returned daily from Iran. According to Davood Moradian, head of the Afghan Institute for Strategic Studies, “provincial authorities lacked basic means and mandate to either slow down the return of Afghans from Iran, or to properly scan them at the border areas. It is estimated approximately 200,000 Afghans returned from Iran during February and March. Most of them arrived in Herat and then spread to the rest of the county. The Afghan government failed to institute a joint policy/framework with neighboring Iran to properly manage the returnees.”⁴⁵ Many Afghan refugees returning from Pakistan were not properly scanned at the border either. Afghanistan also suffered because neither Iran nor Pakistan showed any interest in testing or in limiting the spread of the virus.

Afghanistan has a weak health-care infrastructure, a legacy of decades of war, including civil war. It also suffers from shortages of supplies and personnel. There are only twelve working ventilators in the entire country and not enough staff to operate them, and there are not enough doctors, hospitals beds, or health-care workers. According to Moradian, modelling and predictions by Afghan health authorities indicate that an “uncontrolled outbreak of the COVID-19 pandemic would result in 700,000 cases of hospitalization; out of them circa 200,000 would need intensive care support. 110,000 Afghans would lose their lives to the virus.”⁴⁶ The country’s existing infrastructure can support only 5–10 percent of those numbers.

In an attempt to fight the pandemic, the government set aside \$25 million to cover immediate expenses, but according to the IMF, the country will need \$2 billion. The Afghan economy is dependent on external assistance. Further, as a landlocked

country, Afghanistan is dependent on its neighbors for trade, remittances, and supplies. In the current situation, with borders closed and trade reduced because of COVID-19 and with the threat of decreased US assistance, the Afghan economy is confronting short- and long-term challenges. As Javid Ahmad, senior fellow at the Atlantic Council, notes, “the outbreak brought to the fore the country’s continued dependence on imported medical resources and equipment, and most importantly, medicine. Every year, Afghanistan imports an estimated \$600 million worth of medicine, most of which comes from the regional countries of Pakistan, India, and Iran.”⁴⁷

The Afghan government faces both internal and external challenges. During the COVID-19 pandemic, when foreign attention and assistance are focused elsewhere, Afghans need national unity and a coherent government response. The ongoing political impasse in the country has also hampered the government’s response. Moradian referred specifically to “structural flaws in Afghanistan’s governance structure,” “Washington’s disregard for Afghanistan’s political and electoral politics/calendar in favor of its “peace” deal with the Taliban” and “entrenched corruption and manipulation within Afghanistan’s electoral bodies.”⁴⁸

Prakhar Sharma, an Afghanistan expert at the International Republican Institute, adds that the “viability” of the existing Afghan political setup will depend to a large extent “on how credibly it shapes the narrative around its response.” Sharma added, Kabul’s ability to fight the pandemic will depend both on its ability “to recruit the support of provincial governors and district administrators” and “the level of cooperation it is able to garner from the population.”⁴⁹

Along with the coronavirus, Afghans also have to deal with war and insurgency. Since the signing of the US-Taliban “peace deal” on February 29, 2020, there has been a three-fold rise in Taliban attacks. “Afghan security is threatened by two formidable

threats,” says Moradian, “the uncertainty of US/NATO support for Afghanistan’s constitutional order, particularly the National Defense and Security Forces, and the outcome of the political dispute in Kabul.”⁵⁰ He maintains, however, that the Taliban and the anti-state forces lack the vision and the means to present a strategic threat to the country.

Moradian maintains that Afghanistan’s security while fragile will not be threatened as long as “the Afghan constitutional

order commands reasonable coherence and order across the country” and there is “adequate financial and strategic support” to the Afghan security forces.⁵¹ Ahmad refers to the critical fact that the “most salient and immediate security concerns have been the high attrition rates in the Afghan forces, including a record number of casualties.” The current monthly attrition rate, according to Ahmad, is between 2.5 percent and 2.9 percent of total Afghan forces, and that “has affected Afghan force posture and combat motivation.”⁵²



BANGLADESH

As of May 21, 2020, there were 28,511 confirmed cases in Bangladesh and only 408 deaths.⁵³ The government imposed a countrywide lockdown, akin to India's, on March 25, and has extended it till May. The government reacted like its neighbors as the problems the country faces are similar: a large population, dependence on remittances from migrant laborers, and dependence on trade to keep the economy going.

According to the Bangladesh Bureau of Statistics, the country has one hospital bed per 1,196 people, not enough health-care equipment, and only one registered doctor for every 1,581 people. Seth Oldmixon, founder of Liberty South Asia and an expert on Bangladesh, notes that the country's "available medical facilities are not adequate to cope with a major outbreak." Oldmixon adds that while the country has sought

to build capacity, "recent reports indicate that it has only 1,267 ventilators for approximately 160 million people."⁵⁴

This, along with the high population density of Bangladesh, only worsens the situation. Oldmixon, referring to the high population density, Bangladesh has over 1,200 people per square kilometer, compared to 205 in Italy and 35 in the United States, points to the "significant challenges" that make containing the spread of COVID extremely difficult.⁵⁵ There are one million Rohingya refugees in Bangladesh, and health-care facilities in

Photo Caption: Women collect relief items from volunteers during the nationwide lockdown as a preventive measure against the coronavirus pandemic in Dhaka, Bangladesh on May 3, 2020. (Rehman Asad/ NurPhoto via Getty Images)

refugee camps are abysmal, with no ventilators and few doctors and healthcare workers. Oldmixon warns that these camps are “ripe for disease outbreaks.”⁵⁶

Until recently, Bangladesh was the fastest-growing economy in South Asia. Investment in human capital helped the country become one of the textile manufacturing hubs of the world. The global and regional economic disruptions due to COVID-19, along with the return of labor from India, have caused setbacks.

The government response was to announce stimulus packages for businesses, distribution of food to the poor, and a housing scheme for the homeless. Key among these was a stimulus package of \$8.573 billion for the country’s critical textile and other export-oriented industries. The package includes a refinance scheme operated by Bangladesh Bank that will cover the salaries of workers in these industries. The World Bank has also approved a fast-track loan of \$100 million to Bangladesh to help deal with the impact of COVID-19.⁵⁷ The government also allocated resources for health insurance for government employees; additional payments for health-care workers and doctors; and purchase of critical medical supplies. However, this has not been enough to stem the economic distress.⁵⁸

Ashikur Rahman, an economist at the Policy Research Institute of Bangladesh, lists “higher unemployment, slowdown in poverty reduction, and higher non-performing loans in the banking sector” as the short-term threats to Bangladesh’s economy. These, he says, “will weaken macroeconomic fundamentals and will bring to question the overall ambition to turn Bangladesh into an upper-middle-income country by 2030.”⁵⁹ This means less revenue for government through taxes, higher public debt, and pressure on the balance of payments.

Further, Bangladesh’s economy is heavily dependent on the ready-made garment industry, which contributes 86 percent of its exports. Rahman suggests that “overdependence on a single sector and weak global demand will complicate Bangladesh’s

effort to diversify its export basket by pursuing both product and market diversification in the long run.”⁶⁰

Shahab Khan, another economist at the Bangladesh Enterprise Institute, echoes these views, noting that “the critical challenge for the government is to diversify its export profile and focus on domestic stability.” Further, according to Khan, more than 70 percent of Bangladesh’s labor is in informal employment, “extreme poverty has risen by 60 percent while poverty has increased by 54 percent, and 14 percent of people do not have food in their home.”⁶¹

Oldmixon joins others in expressing concerns about the imminent economic downturn in Bangladesh. “So far, millions of workers in the country’s ready-made garment industry have been laid off, and the Asian Development Bank has warned that the country may see as much as \$3 billion disappear from the national economy,” he says.⁶²

According to Oldmixon, Prime Minister Shaikh Hasina Wajid’s government has been able to weather criticism over its governing style in recent years “in large part because it was delivering both strong economic development and, along with it, a broad feeling of optimism.” If, however, Oldmixon warns, “that optimism begins to wane, the government could lose this protection, threatening the political stability it has benefitted from to date.”⁶³

Open borders, migrant labor, and a strong economy have by and large kept the lid on major disruptions within Bangladeshi society. COVID has led to border closures, the return of migrant labor from India and the Middle East, and a slowing economy, in addition to the continued crisis of Rohingya refugees. Some experts fear rising social tensions and violence against Rohingya refugees and the potential for religious backlash against Hindus over mainly Muslim Bangladeshi migrant labor being forced out of Hindu-majority India. Public disenchantment and socio-economic distress could unite the

political opposition against the ruling arises to challenge the Awami League.

Prime Minister Shaikh Hasina Wajid and her Awami League party have been in power for eleven years in a relatively stable political system. Strong economic growth has helped the government, along with a crackdown on terrorists and good relations with India, but problems are creeping up on both these fronts.

Oldmixon points out that despite high economic growth, inequality has “continued to haunt the country.” Bangladesh “does not have widespread social safety nets able to provide economic and health security to the country’s vulnerable populations.” The economic downturn due to Covid will only worsen the situation.⁶⁴ According to Ashikur Rahman, economic

slowdown would create an opportunity for the prime minister’s “political opponents to regroup in the short run and organize a more effective political movement in the long run.”⁶⁵ However, in his view it is a remote scenario, as Hasina’s personal popularity is still quite high.

India and Bangladesh have had good relations over the last decade. In the months before Covid, the rise in anti-Muslim rhetoric and attacks on Muslims in India, the Citizenship Amendment Bill (CAB) and the National Population Register that target primarily Bangladeshi migrants in India’s north east, has created political tensions between both countries. All this has risked fueling an anti-Indian resentment inside Bangladesh which will not only hurt India-Bangladesh relations but also help Islamist extremist groups like Jamaat e Islami.



NEPAL

Nepal imposed a countrywide lockdown on March 24, 2020, and by May 21, had fewer than 427 confirmed cases, and no deaths have been reported.⁶⁶ The government, like its South Asian neighbors, also banned domestic and international flights and closed all non-essential businesses.⁶⁷ Its response has primarily focused on increasing spending on medical personnel, importing medical supplies, and setting up quarantine centers and makeshift hospitals. India has aided Nepal and the Maldives by helping set up shelters and providing technical training.

Prem Khanal, professor at Kathmandu's Tribhuvan University, believes that the government's response has overall been positive but that more needs to be done. In his opinion, Nepal needs more laboratories for testing, particularly in "high-risk areas, especially western Nepal and the Tarai district" bordering China and India. The challenge facing the government, Khanal believes, is the difficulty in providing enough medical equipment

and material to all areas and its failure to "mobilize private hospitals and medical persons to fight against COVID-19."⁶⁸

Rohit Karki of the Geneva Centre for Security Sector Governance praises the Nepali government's quarantine measures and facilities and the "well-established single mechanism to coordinate multisectoral responses." However, Karki, like Khanal, points out the government's inability to acquire enough mass-testing equipment, its insufficient contact tracing, and the "substandard and expensive medical supplies related to COVID-19 from China."⁶⁹ According to Apeysha Shah, professor at Tribhuvan University, while the lockdown was a

Photo Caption: A Nepalese monk carries a statue of Buddha around Boudhanath Stupa, a UNESCO World Heritage Site during the celebration of the Buddha Purnima festival in Kathmandu, Nepal on May 7, 2020. (Narayan Maharjan/NurPhoto via Getty Images)

good move, it also “exposes poor planning.” Shah refers to the problems faced by both the domestic poor migrant labor as well as the thousands of Nepalis working in India who were unable to return to their homes.⁷⁰

Further, experts expressed concerns about lack of government transparency and corruption, especially in the purchase of medical supplies. According to Karki and Shah, the public has misgivings about the government’s “commitment and effectiveness.” Here they were referring to the reports of corruption faced by the government task force.⁷¹ As a result, the experts note, the work was initially handed over to the Nepali Army and then finally to private companies.

Nepal’s health-care infrastructure is in a poor state, and a large migrant population is more vulnerable to infectious diseases. Karki argues for strengthening the public health-care systems.

He notes that privatization is not the cure. Instead, what the government needs to do is “devise a policy to better coordinate its efforts regarding reduction of cross-border spread of the virus as Nepali migrant workers come in through the borders.”⁷²

Since 2008, with the abolition of the monarchy, Nepal has attempted to build a stable political and social system. This has been challenged, not only by the India-China rivalry and natural disasters, but also by the Madhesi issue, the issue of refugees (from Bhutan, Tibet, and Sikkim), and the reluctance of the Maoists to fully integrate within the existing system.

When experts were asked their views on the COVID pandemic’s expected impact on the short- and long-term fault lines that plague Nepal, Rohit Karki mentioned several issues: a rise in authoritarianism, threats to federalism—from Kathmandu’s increased power over the provincial governments—and the potential for ethnic conflict if there is no resolution of the decades-old issue of Madhesis and other ethnic groups seeking accommodation within the Nepali constitution. These

internal fault lines, Karki asserts, could be exacerbated by developments in Nepal’s largest neighbor, India. The rise of Hindu majoritarianism in India, Karki notes, has “given impetus to the possibility of reinstating the monarchy in Nepal, thus undermining the gains of the past twelve years.”⁷³

Karki also expresses concerns about the potential for “a political power struggle” within the ruling Nepal Communist Party that may threaten Nepal’s three-decade-old democracy. This, he notes, would undermine the nascent “human rights, rule of law, and oversight mechanisms.”⁷⁴

Khanal sees a rise in public distrust and disenchantment because of the government’s failure to manage the COVID-19 crisis properly. He notes that in addition to the abysmal health-care infrastructure—a lack of hospital beds, medical equipment, and health-care personnel—“people are not happy with the government.”⁷⁵

Nepal’s economy is dependent on migrant laborers (who work in other countries, primarily India) and tourism. The COVID-19 pandemic has hurt both these key sectors. When experts were asked their views on COVID-19’s impact on Nepal’s economy, Khanal stated that the “short-term effect in economic sectors is that people have lost their jobs, industries are shutting down, tourist industries are suffering.”⁷⁶ Nepal’s economy will also be hurt by the decline in remittances from Nepalis who work in the Middle East. According to the World Bank, Nepal’s economic growth is “expected to fall to a range between 1.5 and 2.8 percent in FY20 reflecting lower remittances, trade and tourism.”

⁷⁷ The Nepali government cancelled its “Visit Nepal Year 2020” campaign and postponed its inaugural “Sagarmatha Sambaad” due to COVID-19.⁷⁸

On the geopolitical front, Karki points out that “the contending initiatives of China’s BRI and the US Indo-Pacific strategy will have implications for Nepal’s foreign policy choices.”⁷⁹ Thus, he believes that COVID-19 will once again cause an “India-China

geopolitical rivalry," with each country vying to give aid to Nepal in an effort to expand strategic influence. Khanal, however, differs, arguing that COVID-19 will increase China's leverage over Nepal because both Beijing and the Chinese private

sector have provided the mountainous country with medical equipment and material.⁸⁰ This is interesting, as Nepal's Health Ministry believes that most of the China-supplied COVID-19 rapid diagnostic kits are unreliable.⁸¹



SRI LANKA

As of May 21, 2020, Sri Lanka had 1028 confirmed cases with only 9 deaths.⁸² The government closed all non-essential businesses on March 16, suspended international flights and shipping, and imposed a nation-wide lockdown on March 20.⁸³

Ranga Jayasuriya, senior fellow at the Institute of National Security Studies Sri Lanka, credits the relatively low number of cases in the island nation to decisive and drastic government action and to Sri Lanka's contact tracing system. He argues that the main long-term challenge the country faces is "to manage adequate mitigation measures" to prevent a return of the virus, and notes that "an aggressive testing strategy is important to keep tabs on the virus."⁸⁴

Sri Lanka, despite one of the highest scores on human capital and a critical geostrategic location in the Indian Ocean region, was hurting economically well before the COVID-19 pandemic hit. Its economy, according to the World Bank, was growing at three percent - the lowest growth rate in South Asia.⁸⁵ In addition, Sri Lanka is highly indebted, and China is a major creditor.

"Colombo has to pay US \$4.8 billion as external debt servicing for this year, the largest debt repayment in the country's history,"

Photo Caption: Sri Lankan Air Force officers use a disinfectant spray at the Fort Railway Station in Colombo, Sri Lanka on March 18, 2020. (Tharaka Basnayaka/NurPhoto via Getty Images)

notes Jayasuriya.⁸⁶ Of the \$72 billion public debt, equivalent to 82 per cent of GDP, \$35 billion is external loans. Moreover, the country's economy is dependent on garment manufacture for export, tourism, and remittances from workers abroad. The tourism industry—already hit by the 2019 Easter Sunday attacks—has been hit again by the pandemic. The garment industry is suffering, and so are remittances, as in Bangladesh.

The government's response has been to allocate up to 0.1 percent of GDP for quarantine and other containment measures, as well as \$5 million (0.01 percent of GDP) to the SAARC COVID-19 Emergency Fund. The government has announced tax relief and exemptions and has set up special funds to provide relief to the poor and unemployed.⁸⁷ The government took out a ten-year, \$100 million loan from China Development Bank to help it get through the crisis.⁸⁸ Asanga Abeyagoonasekera, former director general of the National Security Think Tank of Sri Lanka, believes that this loan will only lead Sri Lanka into a cycle of recurrent loans from China to deal with "unavoidable external shocks from the global recession."⁸⁹

Sri Lanka's immediate challenge is to figure out how to service its loans. Historically speaking, Jayasuriya notes, Sri Lankan governments simply took out new loans to repay old ones. However, he says, that means there is "little investor appetite to buy government bonds."⁹⁰ Thus, when the government auctioned development bonds in March 2020, only \$22 million in bids was received for \$220 million of securities on sale, according to the Central Bank.⁹¹ The Sri Lankan government might be forced to use its foreign reserves, which stand at \$7.5 billion, but these are enough for only four-and-a-half months of imports. According to Jayasuriya, even before COVID-19, Sri Lanka had been lobbying for a three-year debt moratorium and had approached India with that request.

The lion's share of Sri Lanka's external debt is in the form of sovereign bonds. Talk of a debt moratorium, Jayasuriya points out, creates "concerns that the country is heading towards a

sovereign default."⁹² "Some of the maturities are already trading at huge discounts [even though] the Central Bank has pledged to maintain the country's zero default record." According to Abeyagoonasekera, Sri Lanka's challenge will be "to navigate the harsh external shocks of a deep global recession."⁹³

None of this is without political consequences. President Gotabaya Rajapaksa dissolved parliament on March 1, triggering fresh legislative elections, but they cannot be held in time and have been postponed indefinitely by the Election Commission. Jayasuriya, warned against the "temptation to politicize the initial success of its COVID-19 response," noting that "the key personalities of the current government have a history" of playing politics at the expense of good governance."⁹⁴

The absence of parliament could lead to problems, especially if the president tries to govern the country with a caretaker government. "This would trigger a constitutional crisis and most likely street protests—not a situation in anyone's interest," observes Jayasuriya.⁹⁵ According to Abeyagoonasekera, "In a multiparty democracy, horizontal power is essential for discussing, debating, and minimizing errors made by the vertical power axis, the executive. Parliament would have assisted the executive to look at multiple proposals; unfortunately, this is absent."⁹⁶

Pandemics often exacerbate social divisions and divides. Ever since the 1960s, the Tamil question has created instability within the Sri Lankan polity and society. The country has been ravaged by riots and a long civil war. The long-term viability of the island nation, most experts agree, depends on a policy of social and political integration of all its ethnic groups.

Jayasuriya notes that historically speaking, Sri Lankan governments have "lacked political will either to address the reasonable political aspiration of Tamils or adequately fight off and militarily defeat the national security threat posed by the militant, and later, the terrorist manifestation of Tamil separatism."

The 2009 military defeat of the LTTE, the Liberation Tigers of Tamil Eelam, provided the state with “an opening for a political solution,” but according to Jayasuriya, with no military threat on the horizon, political leaders “lost the sense of urgency to address the problem.”⁹⁷

Going forward, Jayasuriya advocates two strategies “to foster political and social integration of all [Sri Lanka’s] communities. The first—which has hitherto been tried and is also the most divisive—is the devolution of power to minority-majority provinces.”⁹⁸ He contends that the Tamil political demand for a model based on ethnic federalism may not be realistic, but devolution of power and full implementation of the thirteenth amendment to the constitution might be effective.

The second strategy, Jayasuriya says, is to build a “society based on the rule of law, individual rights, and economic justice.” This would “weaken the demands for ethnic-based devolution” and would gain support from the Sinhala majority. However, he warns that “given the dynamics of Sri Lankan politics,” such initiatives may have the opposite impact and “lead to polarization along ethnic lines.”⁹⁹

Abeyagoonasekera, however, argues for restarting the existing national reconciliation process rather than reinventing the wheel.¹⁰⁰ Most Sri Lanka experts predicted a bumpy road ahead in both Tamil-Sinhala relations and in economic revival in the aftermath of the coronavirus.

MOBILE COVID-19 TESTING V



CONCLUSION

The coronavirus pandemic threatens not only lives and livelihoods in South Asia; it could also be the precursor of significant political and strategic shifts in the region. The Bangladeshi and Indian economies will survive the devastation, but their governments will have to restore growth by protecting and encouraging investment. Pakistan and Sri Lanka will likely move in the direction of negative growth and will need debt relief from their international creditors. Without it, Sri Lanka faces the prospect of a sovereign debt default. Both countries are likely to look to China as their benefactor, as their leaders have tended to do for a while.

China will most likely press its advantage by bailing out South Asia's indebted governments, in exchange for its pound of flesh. This would come at the expense of India's security and US influence in the region. India and the United States must develop a plan to counter efforts China will likely make to

strengthen its position in the Indian Ocean by deepening ties with Pakistan and Sri Lanka.

India's initiative to develop a regional response to the threat posed by COVID-19 has been undermined by Pakistan's insistence on raising the Kashmir issue even in this challenging time. Since then, India and Pakistan have exchanged fire along the LOC in Kashmir, affirming the view that conflict between the two nuclear-armed neighbors will worsen, rather than diminish, in the post-coronavirus era.

Given that Pakistan has fewer resources to further its military buildup against India, it is likely to escalate the use of subconventional

Photo Caption: Indian health officials inside a COVID-19 mobile testing van wait to collect samples from people on April 30, 2020 in New Delhi, India. (Yawar Nazir/Getty Images)

warfare (terrorism) in an effort to gain the upper hand against much-larger India. Pakistan might seek relief from terrorism-related strictures on grounds that it needs space to deal with the coronavirus emergency. International pressure, especially FATF gray-list sanctions targeting Pakistan, might be needed to restrain the worst anti-Indian impulses of its civil and military leaders.

In the past, Pakistan has used natural disasters to expand terrorist infiltrations into Kashmir and India. Indian officials are concerned that Pakistan could use the COVID crisis as a distraction to do the same. The episodic firing by both sides along the LOC reflects India's effort to block infiltration and Pakistan's artillery providing cover to infiltrators, even though Pakistan claims it is not allowing infiltration.

Although a full-blown war in the subcontinent is unlikely, tensions between India and Pakistan will probably continue to impede efforts for regional cooperation. Such cooperation could ease the task of economic reconstruction that will almost certainly

take place when the pandemic has died down. India could, and probably will, try to work with other countries in the region, but not Pakistan.

In Afghanistan, the environment created by the pandemic is threatening the US-initiated peace process. The Taliban has stepped up attacks to maximize its military advantage, in violation of its Doha agreement with the United States. Human life matters little to the Taliban, and it seems prepared to put the lives of its fighters and the general public at risk by violating coronavirus restrictions.

So far, US policy seems focused on encouraging the Afghan government and other anti-Taliban groups to resolve their political disputes and begin negotiations with the Taliban on Afghanistan's future. Washington should now consider threatening the Taliban with consequences for violating its promise to reduce violence but should also help the government to address the threat posed by COVID-19.

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