A Strategic US Approach to India’s COVID-19 Crisis

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Introduction
The recent surge of COVID-19 in South Asia challenges India’s traditional ability to aid its smaller neighbors, a change that could, in turn, affect India’s influence in its competition with China. Unless India can recover from this surge with the help of allies like the United States, the pandemic could impact the Indo-Pacific’s geopolitical balance.

In the past, India has often acted as a first responder across South Asia, helping other countries recover from natural disasters, and it initially occupied this role during the first months of the coronavirus pandemic, when it helped several South Asian and Indian Ocean region countries cope with the effects of the disease. India’s role as ‘first responder’ has been a key factor in its geopolitical power and in maintaining its role as a leader in the region.

However, the resurgence of COVID-19 has jolted India at a time when democratic countries, including the United States, view India as critical to balancing China’s deepening influence cross Asia. South Asia, a region holding 23 percent of the world’s population, now accounts for over 11 percent of global COVID-19 cases and 6 percent of COVID-related deaths. The world’s largest democracy and second-most populous country, India alone currently accounts for over 84 percent of South Asia’s cases and deaths.

For most of 2020, it appeared that India, thanks partly to a lockdown, had managed to avert a huge health crisis. During this time, India supported its immediate South Asian neighbors by supplying personal protective equipment and medications. However, the latest COVID-19 surge has created a crisis that has strained the Indian health infrastructure’s ability to meet.
With more resources being diverted towards domestic ends, India’s ability to maintain friends and influence other countries has diminished, also potentially shrinking its sphere of influence. The US must therefore go beyond dealing with its own health crisis and also support India in dealing with its crisis. Instead of allowing China to consolidate its positions in Pakistan, Sri Lanka, Bangladesh, Nepal, and the Maldives, helping India restore its ability to provide assistance would be in the best interests of the United States and its allies.

**Policy Recommendations for the US Government**

It is in America’s best interests to help India retain its status as a pre-eminent power in South Asia, particularly in view of China’s efforts to bolster its position at the expense of the US and India. In the first phase of the COVID-19 pandemic, India succeeded in occupying the role of regional leader. But official complacency, disinclination on the part of government leaders to accept the advice of scientific advisors, and reluctance to ramp up vaccine production and distribution has seriously damaged India’s standing.

These factors, combined with abysmal investment in health care, have forced India to turn to Bangladesh for spare medicines and to Bhutan for medical oxygen. Alongside the COVID-19 crisis, India has also lost territory to Chinese encroachment beginning in April 2020, and China has shown no inclination to leave the Indian territory it occupied last year, despite multiple rounds of diplomacy and an increase in Indian troops along the 2,167-mile India-China border. As a result, India’s ability to act as a pre-eminent regional power, a democracy aligned with the US against an autocratic China, has been significantly compromised.

A year and a half after the start of the COVID-19 pandemic, China’s footprint in South Asia is larger than it was prior to the pandemic. Both Pakistan and Sri Lanka are deeply in debt to China, with both countries having borrowed heavily from China due to the pandemic. Unless India, the United States, and the financial institutions led by the democracies provide support, the Maldives and Nepal may also turn towards China for assistance.

Bipartisan support within the US policy community for India has already mobilized Americans to help India. The Biden administration has sent oxygen concentrators, medicines, testing kits, ventilators, and personal protective equipment to India, and many American companies and the Indian-American community have rallied to India’s support.

US policymakers could take these additional steps to help India deal with its COVID-19 situation and thereby support its efforts to maintain its regional leadership:

- **Offer Access to Oxford/AstraZeneca Vaccine:** The United States has stored 80 million doses of the Oxford-AstraZeneca vaccine, which has not yet received FDA approval. The US government does not need these doses for its domestic vaccination programs, and this vaccine is approved for use in India and other countries. The US should therefore offer all or part of these 60 million doses to India and other countries in need of them.

- **Reinstate India’s GSP Plus:** India’s economic recovery is critical to American security interests in the Indo-Pacific. In the short term, one way to help India’s economy recover from the impact of the COVID-19 pandemic would be to reinstate India’s GSP Plus (Generalized Scheme of Preferences) status, which the Trump administration removed.

- **Trade Deal:** A mini-trade deal could be offered to signal American support for India’s economic recovery.

- **Investment Support:** India’s economy underwent its first recession in 2020, contracting by 10 percent. Encouragement for American companies, and those of
other countries such as Japan, South Korea, and Taiwan that are moving out of China, to invest in India would also aid India in restoring its economic growth.

• **Increased Developmental Assistance:** India, despite itself being a developing country, has in the past provided extensive developmental assistance in the Indo-Pacific region. However, India’s current crisis has limited its ability to allocate resources for developmental assistance to other countries. American assistance to the region, along with that of the World Bank, International Monetary Fund (IMF), and Asian Development Bank (ADB), would not only help to minimize China’s inroads in the region but would also ensure that India’s past endeavors do not go to waste and that the country can continue this work once it has fully recovered.

### Policy Recommendations for the Government of India

India needs to bring the COVID-19 surge it is experiencing under control before it can continue to pursue its regional goals. Denial, or arrest of those who report on the gravity of the situation (as chief minister of India’s largest state proposed) will help India deal neither with its situation nor with its foreign policy consequences. Therefore, the Indian government should consider taking these steps:

- **Enforce Smart Lockdowns:** Reduced movement of people, millions of whom have been neither tested nor vaccinated, would also reduce the number of new cases reported daily and would alleviate pressure on India’s overburdened health care system. The government would need to make special provision for India’s large migrant labor force as well as for those below or near the poverty line.

- **Practice Public Health Messaging:** Public health messaging, through actions and words, is critical to avoiding complacency. Avoiding large gatherings of any kind, political or religious, and wearing masks sends the correct message.

- **Build COVID-only Facilities:** With a health care system that is unable to handle existing patients, construction of COVID-only facilities throughout the country is badly needed. This step should have been taken over the winter months to prepare for India’s second wave of COVID-19.

- **Support Indigenous Vaccine Production:** An Indian pharmaceutical company, Bharat Biotech, has produced an indigenous vaccine named Covaxin, and the Indian government has waived its patent protection. While waiting for the WTO to waive the patents for foreign countries’ COVID-19 vaccines, the Indian government could encourage other Indian pharmaceutical companies to ramp up production of Covaxin.

- **Engage in Vaccine Diplomacy:** Once India’s own vaccine needs are filled, India should resume vaccine diplomacy by supplying Covaxin to its neighbors and other countries that are dependent on the supply of these vaccines.

- **Bolster Quad Diplomacy:** India should work closely with its partners in Quad (Australia, Japan, and US) to ensure that its post-COVID-19 economic recovery is swift. It can then resume military and nonmilitary actions aimed at denying China the upper hand in India’s neighborhood.

### The Impact of India’s Surge on the Rest of South Asia

India’s location, at the center of South Asia and as the only South Asian country sharing a land (or sea) border with all the other countries in the region, has generally been an advantage. However, the COVID-19 surge has turned what was an advantage into a hazard. Many of India’s neighbors, fearing an Indian mutation of the coronavirus, have rushed to close their borders with India.
Moreover, except for Pakistan, close economic ties between India and other countries of South Asia have made Bhutan, Nepal, the Maldives, and Sri Lanka vulnerable to India’s economic slowdown. The flow of Indian tourists and investment has declined, and there is also the possibility of a reduction in Indian developmental assistance.

When COVID-19 initially struck last year, India was quick to act and pushed for a regional response to the pandemic coordinated by SAARC (South Asian Association for Regional Cooperation). In addition, it set up a SAARC COVID-19 fund to which it contributed $10 million and sent personal protective equipment and medical teams to Nepal and the Maldives to set up quarantine facilities and train their personnel.

In January 2021, India launched their vaccine diplomacy efforts and, as part of that program, sent millions of vaccine doses to its immediate neighbors and other countries in the Indian Ocean region, including one million doses to Nepal, two million to Bangladesh, 150,000 to Bhutan, and 100,000 to the Maldives. China has targeted for inclusion in its sphere of influence all of the countries that benefited from India’s vaccine diplomacy and that are littoral to the Indian Ocean.

As part of this endeavor in January, 1.5 million doses of India’s COVID vaccine were sent to Myanmar, 50,000 to the island nation of Seychelles, and 150,000 to Mauritius. India’s distribution of the vaccine in South Asia was a function of its strategic priorities. By the end of March 2021, India had supplied over 60 million vaccine doses to 76 countries as either grants, gifts, or sales with the rest going to the World Health Organization’s Gavi COVAX alliance.

When the recent surge began, the Indian government had not procured enough doses of the vaccine from the Serum Institute of India or from foreign manufacturers such as Pfizer or Moderna to vaccinate most Indians. India could therefore no longer export vaccines abroad, disappointing such neighbors as Nepal, Sri Lanka, and Bangladesh. These countries, already targeted by China for inclusion in its sphere of influence, are now dependent on Chinese or Russian vaccines.

Although China is selling rather than donating its vaccine doses, it has managed to project itself as the region’s benefactor amidst the pandemic. Pakistan, for example, has purchased 13 million doses from three Chinese companies and these are expected to arrive over the next two months. These will be in addition to the 2.4 million vaccines Pakistan is expected to receive from the World Health Organization’s COVAX program for poorer nations. Bangladesh, Sri Lanka, and Nepal have also become major buyers of Chinese vaccines.

Factors that Contributed to India’s Unprecedented COVID-19 Surge

At the start of the pandemic, India imposed a strict lockdown early on, thereby initially averting high case numbers and deaths. A second wave of COVID-19 that began in March 2021 has proved deadly, however, overwhelming India’s health care system and leading to a spike in both confirmed COVID-19 cases and deaths.

On March 1, 2021, India reported an average of 15,000 new cases of COVID-19 daily. However, by the end of the month, that number had shot up to almost 400,000 cases and over 3000 deaths daily, contrasting poorly with an average of fewer than 100 people dying each day from just two months earlier. Although most experts suspect that the numbers of deaths both before and after the recent surge have been undercounted, the reasons for the pandemic raging with such renewed ferocity are clear.

India’s initial success in containing COVID-19, which resulted in favorable comparisons with more developed nations, made the Indian government complacent. The government allowed
and even encouraged large political and religious gatherings, which constituted ‘super spreader’ events. Indian leaders’ belief that India could overcome all odds ended up magnifying a problem that the country had initially managed well through application of prudent policies.

When the size and seriousness of the surge became evident, India’s decades of underinvestment in health care served to compound the crisis. The Indian government spends only 1.29 percent of its budget on health care while total health care-related expenditures in India are 3.6 percent of GDP. This number is well below the 8.8 percent that most OECD (Organization for Economic Cooperation and Development) member countries spend on health care.

As COVID-19 cases increased throughout India, there was a shortage of personal protective equipment, oxygen supplies, ventilators, and health care personnel. The number of available hospital beds also fell far short of that needed during the surging pandemic. The government had failed to plan for the surge even though the Parliamentary Committee on Health had warned in November 2020 that there could be an acute shortage in the supply of ventilators and oxygen cylinders.

Throughout most of April and into early May, the country continued to face a dwindling supply of oxygen badly needed by patients in critical condition. Hospitals throughout India warned of the acute oxygen shortage, with some sounding the alarm stating that they were just hours away from running out completely. According to India’s health ministry, the daily demand for oxygen in hospitals reached 60 percent of the country’s daily production capacity during this time.

The oxygen shortage has being alleviated, for now, first by the government of India itself working to increase its supply through importation of 50,000 metric tons of medical oxygen from abroad and with many other countries, such as the United States, Germany, and others, sending oxygen concentrators and even transportable plants to India. In addition to oxygen, however, India’s supplies of vaccines, hospital beds, and other medical materials have also been running low.

Although India is the global manufacturer of vaccines for the World Health Organization (WHO), it has managed to vaccinate only 3.19 percent of its 1.3 billion people. While India started its vaccination program early, it did not ramp up this program’s scale but instead exported and donated millions of doses as part of its vaccine diplomacy. Notwithstanding the goodwill and soft power India gained thereby, unless and until its own vaccination rates increase dramatically, a year or more will be needed for the majority of India’s 1.3 billion population to be vaccinated.

The federal government’s handing over of the vaccination process to the states will create further challenges. States with better health care infrastructure and more money will be able to procure vaccines more quickly whereas others will continue to lag.

The global average of hospital beds per 1000 people is 2.89, but India has only 0.5 hospital beds per 1000, lower than Bangladesh (0.8) or Haiti (0.7). According to the Indian Health Ministry, there are at least 2,084 hospitals treating COVID-19 patients, and these have a combined number of 468,974 patient beds. Unfortunately, the states most impacted by the recent rise in cases are facing an acute shortage of hospital beds for patients.

Further, few facilities are solely dedicated to COVID-19 treatment, and hospitals have been forced to simultaneously handle both routine cases and COVID-19 cases and vaccinations. Already, several hospitals have been forced to discharge asymptomatic patients in order to have sufficient numbers of beds for those displaying serious symptoms.
In 2020, India had ramped up COVID-19 testing, but this year testing has slowed dramatically, and investigative reports in the media report that some states are reluctant to test so as to lower the number of confirmed cases. Further, the turnaround time for results has also increased to more than 48 hours, thus preventing effective quarantining of patients and impeding contact tracing.

Health care experts and analysts agree that the Indian government prematurely declared victory against the pandemic, with Health Minister Harsh Vardhan stating in March 2021 that India had encountered the virus’s “endgame.” Last year’s strict, months-long lockdown was widely criticized because of its devastating impact on the economy. However, during the current year, a ‘smart’ lockdown lasting a few weeks would have helped alleviate some of the burden on India’s health care infrastructure.

While many cities and states have imposed limited lockdowns, India’s federal government appears reluctant to impose one. Prime Minister Narendra Modi stressed that another lockdown should only be enforced as a last resort. Moreover, the surreal belief that India had managed to conquer the pandemic following the decline in cases in September 2020 led to large gatherings’ being permitted, and these became super spreaders of the virus.

The government allowed, and even encouraged, large public gatherings, for both election rallies in five states and religious events. The Hindu religious gathering, the Kumbh Mela, went on despite concerns that controlling the spread of the Coronavirus during this gathering of over seven million people would be impossible. In the end, more than 1,000 people and 65 health care personnel tested positive for COVID-19 from among the relatively few who were later tested. The horror stories emerging out of rural India, of bodies floating in the rivers or buried in the ground, may well be linked to the hundreds of thousands who then returned to their small towns and villages without having been tested.

With the key state elections (Assam, Kerala, Tamil Nadu, and West Bengal) occurring in March-April 2021, the government and Election Commission of India made no attempt to limit the number of political rallies or the number of persons allowed to attend them. The ruling Bharatiya Janata Party (BJP) held massive in-person political rallies that drew tens of thousands of people. Only when the numbers of COVID-19 cases reported daily exceeded 200,000 that rallies were to be limited to 500 people only. By that time, however, the damage had already been done.

In addition to affecting the lives and health of millions of Indians, the pandemic has had a devastating impact on India’s economy. Its economic growth had slowed, even before the start of the pandemic. From a high of 8-10 percent in 2015-16, India’s rate of growth had fallen to 2 percent by February 2020. The strict lockdown of 2020 precipitated modern India’s first recession, during which its GDP contracted by 24.4 percent and its 2020 growth in GDP was a negative 10 percent.

The International Monetary Fund (IMF) had forecast 12.5 percent growth for India’s economy in 2021. But, with the latest surge in COVID-19, India’s GDP is set to decline by an additional 7.7 percent in the first quarter of 2021. The Indian government, however, remains confident that the economy will recover. Chief Economic Adviser KV Subramanian has minimized the level of uncertainty concerning future economic conditions, even when the effects of the current wave of COVID-19 are taken into consideration.

Most other economists do not agree with predictions featuring a rosy future, arguing that high numbers of COVID cases, low vaccination figures, negligible stimulus, rising poverty and income inequality, and rising unemployment make recovery of the Indian economy as predicted difficult.

At the start of the pandemic, India offered medical assistance to its immediate neighbors in 2020, followed by
vaccine diplomacy in the first three months of 2021, and these actions helped India to project itself as a regional leader, advancing its claim of being a global power in waiting. There was optimism that India would be able to counter China’s soft power with soft power of its own. Now, however, at least over the short term, India’s domestic challenges have become a threat to its regional and global ambitions.
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