**A pathway to peace**

On **Jul 30, 2022** [Abu Hurrairah](https://nation.com.pk/authorpost/columnist/abu-hurrairah/)

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A key component of diplomacy in the modern period is interstate economic collaboration, a pathway to establish peace in any region. The US-China relationship serves as an instructive example in this regard. Both nations continue to involve intricate economic interconnectedness while seeking influence across continents. The US and China exchanged more than $700 billion of goods and services in 2021. Additionally, Beijing has acquired a sizeable amount of US Treasury securities. Similarly, despite their disagreements over borders, commerce and investment between India and China have soared. Developing alliances and linkages based on shared interests is another aspect of interstate economic interaction. Two nations may cooperate on one international or regional issue while competing on another. For example, Germany seeks a permanent seat on the UNSC and disagrees with Italy over this, even though Italy and Germany are neighbours and EU partners. Despite sharing many of China’s stances in climate change discussions with the US, India is a strategic ally of the US in its rivalry with China.
The pursuit of national interests based on reciprocity of economic and other advantages appears to be the only criterion that seems to govern modern diplomacy in light of how competitive but interconnected the globe is. There are many examples. India has maintained its long-standing alliance with Russia despite recent ties to the US. In reality, Russia continues to be India’s largest supplier of military hardware. More recently, India decided to purchase Russian oil in defiance of Western sanctions put on Moscow due to its conflict with Ukraine. The relationships between China and Japan are another illustration. Despite notoriously tumultuous relationships, both are active in business, trade, and investments. It is understandable why Foreign Minister Bilawal Bhutto-Zardari advocated for tight collaboration with neighbouring countries in his speech at the Institute of Strategic Studies in Islamabad last month. The strategy is logical. However, the issue in South Asia is the intense mistrust and ongoing confrontations between India and Pakistan, notably the Kashmir dispute. The Modi government has rejected India’s previous pluralistic and secularist stance, which is another difficulty. It has begun implementing a Hindutva-driven agenda to establish a Hindu Raj. This strategy is creating a stir in India and has severe repercussions for the minority. ‎
Trade and economic linkages are a powerful force for peace. The European Union is the most informative case study. Other areas, such as those that makeup ASEAN, have also realised the enormous advantages of regional commerce for its citizens. However, South Asia continues to be the world’s least integrated area. Undoubtedly, India has significant responsibility for the situation since it has not promoted regional integration, worsened tensions, and kept SAARC at a disadvantage. However, South Asian nations—rather than India—ultimately bear the brunt of intraregional warfare. One crucial factor is that India has become essential to the US’s Indo-Pacific strategy to control China due to its size and military might. The US’s pivot toward India has given the country’s leadership more license to pursue hardline Hindutva-inspired policies that potentially destabilise the region and even the Indian polity, jeopardising the potential for regional commerce.
What then should Pakistan do, given the situation? Should disagreements or conflicts preclude trading with neighbours? Or should we start to look at our trading relationships with our neighbours through the lens of Pakistan’s socio-economic and geo-economic well-being? Despite Afghanistan’s substantial reliance on trade with and via Pakistan, our commerce with Afghanistan had increased to almost $3 billion but has subsequently decreased. US sanctions have prevented us from engaging in significant bilateral trade with Iran. The cutting-edge alternatives, like border marketplaces, were not utilised by us. As a result, Pakistan’s border areas continue to smuggle items from Iran with no positive financial impact on Pakistan’s treasury. No confidence-building measure is more potent than bilateral trade as it can help reduce mutual distrust and position countries to address more challenging issues on the bilateral agenda. In economic terms, low transportation costs, availability of road and rail links, and socially identical consumer bases provide a clear edge to trading with neighbours. The economic activity thus generated provides our traders access to vast regional markets.
Bilateral commerce is the most effective confidence-building strategy since it may help eliminate mistrust between nations and position them to tackle more difficult bilateral challenges. Trading among neighbours benefits from cheap transportation costs, the availability of road and rail connections, and socially similar consumer bases. Due to the resulting economic activity, our dealers can access various regional marketplaces. In the broader interest of the economic stability of the Pakistani people, we require a whole new strategy for constructively interacting with all of our neighbours and obtaining additional prospects for fair and mutually profitable trade and investment opportunities for our traders. Trade and investment linkages may eventually serve as a foundation for long-lasting peace in South Asia.