Future of Nation State Concept in the Era of Global Interdependence: Options for India in the Indo-Pacific

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Introduction

The extant World Order is in a state of flux in this 'Age of Strategic Uncertainties', with the US in strategic retrenchment and the European Union (EU) in an economic slowdown and internal dissonance. In this vacuum a rising, revanchist China seeks to gain more geo-strategic and geo-political space using geo-economic coercion to achieve its phase one of the Chinese Dream – a unipolar Asia within a multi-polar world. China reckons that the *'Shi'*, i.e. the 'Strategic Construct of Power', is now flowing in its favour but it opines that this window is narrowing as other Middle and Rising Powers (like India, Japan, Russia, etc.) exert their own *'Shi'* to carve out their respective space in Asia.[1]

The recent events and trends show that the emerging World Order is tending towards multi-polarity leading to another period of jousting due to the 'balance of power'. However, the world today is very different from the previous centuries wherein such a change was preceded by a bloody carnage from a clash of arms – the *'Thucydides Trap'*.[2] The Cold War and globalisation since the fall of Soviet Union, and interdependence that has resulted from it, makes a clash of arms less economically viable between these powers (the North). This has led to creation of spheres of influence amongst the semi-peripheral states and smaller countries (the South) through regime change, geo-strategic compulsion or geo-economic coercion by the North, leading to 'small wars, terrorism and other such upheavals. In this flux come other Middle and Rising Powers with their own national interests to guard and expand their influence creating a combustible environment.

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This compels the review of the extant narrative of sovereign nation states, as this has not protected the South from being able to exercise their sovereign autonomous right to protect their national interests, due to the geo-strategic and geo-economic coercion by the 'Core' and 'Peripheral' powers (North). With the world in transition, and tending towards multi-polarity, there is a need to relook at the Westphalian construct of the nation state concept in the present era of global interdependence, to ensure that the South does not suffer, should the North get into an *'Economic Thucydides Trap'*.

This article aims to look at this aspect and revisit the federative and confederative principles to suggest a model for the extant International Institutions to be able to provide a balance, buttressed by a general union as subjected to some central political control; a move towards multilateralism or regional multilateralism. It would analyse the level at which such union and control would function better and the degree to which the 'sovereignty' needs to be ceded (if any) to such Institutions, leading to a balance of *'Sovereign Regional Power'* that would ensure an era of reduced strife and increased prosperity across regions and the world. It would ensure a better balance for the *Semi-Peripheral States with the Peripheral States and the Core,* thereby ensuring a balanced covariance of rewards to all. It would examine India's options, within this construct, in the Indo-Pacific region for better stability, security and economic prosperity.

Sovereignty and Nation-States

Sovereignty is the full right and power of a governing body over itself, without any interference from outside sources or bodies. In political theory, sovereignty is a substantive term designating supreme authority over some polity.[3] The concept of absolute, unlimited sovereignty was denuded by the growth of democracy that imposed important limitations upon the power of the sovereign and of the ruling classes. The interdependence of states has further restricted the principle that 'might is right' in international affairs. Citizens and policymakers generally have recognised that there can be no peace without law and that there can be no law without some limitations on sovereignty.

The genesis of sovereign nation states can be traced back to the Treaty of Westphalia in 1648, at the end of the Thirty Years'

War.[4] The traditional view of the Westphalian system is that the Peace of Westphalia was an agreement to respect the principle of territorial integrity. In the Westphalian system, the national interests and goals of States (and later nation-states) were widely assumed to go beyond those of any citizen or any ruler. States became the primary institutional agents in an interstate system of relations. The Peace of Westphalia is said to have ended attempts to impose supranational authority on European states, and led to the concept of balance of power to maintain peace and stability. Yet, as early as 1760 it was noted that such balance of power, however operated, merely preserved the States and would not guarantee peace. To be lasting, such balance needed to be buttressed by a general union subjected to a central political control.[5] The subsequent wars – The Seven Years War, Napoleonic Wars, Franco-German War and the two World Wars are some examples of the failure of this system.

A State is, specifically, a political and geopolitical entity, while a nation is a cultural and ethnic one. The term "nation-state" implies that the two coincide, in that a State has chosen to adopt and endorse a specific cultural group as associated with it. The concept of a nation-state can be compared and contrasted with that of the multinational state, city-state, empire, confederation, and other state formations with which it may overlap. The key distinction is the identification of a people with a polity in the nation-state. Thus, a nation state meets the following criteria:-
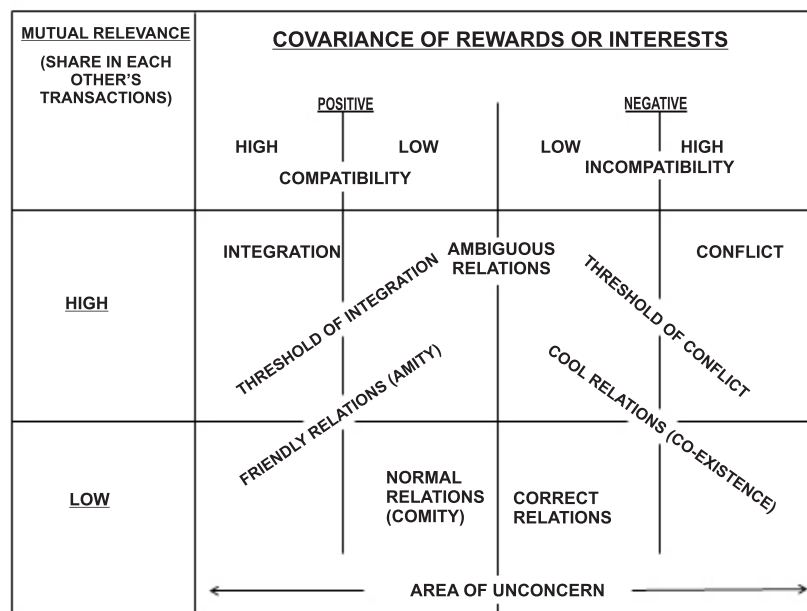
(a) A defined territory;

(b) A permanent population;

(c) A government; and

(d) A capacity to enter into relations with other states.[6]

Global Interdependence and Covariance of Rewards

The remarkable events of recent times have given substance to the idea that the world is in a new age of international relations. The spread of 'Globalisation' has resulted in a much more integrated 'Global Interdependence', that has resulted in the use of geo-economic coercion and geo-strategic compulsions to gain strategic space, and a declining use of conventional full scale war. Nonetheless, it still has perpetuated 'Small Wars', insurgencies,

terrorism and asymmetric wars. As such, this interdependence is not balanced and skewed heavily in favour of the 'Core and the Peripheral' States, being more strong economically, as compared to the 'Semi-peripheral or smaller' States, some of whom have borne this brunt (West Asia) since the Cold War.

Two countries are considered economically interdependent if any change in one causes a predictable change in the other. If the change affects both in a like manner it is termed as positive interdependence or having a 'positive covariance of rewards'. If the effect on both is diametrically opposite it is termed as 'negative covariance of rewards'. Strong positive interdependence tends to support solidarity, while negative tends to prompt conflict; weak interdependence tends to make but little difference either way.[7] Figure below explains this diagrammatically.

This global economic interdependence will invariably lead to a clash of 'perceived' national interests, leading to the economic coercion of the Global South as many of these are resource rich and depend upon the demand from the North for their economic survival.

The international institutions established by the 'society of nations' (UNO) is propounding/deemed to support contradictory principles – sovereignty of States *versus* such geo-economic coercion that it cannot prevent, and the equality of States *versus* the special privileges of the P-5 (geo-strategically and geo-politically) and the G-7 (geo-economically and geo-politically). The lack of capability to enforce the rules / decisions it ratifies leaves the South at the mercy of the North. The skewed covariance of rewards in favour of the North, leads to the geo-strategic and geo-economic coercion of the South, or economic imperialism.

While earlier there were one or two players in this game of geo-strategic or geo-economic coercion (Cold War and thereafter), with the rise of other powers in this "age of strategic uncertainties", the South would face multiple such challenges. The impact of 'Cold War' biases is still extant, in the manner in which the US, West and their allies deal with the other countries, resulting in the South being forced into strategic and economic coercion due to the instabilities created by this 'Balance of Power / Economic Power' and unfair trade agreements forced upon them. In Asia, Sri Lanka and Myanmar are facing geo-economic crunch with respect to China, while elsewhere the Middle East is facing upheaval due to military interventions for regime change, by the USA – strategic coercion.

Ever since *'Pax Romana',* such geo-strategic and geo-economic coercions have only led to penury of the vassal states (Global South), rise of new powers and a clash of arms (Thucydides' Trap) resulting in the change of guard. Be it *'Pax Britannica'* or *'Pax America',* the Thucydides Trap has only spread chaos, bloodshed and strife. Is the world then ready for a new version of *'Pax Sinica'* and *'Pax Americana'*?

The world is at the threshold of a new dawn and needs a fresh breath of air, akin to the Westphalian Treaty of 1648, but going beyond it, to usher in an era of tranquillity and balance.

The Federative and Confederative Principles

The federal principle has been applied to integrate state polities since the classical days of Roman Empire. It has proved its ability to solve integration problems of legally and politically autonomous communities that, in order to confront mutual challenges and

problems, face the necessity to become a new entity without losing their own political and legal identity (examples, USA and Great Britain).[8] While within the 'State' it was found feasible, amongst States it was found to be incompatible in that era of mutually exclusive sovereign States.

Towards the end of the 19th Century, the idea of federation amongst sovereign states was no longer feasible even to avoid conflicts. The primacy of perceived national interests over any mutual accommodation precluded the formation of any institution based on rigid federative principles. As tensions between States grew, the need for 'détente' became more urgent than ever. Thus, was born a system embodying a type of international association requiring merely voluntary co-ordination of measures to prevent conflict – based on confederative principles. Such structures tend to provide frameworks within which international relations are conducted on the basis of power politics.[9] Both, the League of Nations and the UNO, have failed to deliver due to this phenomenon. This ideology of 'harmony of interests', which subsumes the UNO decisions is out of tune when applied to interactions between developed and underdeveloped countries. It serves to promote and favours the position of the powerful, the P-5 and G-7, and is not in sync with the changed geo-political scenario of the 21st Century.

This leads on to the dilemma, what next? The prospect is best explained by the most self-conscious apostle of realism - Hans Joachim Morgenthau. He placed little hope in the ability of devices like balance of power, international law or force of world opinion to maintain peace. Permanent peace, he held, was dependent on a 'World State', which however had to be preceded by a 'World Community'. In effect the sovereignty of nation states has ceased to be relevant in the environment of global interdependence.

However, with the 'concept of sovereignty' so deeply engraved in the psyche of the polity of the nations, a jump to world community would not likely succeed and would be short lived. World has progressed by surrendering some degree of sovereignty at every level since millennia – family to clan to tribe to principalities / city states/ kingdoms to sovereign states to empires and colonies (wherein the colonised society was deprived completely) to present

day nation-states. At every level, each entity did surrender some degree of its sovereignty for the larger good of the expanding society(ies).

Regional Multilateral Federation

The nations of the region need to come together to form a 'Regional Multilateral Federal Structure', wherein each nation surrenders some economic, diplomatic, political, defence and socio-political sovereignty for the larger interest of the region. It would interlink the region as one entity, for any outside State to enter into any agreement with, thereby providing it security in numbers. The region would have economic, commercial, infrastructural, socio-political, socio-economic and security architectures that would be interconnected, without losing their overall political identity that would enable and strengthen them to better face the challenges of geo-economic coercion and geo-strategic compulsions. For it to be successful, it would need to include at least two rising powers, who would need to sacrifice that much more for the larger good of the region and to maintain a balance. The major powers should not be part of such a regional construct, since it would unbalance the structure.

The emergence of such regional blocs around the world would provide for a more stable environment ensuring reduced strife and increased prosperity – a 'Balance of Sovereign Regional Power'. Development of domestic economic strength, trade and commerce, integrated infrastructure development and connectivity with socio-political and socio-economic cohesion would inhibit conflicts and increase incentives for regional prosperity.

The major issues of economics, commerce, energy, security, environment and diplomacy that impact the region should be co-ordinated by this regional federation, and the rest can be left to the respective nation / member states. Such regional federations across the globe would be better able to achieve stability and order and maintain geo-political, geo-strategic and geo-economic balance to a large extent. Multilateral trading would now be done between the regions, or between the regions and the North, rather than individual countries, thus ensuring that the interests of the smaller nations are better protected.

Expansion makes a negotiation more complex. Any controlled enlargement as a means of finding a trade-off and any exclusion of an essential negotiant is likely to worsen conflict.[10] All such eventualities could be overcome by this proposed system. Such a system is more likely to facilitate order at the global level since agreements / decisions can be more easily negotiated and its implementation overseen.

Options for India in the Indo-Pacific

This provides space for India, Singapore and Indonesia to form a regional coalition of the like-minded countries in the Indo-Pacific. Such a coalition should provide an alternate geo-economic and geo-commerce model and facilitate economic activities, security, trade, intelligence exchanges, military capacity building, technology sharing, agenda setting for regional forums and coordinated diplomatic initiatives. It would be a truly 'win-win' situation for all countries of the Indo-Pacific region.

There is a need for 'phased adaptive' approach to achieve this. The first step could be a 'Coalition of Middle Powers', with other likeminded powers, to provide the smaller nations support from 'geo-economic blackmail'. The Quadrilateral Security Dialogue, being revived by Japan could also be considered in this regard, as also the Asia-Africa Growth Corridor. Such a coalition needs to provide an alternate narrative for the economic and infrastructure growth of the region leading to better inter-connectivity and social cohesion.

The 'Indo-Pacific Regional Forum', with the broad regional economic, political, diplomatic and security architecture could follow later. The guiding principles would remain the same wherein the system should facilitate economic growth, stability and peace by integrating the following :-

(a) Maintaining an integrated infrastructure and energy grid to facilitate economic integration.

(b) Maintaining a common integrated domestic base for economic, socio-economic and socio-political strength.

(c) Maintaining an integrated geo-political and geo-strategic balance.

(d) Better managing the open International Trade and Multilateral regimes.

It would lead to multi-polarity within Asia, act as a succor to the smaller nations and ensure that rule of international law, good governance, equality, transparency and economic prosperity for all is ensured within the region. Such an association would be able to ensure stability, peace and prosperity within the region. The foundation of the association or coalition should not be based just on countering any country's rise but for stability and prosperity, only then would it be self-sustaining and long lasting.

Conclusion

The 'Age of Strategic Uncertainties' brings with it the opportunity for lateral thinking to evolve a new system of World Order for the present to transition to. A World Order that would provide stability and security where the rule of law is perceived to be fair and just to all, whether be it the core, semi-periphery or the peripheral States. The Westphalian concept of the 'Sovereign Nation State' appears to have outlived its utility in the 21st Century environment of global interdependence. Hence, the need to look beyond for a new dawn and a fresh breath of air – akin to the Westphalian Treaty, to usher in an era of some tranquility and balance.

The 'Middle Powers' of Asia must utilise this opportunity to form an 'Indo-Pacific Regional Forum/Federal Structure', to assist the small nations and ensure peace and stability within this region. The time is now for these 'Middle Powers' of Asia to seize the initiative. It could be the forerunner for the emergence of such regional blocs around the world that would provide for a more stable environment ensuring reduced strife and increased prosperity –a 'Balance of Sovereign Regional Power'. It is just the beginning – a step towards what Morgenthau had visualised as a World Community. It will not occur overnight, nor in a hundred days, or even a thousand. But to quote the late John F Kennedy – Let us begin.

Endnotes

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