

SOUTH ASIA

A publication of the Institute of South Asian Studies

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A Word from the Director



This issue highlights a number of critical developments in South Asia in 2008. Pakistan elected a new civilian President in September 2008. However, the transition from former military ruler Pervez Musharraf to elected President Asif Ali Zardari has come amidst severe economic and security challenges in Pakistan. A deteriorating economy and restive border with Afghanistan have created the conditions for terrorist groups to thrive, and Pakistan is now widely regarded as the epicentre for global jihadist terrorism, a fact most dramatically highlighted by the Mumbai attacks in November 2008. The security situation in Pakistan is, to a large extent, an outcome of developments on its Afghanistan border. Pakistan and Afghanistan now hold the key to stability in South Asia.

As India moves towards a general election in April/May 2009, we review Dr Manmohan Singh's term as prime minister and highlight some of his domestic and foreign policy initiatives and achievements, most notably the India-United States Nuclear Deal. We highlight the challenges to the deal.

The civil war in Sri Lanka has again reached a critical stage, with the government claiming a 'military victory' against the Tamil Tigers in the north. The conflict has also brought to the fore simmering sensitivities in Indo-Sri Lankan relations. We look at the changing role of India in the ethnic conflict.

In recent months, in addition to a steady stream of publications providing analyses and insights, the Institute of South Asian Studies (ISAS) has organised a number of important events to highlight key developments in South Asia. On 24 November 2008, Singapore's Finance Minister, Mr Tharman Shanmugaratnam, delivered the keynote address on "Challenges of Economic Growth, Inequality and Conflict in South Asia" at the Fourth International Conference on South Asia. Together with the Singapore Indian Chamber of Commerce & Industry, we organised the Fifth SICCI-ISAS Global Business Leaders Lecture on 5 November 2008. H.E. Mr Kapil Sibal, Minister of Science & Technology and Earth Sciences, India, delivered the lecture on "India: Current Scenario and the Road Ahead". ISAS also launched the seminar series on the South Asian Association for Regional Cooperation in September 2008, and the proceedings of this eleven-seminar series will be published in due course.

As we start the New Year, I take this opportunity to thank you for your support to ISAS in 2008. Several initiatives are being planned for 2009 and I look forward to sharing them with you in future issues of the newsletter.

I would like to wish you the very best for 2009!

Professor Tan Tai Yong
Director

Understanding Afghanistan

– A Country in Turmoil

Mr Shakti Sinha
Research Fellow, ISAS

Seven years after the relative ease with which the Taliban were overthrown, increased instability in Afghanistan keeps the country in the news. According to the United Nations, the number of security incidents in August 2008 was the highest since the fall of the Taliban. This represented a 44 percent increase compared with the same month in 2007. In fact, during the first eight months of 2008, the United Nations 'recorded a total of 1,445 civilian deaths, an increase of 39 percent over the 1,040 civilian deaths recorded in the same period in 2007.' It is no surprise, therefore, that the North Atlantic Treaty Organization (NATO) Secretary-General, Hoop Scheffer, has asked for more forces to avoid a stalemate. This is despite a more than 70 percent increase in the size of the NATO-led International Security Assistance Force (ISAF) in the past two years. The ISAF's current strength is over 51,000 soldiers. In addition, the United States has 12,000 troops in Afghanistan outside NATO command, besides the 20,000 troops within the ISAF.

Clearly the job of stabilising Afghanistan is much tougher and more time consuming than the United States planned for when it intervened in the country post-9/11. Lately, there is an increased acceptance for the implementation of a broader integrated strategy encompassing security, governance and development. Almost all involved agree that there is no military solution. Afghanistan's President, Hamid Karzai, has regularly called on the Taliban to enter into negotiations, which the latter have ruled out as long as there are foreign troops in Afghanistan. However, in a quiet move, Saudi Arabia initiated indirect talks between representatives of the government and the Taliban in Riyadh but these are at a very preliminary stage and would only deliver when the government is seen to be speaking from a position of strength.

In order to better understand these developments and get a sense of how things are likely to develop, one must go back to where the United States and its allies got it wrong. The answer lies in under-resourcing the war, inadequate and distorted development assistance, a basic lack of awareness of the nature of the Afghanistan society, evolving relations to state structures,



making an unnecessary distinction between the Taliban and the Al Qaeda, and in underestimating the support that the Taliban enjoyed with elements of the Pakistani state.

The military operations that commenced on 7 October 2001 ensured a fairly easy entry of the Northern Alliance ground troops into Kabul, signalling the Taliban's ouster. The Taliban withdrawal from Kandahar on 9 December 2001 marked the effective end of the Taliban regime in Afghanistan. The announcement of an early victory and the diversion of resources to Iraq in early 2003 at a critical state of the war in Afghanistan has had disastrous consequences for the latter. Despite the recent increases in troop levels, it may well be a case of too little too late. As such, while the ISAF is able to score victories on the battlefield, it does not have the numbers to hold territory, which then slips back into the hands of the insurgents. The Afghanistan National Army is being built up and its current numbers are 58,000. However, they are still not equipped or trained to act independently, and mostly play a supportive function to the ISAF operations. Therefore, the current troop level remains grossly inadequate.

The consequences of this light security foot-print led to the creation of a security vacuum when the Taliban retreated. This allowed local warlords and power brokers to flourish. In fact, the United States army-led 'Operation Enduring Freedom' relied on these very forces to provide intelligence leads to mop up the remnants

of the Al Qaeda network, provide outer cordon security at the former's camps and armed escorts for convoys. In return, they were rewarded with money, development projects and 'legitimacy'. In reality, these warlords are the major obstacle to the development of national participatory institutions in Afghanistan, thus perpetuating the instability in the country.

In such a permissive environment, the drug economy and criminality, especially kidnapping and extortion, took off. The explosion in opium cultivation has made Afghanistan the world's monopoly supplier of illicit drugs – over 90 percent of the world's heroin supply can be traced to Afghanistan. This has had a major corrupting and distorting effect on the credibility of the government, and has acted as a barrier to the growth of the legitimate political and economic activities.

After the overthrow of the Taliban regime, the priorities of the international community should have been to set up an Afghanistan state that was effective and had legitimacy. Unfortunately, the fledgling state was not endowed with sufficient capacity to deliver public services in ample measure or provided with adequate resources to temporarily buy capacity that would have enabled it to deliver even as it built up its own capacity. Despite Afghanistan's status at being at the bottom-five of the United Nations' Human Development Index, the money it has received compares very unfavourably with the assistance received by other post-conflict countries/regions. Based on 2000 figures, Afghanistan received US\$57 per capita, compared to US\$679 per capita for Bosnia; US\$526 for Kosovo; US\$233 for East Timor; and US\$206 for oil rich Iraq.

Critically, these failures have been compounded by the design of the political institutions and governance arrangements that do not take into account the extremely fractured nature of society, far more complex than simple ethnic and tribal loyalties. Over the past century, Afghanistan rulers have tried to centralise all powers. However, often in the absence of resources, they have alternatively played the politics of co-option, fragmented tribal identities and used religion for political purposes. This has meant constantly shifting equations in which power entrepreneurs jostle for control



with remnants of traditional power elites, mullahs and drug lords within the overarching state framework. The end result has been an underdeveloped state with inadequate control outside the major cities. The Bonn process culminated in the present Afghanistan Constitution which provides for a highly centralised Presidential system with a weak National Assembly. The system of elections, single non-transferable votes treating the whole province as one elected district, has led to lopsided representation with large areas and communities being left out. While there are elected Provincial Councils in the 34 provinces, in effect, they are debating societies with no decision-making powers. Afghanistan also does not have any mechanisms that would lead to better accountability of the nationally-appointed provincial executive. Appointments to the civil service continue to be in an arbitrary manner and efforts at moving towards a merit-based system are repeatedly thwarted.

The other key factor that has influenced the growing insecurity has been the role of Pakistan. Despite being the main supporter of the Taliban, the Pakistani state has been let off rather easily till recently. Parts of the Pakistan state continue to work closely with the Taliban leadership, providing sanctuaries. Pressure on Pakistan to do more to curb cross-border movement of anti-government elements, close down training camps and come down hard on the Taliban leadership is not consistently applied as it is seen as key to taking on the Al Qaeda. While Pakistani officials deny the existence of the Taliban and Al Qaeda leadership in the country, the United States National Intelligence Estimate (November 2007) identified Pakistan as a 'hub of Al Qaeda activity'. The increasing United States pressure primarily expressed through overt strikes in Pakistan to cajoling the military to cooperate in capturing the Taliban-Al Qaeda leadership has yielded little results.

Despite all these negative developments, it must be acknowledged that, in the seven years since the fall of the Taliban, Afghanistan has seen considerable economic growth with per capita income doubling and robust gross domestic product growth rates mostly in excess of 10 percent per year. Health coverage is accessible to 80 percent of the population and school enrolment has gone up from less than one million in 2001 to more than six million in



2008, almost 40 percent of whom are girls. The growth of the telecommunications sector, microfinance and community-based rural development projects has been very impressive. However, these positive developments have not generated sustainable economic growth. Specifically, increased insecurity, corruption, energy shortages, lack of growth in agriculture and lack of legal environment, among others, have constrained investment that could lead to more broad-based economic growth and the generation of employment. Overall, different surveys show that the people continue to remain broadly supportive of the government. However, the support and optimism are eroding.

The recognition that the situation in Afghanistan is a complete mixture of stabilisation, reconstruction and state-building is a good starting point to understanding the paradox of growing insurgency and positive developments. There are a number of things that the government and its international backers must do.

Accelerated efforts to build the Afghanistan National Security Forces through increased numbers of trainers, better equipment and improved working conditions would go a long way to building the capacity of the state, and in the 'Afghanisation' of the fighting. This should be accompanied by better use of field intelligence, greater respect for local customs and less reliance on discredited power-brokers and on air strikes. There must also be a clear commitment from the troop contributing countries that they intend on staying engaged.

Though setting up governance systems based on Weberian principles is a long-term process, there are few quick wins that can be achieved in the short-run, notwithstanding the political price to be paid. The classic dilemma of every post-conflict society is that of short-term imperatives that challenge long-term state-building efforts. Afghanistan's leadership has made

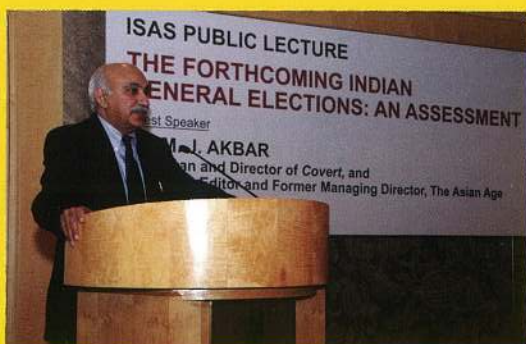
considerable efforts at co-opting all but the hardcore Taliban. However, even as the leadership must reach out more to disaffected tribes and groups that find themselves excluded from formal power structures, the former must not be seen as a captive of local power elites whose behaviour and interests go against the interests of the society at large. Bad governance reflected in corrupt and rapacious governors and police chiefs do more to promote anti-government activities than the Taliban's 'persuasion' skills. Their removal from positions of authority and occasional imprisonment would improve the credibility of the government.

Recognising the corrupting influence of the drug economy on governance institutions, the government and the international community must treat the drug industry as a security-cum-governance-cum-development issue. A whole range of activities, from promoting general agricultural development, such as provision of agricultural inputs (extension, credit, irrigation, seeds, etc.), to incentives to promote post-harvest activities such as cold storages and other investments in social and economic empowerment would give small farmers, share-croppers and agricultural labour alternatives livelihood choices. This must be accompanied by legal targeting of drug lords and their patrons within the government.

All these issues would still not deliver till the regional dimension is taken care of. As long as Pakistan's tribal areas continue to provide sanctuaries for the Taliban and parts of the establishment still see the latter as their strategic weapon, Afghanistan will not stabilise. All notions of seeing Afghanistan as providing Pakistan with strategic depth against India must be disabused. Here the international community, particularly the United States, has an important responsibility in ensuring that the Pakistani establishment works jointly with it to control and suppress all elements that are presently aiding and abetting the insurgency in Afghanistan. ■

ISAS Public Lecture

Forthcoming Indian General Elections



The Institute of South Asian Studies organised a public lecture on "The Forthcoming Indian General Elections: An Assessment" by Mr M. J. Akbar, Chairman and Director of *Covert*; and Founding Editor and Former Managing Director, *The Asian Age*, on 26 November 2008.

Mr Akbar opined that every general election in India is an experience in itself and that there is no predictive template that one could associate with the elections. He emphasised that there would be a clear domination of the regional parties in the forthcoming elections and that the final outcome would be determined by the resultant coalition equations.

While highlighting the various issues that could possibly influence the voters' decisions, Mr Akbar underlined the importance of the real impact of the global financial crisis and the failure to provide an alternative to the 'trickle-down economics', amongst other issues, as the most critical ones that would affect the final decision-making of the voter.

The fifteenth Indian general elections are scheduled to take place in April/May 2009.

India and the Sri Lankan Conflict: From a Major Player to a Helpless Onlooker

*Professor S. D. Muni
Visiting Senior Research Fellow, ISAS*

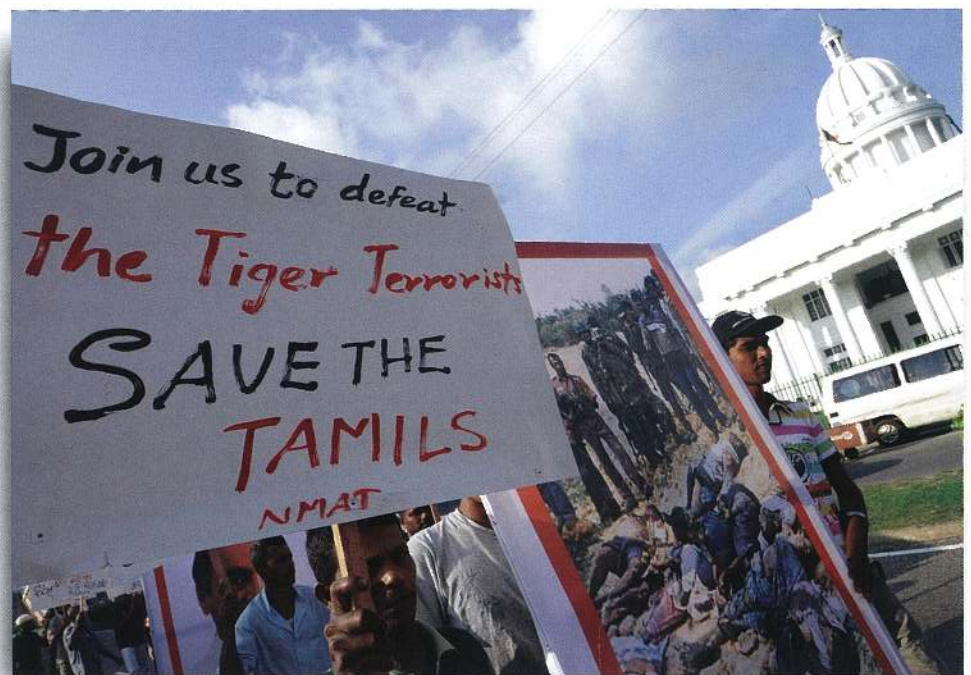
Sri Lanka's ethnic war is inching towards its military end-game. So it seems. The Liberation Tigers of Tamil Eelam (LTTE) were vacated from the East long back and from their northern strategic post in Pooneryn in November 2008. They are about to be pushed out from their traditional stronghold Killinochchi. There are reports that the LTTE leadership has already relocated itself, perhaps to plan for its new mode of struggle after the Sri Lankan forces establish their complete conventional 'military victory' in the north.

This situation, in a way, resembles somewhat that in April 1987 when Tamil militants stood on the verge of annihilation at the hands of the Sinhala troops. India intervened directly in May 1987 to bail out the Tamil militants.

India is not doing anything like that today despite calls for help to it from the LTTE, and its sympathisers and supporters in Tamil Nadu. From the heydays of the 1980s, Indian policy appears to have lost much of its élan, influence and initiative in relation to Sri Lanka.

The drift in India's policy was set into motion in 1990 when the Indian Peace Keeping Force (IPKF), brought into Sri Lanka to tame the defiant LTTE, was forced to withdraw in humiliation and before its mandate could be fulfilled. The IPKF had come to Sri Lanka in the interest of protecting the Indo-Sri Lankan Agreement of July 1987 which sought to resolve the ethnic issue peacefully and constitutionally. The IPKF's withdrawal was engineered by a sinister and short-lived alliance between the LTTE and the Sinhala chauvinist forces, then represented by President R. Premadasa of Sri Lanka. In sheer disgust, Indian policy relapsed into a 'hands-off' mode.

Over the past five years and so, India's 'hands-off' policy has moved closer to the Sri Lankan state, at least covertly. Accordingly, India is providing support to Sri Lanka's defence forces through



training and supply of equipments (non-lethal) as well as helping them with intelligence on the LTTE's naval and air activities. This arrangement was on the verge of being formalised in 2004 as a bilateral Defence Cooperation Agreement (DCA). However, the pro-Tamil groups in Tamil Nadu such as Vaiko (R. Gopalswamy)-led Marumalarchi Dravida Munetra Kazhagam (MDMK) did not allow it to take place. The MDMK is a coalition partner of the Congress Party-led ruling United Progressive Alliance. Nonetheless, the provisions envisaged under the DCA are being implemented as part of the bilateral policy. A formal defence cooperation agreement with Sri Lanka would have unduly offended the general Tamil sentiments in the context of an intensifying ethnic conflict. It was, therefore, not difficult for the central government to concede to the demands of its Tamil allies.

India's policy has always sought to strike a balance between two extremities in the Sri Lankan situation – of Tamil Eelam (Separate State) and aggressive Sinhala state (with Tamil rights subjugated). India's intervention in May 1987 was to ensure that Tamil resistance for their legitimate rights was not crushed by the Sinhala state, and the sending of IPKF to tame the LTTE was to ensure that

there was no separate Tamil state. Between these extremities, India has always sympathised with the Sri Lankan government's attempts to seek a peaceful and reasonable solution of the ethnic issue. It was in the interest of such a solution that India even endorsed Sri Lanka's invitation to Norway in 2000 to play the role of a peace-broker. However, the present Indian policy of drifting along with the Sri Lankan state in its military campaign is a product of varied constraints.

The very first constraint is that the LTTE does not deserve any support or bail-out, not only because it sabotaged the 1987 agreement and fought against the IPKF, but also because it killed India's then-Prime Minister Rajiv Gandhi in May 1991. The LTTE is a global terrorist organisation with its links and operations going beyond Sri Lanka. Led both by commercial and political objectives, the LTTE is suspected to be helping a number of India's own insurgent groups. While fighting terrorism at both the home and the global fronts, India cannot be seen as a saviour of the LTTE. During the IPKF operations, the LTTE leadership was spared as a mark of respect for the sentiments of India's Tamils. Now when Colombo is chasing them, New Delhi seems to be finding it strategically prudent to keep the 'hands-off' more so, as the LTTE will not relent on its demand for a separate Tamil state. The central Indian leadership accordingly managed to soft-peddle the pressures generated from its allies in Tamil Nadu in October 2008 for an effective intervention in Sri Lanka to ensure a ceasefire, which could only help the LTTE. These pressures were also chiefly the result of regional political rivalries and a power struggle rather than any genuine concern for suffering Tamils in Sri Lanka. India's diplomatic intervention, driven by these pressures, resulted in additional supplies of food and essential items to Sri Lankan Tamils caught in the conflict. Sri Lanka has also been cautioned not to let any refugees come to India as a result of the intensifying conflict. India, however, made it clear that it would not come in the way of Sri Lankan security operations, while reiterating that the problem could be solved only politically and not militarily.

It is clear that India is not for bailing out the LTTE. However, the absence of any effective intervention is also constrained by the lack of unity among the non-LTTE Sri Lankan Tamil groups. These groups are working generally with the Sri Lankan government but are not prepared to forge a united front among themselves and to evolve a consensus on what needs to be done for the rights of the Tamil people. This structurally weakens New Delhi's demand on Colombo for a political package. More than 50 percent of Sri Lankans live outside the areas controlled by the LTTE but they do not have any effective political voice to speak for their concerns and interests. Sri Lankan President, Mahinda Rajapaksa, seems to be driven by a Sinhala agenda and has managed to garner significant popular support for his approach, though by muzzling the media and hiding the gruesome realities of war. He has also succeeded in keeping the non-LTTE Tamil groups, including those in power in the East, divided. Even Sinhala moderate parties and leaders, such as Renil Wickramasinghe and Chandrika Kumaratunga, have been effectively subdued by the Rajapaksa regime's political manoeuvres.



If India goes beyond a point in pressing the Rajapaksa regime for a political solution and tries to thwart in any way his military campaign, its vast economic stakes in Sri Lanka developed since the late 1990s will be harmed. In 1989, in protest against the 1987 agreement and the IPKF operations, the Sinhala extremist forces, led by the Janatha Vimukti Peramuna, extensively attacked and damaged Indian business establishments and products in the south of Sri Lanka. India's trade with Sri Lanka has grown 20-fold since 1990 to an impressive figure of US\$2.7 billion, of which nearly US\$2.2 billion accounts for India's exports. Indian Oil Corporation does roaring business in Sri Lanka and total Indian investments, spread into the areas of information technology, hotels, rubber and cement, are worth close to US\$500 million. These economic stakes cannot be exposed to the anger of Sinhala extremists.

Strategically, Sri Lanka of the twenty-first century is much more amenable to India's concerns and sensitivities than Sri Lanka of the early- and mid-eighties. There are some difficulties regarding Sri Lanka's purchase of weapons from China and Pakistan to which India has drawn repeated attention. India's National Security Adviser, M. K. Narayanan, even publicly raised India's concerns in this respect. However, the problem is that, while refusing to give Sri Lanka the offensive weapons it needs, India cannot effectively stop it from accessing the sources it finds convenient and affordable. There are also anxieties in the sections of



India's establishment about the rise in China's presence and influence in Sri Lanka's sensitive sectors of energy (exploration in the Gulf of Mannar) and ports (development of Hambantota).

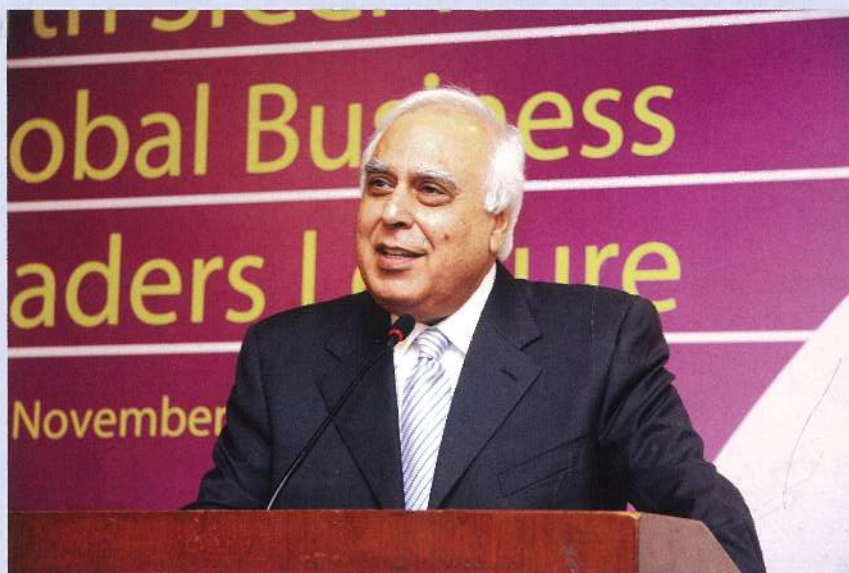
However, these are areas where India will have to compete with China not only in Sri Lanka but in the whole neighbourhood and even Asia. There is no direct link of this competition with the ethnic conflict.

India's 'hands off' policy in relation to Sri Lanka may have its own rationale but it will have to confront the challenges thrown by Colombo's military approach. Firstly, after a military victory, Colombo would hardly be in a mood to accommodate Tamil minority's legitimate rights and grievances. President Rajapaksa's promises to implement the 13th Amendment of the Constitution or produce a devolution package through the All Party Conference are far from being kept in sincerity. Keeping Tamils as second class citizens would keep the potential and prospects of conflict and social instability intact, with the possible fallout on India's Tamil politics. Secondly, the end of conventional military conflict will possibly degenerate into guerrilla warfare, as the LTTE has already threatened. There is, therefore, no end to India's worries in relation to Sri Lanka even if (and this is a big IF) the LTTE is militarily decimated. ■

Fifth SICCI-ISAS Global Business Leaders Lecture

H.E. Mr Kapil Sibal, Minister of Science & Technology and Earth Sciences, India, delivered the Fifth Global Business Leaders Lecture on "India: Current Scenario and the Road Ahead" on 5 November 2008.

Organised jointly by the Institute of South Asian Studies and the Singapore Indian Chamber of Commerce & Industry, the lecture focused on India's current developments and prospects in the wake of the financial crisis and the forthcoming Indian elections.



Mr Sibal pointed out that, some 10 years ago, there was widespread pessimism about India's future because of its fractured polity, inefficient large public sector, poverty, economic stagnation and social exclusion of a large number of minorities. However, even then, he was optimistic about India's future, largely due to India's enterprising youth, entrepreneurs, large diaspora and strong democratic traditions. He added that, today, when everyone speaks of India as a superpower in the making, he advises caution, stating that India's leadership faces several challenges. There are numerous bottlenecks in economic reforms, which have been slowed down by fractured 'coalition of dissimilarities' politics. There also remain significant governance issues, particularly in education and infrastructure. He concluded that, despite the challenges, India's future is bright because of such fundamentals as skilled and cheap labour, an influential diaspora, strong democratic traditions, and increasing opportunities in view of its recognition as an economic power.

The lecture attracted more than 130 participants from financial institutions, academia and research institutes, the government, foreign missions, the media and the general public.

Zardari as Pakistan's President – Challenges and Perceptions

*Dr Rajshree Jetly
Research fellow, ISAS*



Mr Asif Ali Zardari, widower of the former Prime Minister of Pakistan, the late Benazir Bhutto, is a controversial figure with a past tainted with allegations of wrongdoing. Following the assassination of Ms Bhutto on 27 December 2007, Mr Zardari, with his son, Bilawal Bhutto Zardari, assumed the leadership of the Pakistan People's Party (PPP). In coalition with other parties, the PPP won the February 2008 elections.

Barely seven months later, on 9 September 2008, Mr Zardari was sworn in as Pakistan's President. Had it not been for the tragic assassination of Ms Bhutto, Mr Zardari would not have come to prominence and become President. In fact, in the run-up to the Presidential elections, a Gallup Pakistan poll conducted in August/September 2008 revealed that 44 percent of the people favoured none of the three Presidential nominees and 34 percent felt that the candidates should not belong to any party. It may be recalled that the Presidential election is not based on direct election by the people; rather it is through the Electoral College, which is made up of the members of the national and provincial assemblies. Mr Zardari's party, the PPP, and its coalition partners have a strong hold over the Electoral College and thus, his election does not necessarily mean that he has the popular mandate.

Nevertheless, Mr Zardari acquired the top post by a convincing majority of 479 out of 702 votes in the Electoral College comprising

the two houses of parliament and the four provincial assemblies. He has also proven his political mettle by securing the resignation of Pervez Musharraf, and sidelining his political rival, Nawaz Sharif of the Pakistan Muslim League (Nawaz) and defusing, at least in the short-term, the contentious issue of the restoration of the judiciary.

A key question is how Mr Zardari is viewed as President, both internally and externally. To understand this, one needs to have a sense of some of the domestic and international issues confronting him.

Domestically, he faces many challenges – principally the economy, terrorism and winning the trust of the people by resolving the contentious issues involving the restoration of the judiciary and Article 58(2)(b) of the Constitution, which confers special powers on the President. Pakistan's economy has always been in dire straits but the current global crisis has threatened to bankrupt the state. Pakistan's reserves have shrunk to a critical stage, its currency has tumbled and foreign direct investment is dwindling further. It has had to approach the International Monetary Fund (which has approved a US\$7.6 billion loan) and agree to some of the harsh conditions imposed by the international body. Soaring inflation and rising unemployment are also hitting the ordinary Pakistanis hard. Mr Zardari must be aware that he is in desperate need of urgent external financial



aid. However, this is a huge challenge, given the present global economic crisis as well as the increasing militant activity within Pakistan, which is another dampener to foreign investment and assistance.

Terrorism within and from Pakistan shows no signs of abatement and has, in fact, taken on a more virulent and strident form in recent months. Suicide attacks have increased, with almost two attacks a week in Pakistan in October and November 2008. The increasing number of United States military strikes on Pakistani territory against suspected Al Qaeda targets further complicates the situation. The Mumbai attacks of November 2008 have added a new dimension to South Asian terrorism, with the attackers allegedly from Pakistan and striking not just Indian but clearly international interests. India, along with the affected international community, has ratcheted up demands that Pakistan acts decisively against terrorist organisations operating on its territory. Mr Zardari has an impossible juggling act.

Beyond the challenges thrown up by the economy and terrorism, Mr Zardari still has some way to go in winning public approval. He rose to power on the back of widespread public sentiment calling for a return to democracy, transparency and good governance. In particular, he has to confront the two key issues that brought about the fall of the Musharraf government and precipitated the change of government in Pakistan, namely, the restoration of the judiciary and the repeal of Article 58(2)(b), which is a constitutional provision allowing the President to dismiss an elected Parliament. Mr Zardari has yet to deliver on these two issues. With respect to the judiciary, he has not restored the entire judiciary but selectively reinstated a few judges. Significantly, the central figure in the judicial crisis, the former Chief Justice Iftikhar Chaudhry, has not been reinstated. Similarly, while he had promised to repeal Article 58(2)(b), this has not occurred. By retaining his position as President concurrently with his post of the co-chairperson of the PPP, Mr Zardari has effectively shifted the power balance from the Prime Minister to himself.

However, while domestically, Pakistan is going through difficult times, Mr Zardari has scored some diplomatic points on the foreign policy front by reaching out to his neighbours. He invited the President of Afghanistan, Mr Hamid Karzai, to his swearing-in ceremony, despite tensions between the two countries. He reiterated Pakistan's special relationship with China by making his first foreign visit as President to Beijing. Both sides signed various agreements on a range of issues, including a pledge to triple bilateral trade within three years. However, despite the good relations, on the question of financial assistance, China appeared more circumspect and pledged only US\$500 million to Pakistan.

Mr Zardari has also worked towards improving trade and diplomatic relations with India and has made some bold statements that have, at times, run contrary to the traditional thinking in the Pakistani establishment, particularly the military. In his first speech to the joint session of the Parliament, Mr Zardari stated that the relationship between Pakistan and India should be 'creatively reinvented' as this was the time for 'bold commitments' and 'reconciliation'. On resolving the Kashmir issue in line with the United Nations resolutions, Mr Zardari said that the PPP has always felt for Kashmir and had a strong Kashmir policy but did not want to be a hostage to the issue. He also announced a 'no-first-strike' policy with respect to nuclear weapons. Whether these signals can be taken at face value remain to be seen, as in Pakistan, all major policy matters require the blessings of the military.

As far as United States-Pakistan relations are concerned, a stable Pakistan is vital to United States interests for a range of issues, the most pressing of which is the war on terror. Like Musharraf, Mr Zardari is viewed as being pro-American in his stance, if not more. This creates domestic discontent. According to a poll conducted by a non-profit group in the United States, 74 percent of the people in Pakistan opposed United States military action against Al Qaeda and the Taliban. Mr Zardari will need to marshal all his diplomatic skills to navigate Pakistan through this geo-political minefield.



How is Mr Zardari perceived? On the international front, he is the leader of the main democratic party and is a civilian President in charge of a Pakistan that has just emerged from a decade of military rule. He is clearly trying to build bridges with his neighbours and is cooperating with the United States on the war on terror. This can only be viewed positively by the international community. Domestically, he has not delivered on his promises. However, the Pakistanis are likely to give him more time to prove himself rather than risk pulling down the edifice of democracy and risk a return to military rule.

In sum, Mr Zardari faces an uphill task in the face of his domestic struggles and international problems and needs to act decisively to ensure the strength of his leadership. ■

India-United States Nuclear Deal: Challenges Ahead

*Mr Rajiv Sikri
Former Secretary (East)
Ministry of External Affairs, India*



After more than three years of intense drama, the India-United States nuclear deal has been clinched. However, contrary to the lofty line being taken by Indian officialdom, this deal is not primarily about nuclear energy, nor is it likely to provide meaningful energy security to India. Nuclear energy will always remain marginal in meeting India's energy demand, unless India can take advantage of its indigenous thorium reserves – this is possible only when there is a successful and extensive Fast Breeder Reactor programme that produces sufficiently large quantities of plutonium. It is, thus, important for India to retain the right to reprocess spent fuel from its nuclear reactors.

There is also insufficient clarity and, therefore, widespread justifiable scepticism about at least four sets of critical issues. The first set

of issues relates to the guaranteed availability of uranium at economical prices from a very small suppliers' cartel whose decisions will be influenced by overwhelmingly political considerations. The second set of issues relates to safety, environmental and security measures. People living around nuclear power plants will need to be reassured that nuclear power plants and the storage facilities for spent fuel will not affect the health of the population or livestock, nor pollute the environment. Nuclear power plants will have to be secured against terrorist or aerial attacks. The third set of issues relates to the cost of nuclear power. Under the best-case scenario, the cost of nuclear power would be at least three times that of power from coal-fired plants. There will be costs related to storage and disposal of spent fuel, for which expensive holding ponds would have to be constructed till the fuel is re-processing, if at all. Finally, there is continuing ambiguity about India's right to re-process fuel, the importance of which has been outlined above. The India-United States 123 Agreement gives India the right to reprocess spent fuel but explicitly says that "to bring these rights into effect, India will establish a new national re-processing facility dedicated to reprocessing safeguarded nuclear material under IAEA (International Atomic Energy Agency) safeguards and the Parties will agree on arrangements and procedures under which reprocessing or other alteration in form or content will take place in this new facility." In other words, the United States and other countries could withhold, delay or add conditions to reprocessing permission, in which case India will not have enough plutonium for its three-stage nuclear programme. Thus, it would hardly be prudent for India to rely unduly on nuclear power for its energy security.

The controversy over the nuclear deal arises from the fact that the United States and India are seeking to achieve different objectives from this deal. The United States hopes to achieve two principal policy objectives in its relations with India through the deal. The first is to ensure that India's foreign policy is 'congruent' to that of the United States. This makes sense from a United States perspective. The United States would hardly be making so much effort to push through this deal if it were not so. The problem is that there is a fundamental contradiction between United States' and India's long-term foreign policy objectives. India's own foreign policy traditions and national consensus have given rise to its legitimate aspirations



to have a greater say in global affairs in the coming decades through an independent foreign policy. Whereas the United States wants to continue to dominate the world, India believes that the world should be multi-polar, with India itself as one of the poles. How can these different objectives be reconciled?

In going in for the India-United States nuclear deal, the United States has a second major objective that it has pursued for decades, namely, to corral India into the non-proliferation framework in a way that does not strengthen and preferably degrades India's nuclear weapons capability. India, on the other hand, has a national consensus that it should definitely preserve its strategic autonomy and wants to ensure that its freedom to pursue its strategic nuclear weapons programme remains unaffected. It is very clear that, notwithstanding the gloss that is being put on the Hyde Act, the 123 Agreement, the IAEA Safeguards Agreement, and the Nuclear Suppliers Group exemption, India will not get the same rights and obligations as other nuclear weapon states under the Nuclear Non-Proliferation Treaty (NPT). Any honest assessment will reveal that India has definitely not achieved through the nuclear deal all the benefits it thought it would get when it agreed to the carefully crafted balance of benefits and obligations set out in the 18 July 2005 Joint Statement. To think otherwise is to indulge in sheer self-delusion.

Since there is an obvious disconnect in the stated objectives of the two sides, the nuclear deal rests on rather shaky foundations. It is unfortunate that the United Progressive Alliance (UPA) government has unwisely chosen to hinge the future of the India-United States relationship on an 'iffy' nuclear deal. Not only was this unnecessary, but there are definite risks in doing so. A lasting strategic partnership cannot be crafted by stealth and subterfuge. With such a sharp divide, both among the political class and the strategic community in India, the foundations on which the strategic partnership rests

are far from stable. It is not ruled out that a new Indian government that comes to power in 2009 may reject, seek to re-negotiate or simply not implement the nuclear deal on the ground. The uncertainties and ambiguities in the 123 Agreement (and the primacy of the Hyde Act) are likely to create serious difficulties in its implementation. Instead of being a catalyst for promoting India-United States relations, the 123 Agreement could become a major bilateral irritant. If the deal flounders and the quest for an India-United States strategic engagement unravels, giving rise to understandable all-round bewilderment, frustration and anger, it will be because of a combination of wishful thinking, inept handling, and inability to feel the pulse of India and understand its soul.

It is a pity that an unnecessary shadow has been cast over an otherwise ascendant and mutually beneficial India-United States relationship. It would definitely be worthwhile to explore the possibility of having a true strategic relationship but the terms will have to be more equal. The United States should not, and perhaps does not, expect India to be its supine and submissive junior partner in the world. Regrettably, however, the UPA government's actions so far do not inspire much confidence that it has the political will to stand up to the United States on matters concerning India's national interests.

There is no doubt that a vigilant public, media and political class in India will closely monitor the evolving India-United States strategic partnership. The issues that will come up for scrutiny are whether technology restrictions on India are lifted; whether India is able to conduct an autonomous foreign policy; whether India's strategic nuclear programme has been compromised by India's back-door entry into the NPT and the Comprehensive Nuclear-Test-Ban Treaty; whether the United States is sensitive to India's interests in its dealings with Pakistan; whether the United States follows India's lead or dictates India's policy in the rest of South Asia; and whether imported nuclear reactors can produce safe and affordable energy. ■

Forthcoming Symposium The Politics of Religion in South Asia and Southeast Asia

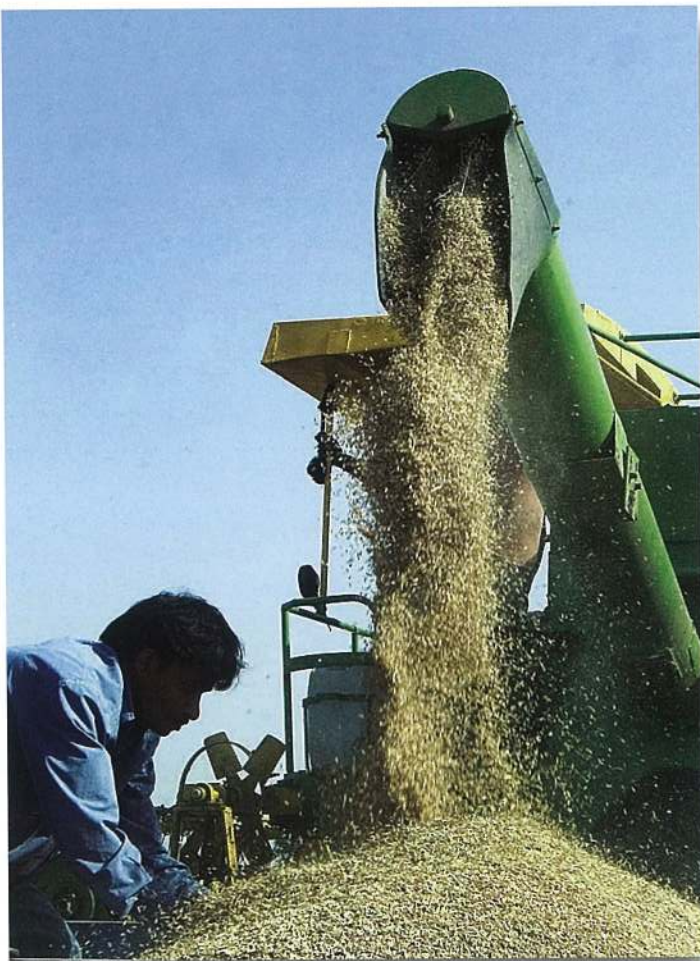
The Institute of South Asian Studies (ISAS) will organise the symposium on "The Politics of Religion in South Asia and Southeast Asia" at Orchard Hotel Singapore on 24 March 2009.

The symposium will see a number of plenary sessions discussing ideology and politics; rights and minorities; and transnational religious movements. The speakers will be a mix of local and international scholars. ISAS plans to publish the proceedings of the symposium.

Do look out for further details on the symposium on ISAS' website at www.isas.nus.edu.sg.

Prime Minister Manmohan Singh of India: Achievements and Milestones

*Professor Sanjaya Baru
Visiting Senior Research Fellow, ISAS*



Dr Manmohan Singh will always be remembered as India's 'turnaround man'. His legacy as Prime Minister will always be viewed in conjunction with his legacy as India's Finance Minister from 1991 to 1996. This is understandable. If India won its political independence in 1947, it won its economic freedom after 1991. Dr Singh's lasting legacy will remain India's economic turnaround and subsequent rise as a 'free market democracy'. Even his important foreign policy initiatives, both with the major powers and India's Asian neighbours, will be remembered for their contribution to India's economic development and globalisation.

Consider the facts – In 1991, India was on the verge of economic bankruptcy and one of its key strategic allies, the Soviet Union, had just disappeared. There was domestic political turmoil, with the Indian National Congress forced to form a minority government after the assassination of then-Prime Minister Rajiv Gandhi. This came barely six years after the assassination of Mrs Indira Gandhi. No analyst would have regarded India as a 'rising power' in 1991. Yet, presenting his first budget to Parliament in July 1991, Dr Singh dared to predict that the idea of India as a rising economic power was 'an idea whose time had come'. The rest is history.

His record as a successful economic manager who delivered an average rate of economic growth of seven percent for three years in a row from 1993 to 1996 raised his profile and made him the obvious choice for the prime ministership of India in 2004. In the five years that Dr Singh has been Prime Minister, he has delivered an average rate of economic growth close to nine percent per annum. This is a historic record. If the global economic slowdown and financial crisis had not marred this record, Dr Singh would have left behind an even more robust economy.

It is important to appreciate that this high rate of growth has been sustained by a rise in India's savings and investment rates. These are now closer to the East and Southeast Asian rates at around 36 percent. The acceleration in India's savings and investment rates has been made possible by the rise of a prudent middle class and a new business class, both the legacy of India's new economic policies and an increase in foreign direct investment, thanks to India's increased globalisation.

It is premature at this stage to record Dr Singh's contribution to the management of the global financial crisis, the economic slowdown and to multilateral negotiations on trade and climate change. In each of these areas, his contribution will come to be recognised in the years ahead when countries move towards a resolution of the problems. Dr Singh's articulation of a new vision of 'inclusive globalisation' defines India's new approach

to all these challenges. Any viable and sustainable solution to each of these problems will have to be based on his vision of 'inclusive globalisation'.

Major Initiatives

Against this backdrop, Prime Minister Singh chose to focus the attention of his government on three vital sectors, namely, infrastructure, agriculture and rural development, and education and social sectors. Among the major initiatives that his government has launched, the following would stand out:

- a second Green Revolution, with a focus on non-food crops and horticulture;
- Bharat Nirman – a focused business strategy to increase investment in rural infrastructure, including housing, electricity, roads, irrigation and telecommunications;
- Jawaharlal Nehru National Urban Renewal Mission, for the modernisation and reform of urban infrastructure and governance;
- National Rural Health Mission, with an objective to improve healthcare delivery and public health to enable fulfilment of Millennium Development Goals;
- initiatives for child nutrition, child health, child education and child rights, including the national Mid-day Meal Programme; and
- the historic and unique National Rural Employment Guarantee Act that offers, for the first time, a social safety net for the rural poor based on guaranteed employment at a minimum wage.

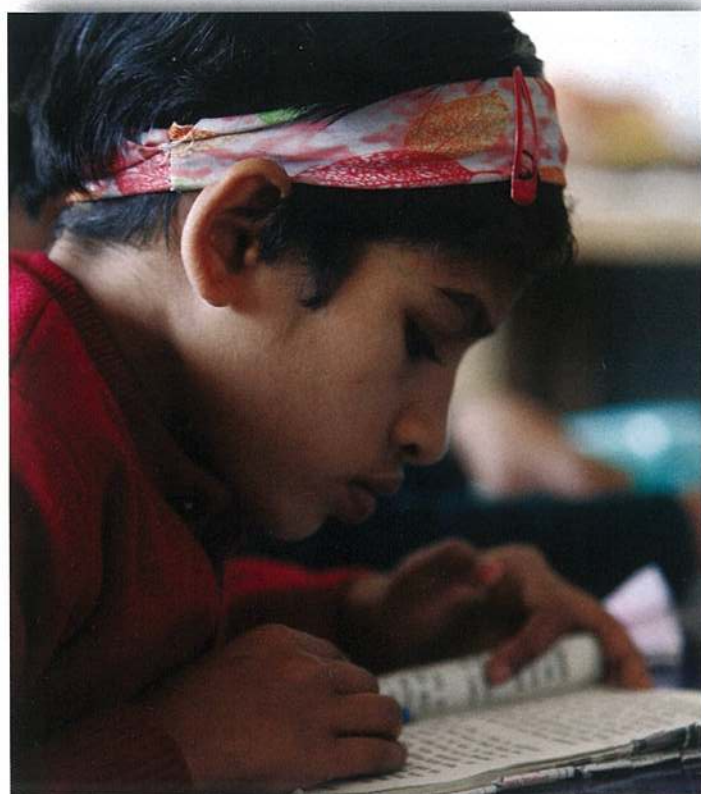


While all of these are the initiatives of the United Progressive Alliance (UPA) government, Dr Singh has taken a personal interest in one major field of social development, namely, education. He has put in place the largest programme of scholarships and fellowships for school and college education, with a focus on Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities. The Eleventh Five Year Plan (2007-2012) has been dubbed by him as India's 'National Education Plan' because of the steep increase in the financial allocation for education. Prime Minister Singh also took a personal interest in educational reform by constituting the National Knowledge Commission and the National Skill Development Programme. Dr Singh has also placed high priority to the development of teaching and research in basic sciences and in new fields of scientific research. While India had only one Indian Institute of Science, located in Bangalore, for the past hundred years, Dr Singh has funded the setting up of six new centres for advanced research and teaching in the sciences.

Foreign Policy

In India, foreign policy has always been an exclusive domain of the Prime Minister. While the central government has to work with state governments in implementing policies on the economic, social development and other domestic fronts, defence and foreign policy are the exclusive domain of the former. Hence, almost all major foreign policy initiatives have a prime ministerial imprint on them. Dr Singh's personal imprint will be seen on at least two major foreign policy initiatives he had taken: first, the civil nuclear energy cooperation agreement with the United States and all the 45 members of the Nuclear Suppliers Group, and, second, the India-ASEAN Free Trade Agreement (FTA), and India's participation in the East Asian Summit and community-building efforts.

Dr Singh's personal stewardship of the civil nuclear energy cooperation agreement through the Indian political system is now widely acknowledged. He staked his prime ministership on this initiative and won the vote in Parliament. While the



original initiative to seek such an agreement was taken by the Atal Behari Vajpayee government, the subsequent opposition of the Bharatiya Janata Party and the Left parties, as well as the tentativeness of the support extended by many in the UPA and Congress Party (CP), makes this initiative his own personal achievement.

Dr Singh has similarly pushed for the completion of the negotiations for an India-ASEAN FTA in the face of some opposition from his own party and its allies. Dr Singh also initiated a new approach to the Arab world, moving away from an overtly political agenda, as in the past, to a more economic agenda based on India's energy and investment needs. An FTA between India and the Gulf Cooperation Council states is in the making. The visit of the King of Saudi Arabia marked a new beginning in relations with this important Islamic nation.

Two important diplomatic initiatives that have not yet borne any fruit are the resolution of the border dispute with China, and over Kashmir with Pakistan. On both fronts, Dr Singh had come forward with new, bold and innovative ideas. However, it appears internal constraints on the leaderships in Pakistan and China have hobbled them from reciprocating. When a final

settlement of these long-standing disputes is arrived at, it will not be very different from the solutions envisaged by Dr Singh. Dr Singh also breathed new life into regional cooperation in South Asia by revitalising the South Asian Association for Regional Cooperation through his initiatives at the Dhaka, Delhi and Colombo Summits. His decision to pursue 'asymmetric liberalisation' by offering tariff concessions to the less developed countries in Asia and Africa, unveiled at the India-Africa Summit in New Delhi in early 2008, has opened a new chapter in South-South cooperation.

Conclusion

While most commentators will credit Dr Singh for the initiatives on the economic and foreign policy fronts, political analysts will have to give him more credit than they so far have for running a fractious coalition for a full five-year term. This has not been an easy journey, partly because the CP is itself a coalition of contending platforms. Steering major policy initiatives and tackling major domestic challenges such as terrorism, extremism, inflation, and communal and regional tensions as the head of a diverse coalition requires wisdom, patience and astute political judgement and skills. Dr Singh will get more credit for his political leadership in the future than he has managed to secure in the past. ■

Fourth International Conference on South Asia

The Institute of South Asian Studies (ISAS) successfully organised its Fourth International Conference on South Asia on 24 November 2008 in Singapore. Titled "Challenges of Economic Growth, Inequality and Conflict in South Asia", the conference attracted more than 230 participants from government agencies, the diplomatic corp, academic institutions, and the financial and business communities.



In his keynote address, Singapore's Finance Minister, Mr Tharman Shanmugaratnam, stated that South Asia, particularly India, faces the key challenges of human development, low agricultural productivity and managing rural-urban flows. In tackling these issues and in taking greater advantage of globalisation, South Asia needs to embark on infrastructure and social development.

During the plenary sessions, speakers from South Asia and around the world provided their insights and perspectives on the key socio-economic and political challenges for South Asia and how the region needed to

tackle them effectively. They included Dr Arun Shourie, Author and Former Minister of the Indian Cabinet; Mr Shahid Javed Burki, Former Vice President of the World Bank, and Former Finance Minister of Pakistan; Dr Salehuddin Ahmed, Governor of Bangladesh Bank; Mr Stephen Jones, Economic Consultant, Oxford Policy Management, United Kingdom; and Dr Saman Kelegama, Executive Director of the Institute of Policy Studies of Sri Lanka.

ISAS will publish the proceedings of the conference shortly.

Snippets on South Asia

Mr Iftikhar A. Lodhi
Research Associate, ISAS

Bangladesh – Democracy Finally Returns

On 6 January 2009, the Awami League's (AL) leader, Ms Sheikh Hasina, was sworn in for the second time as Prime Minister of Bangladesh. The AL won a landslide victory in elections held on 29 December 2008. The AL and its allies secured more than 250 seats out of 300. Her arch rival, former Prime Minister, Ms Khaleda Zia, and her Bangladesh Nationalist Party (BNP), the largest party in the last Parliament, suffered a crushing defeat.

The polls had been delayed for one reason or another ever since the military intervened in January 2007 to stop the political turmoil. The interim government, a team of technocrats, led by the former central bank governor, Fakhruddin Ahmed, with strong military backing, embarked on an ambitious reform agenda with a special focus on an anti-corruption campaign. However, the interim government's record remains less than commendable on both the political as well as economic fronts. The two former Prime Ministers and heads of the two largest political parties in Bangladesh, Ms Hasina and Ms Zia, were exiled and later arrested under various charges. However, the caretaker government had to release them under domestic and international political pressures.

Despite allegations of corruption and bad governance, the mainstream parties, the AL and the BNP, and their leaders, continue to enjoy popular support. While Ms Zia's right-centre party, the BNP, boycotted the District elections a few months ago, it decided to participate in the general elections. The BNP formed a coalition with other conservative and Islamist parties. On the other hand, Ms Hasina's left-centre party, the AL, formed a coalition with other progressive parties.

In the past, Bangladesh had been ruled alternatively by military and democratic governments. However, the record of all the regimes, in terms of good governance, has remained rather questionable. This time, the alternative experiment to bring about change through a mix of military-backed technocrats also failed. Now a democratic government has taken over power and the political process seems to be back on track. Furthermore, the overwhelming majority that the AL enjoys in the new Parliament could prove to be a stepping stone for political stability in the country. Nevertheless, Ms Hasina's promise to 'bolster law and order in the country and to curb rising inflation poses many challenges, particularly relating to corruption and institution building. In fact, if history is any guide, the chances of the new Prime Minister delivering on her promise remain slim.

Maldives – Riding the Democracy Wave

On 11 November 2008, exactly 30 years after President Maumoon Abdul Gayoom assumed power, Mohamed Nasheed, widely known as 'Anni', was sworn in as Maldives' President. The former political prisoner defeated Asia's longest-serving head of the government in the first-ever party-based elections held in October 2008.

Since 1990, Mohamed Nasheed has served six years of imprisonment in different stints on charges of criticising the autocratic regime. He was one of the founder members of the Maldives Democratic Party in 2001 while in self-exile.

Since 2003, Maldives has witnessed increasing political activism for greater political freedom and democracy. The protests against the government often culminated in violent clashes against the state repression. In 2004, under internal and external pressures, President Gayoom introduced a new

constitution enabling democratic reforms.

In the first round, contested by six candidates, President Gayoom secured 40.6 percent and Mohamed Nasheed received 25 percent of the votes. In the final decisive round, Mohamed Nasheed, backed by all the opposition parties, secured 54.2 percent while President Gayoom received 45.8 percent.

President Nasheed faces a number of challenges including the equitable economic progress of the small island nation which is almost totally dependent on tourism and fisheries. Nevertheless, the real challenge stems from the danger of political wrangling among the various opposition parties which rallied to oust President Gayoom as these parties have wide differences. The President would need to find a strategy of accommodating these differences to ensure the prosperity of the country.

Nepal – A Difficult Democratic Path

The Constituent Assembly (CA) formally began drafting the first Constitution on 16 December 2008 for the newly-formed Democratic Republic of Nepal. The 60-member drafting committee comprises members from all the political parties present in the assembly. The CA was elected in April 2008 to write the Constitution and govern the nation until May 2010.

Nepal became a democratic republic when the newly-elected CA abolished the age-old monarchy through a ballot. The elections followed a ten-year long bloody civil war, led by the Maoists, and years of wrangling between various political parties. The Communist Party of Nepal (CPN) emerged as the single largest party, winning 220 seats in a 575-seat CA. The Chairman of CPN and a former Maoist guerilla fighter, Pushpa Kamal Dahal, widely known as Prachanda, became the first Prime Minister of the democratic republic after consolidating power in August 2008 with the support from other nationalist and communist parties in the CA.

However, wide differences within the coalition partners and with the opposition parties loom large. One such controversial issue is the demand from the ruling Maoists to incorporate their former rebel militia of about 30,000

combatants into the country's regular army. The main opposition party, the Nepali Congress (NC), has strongly opposed such a move. The NC reportedly has India's backing, which is not too happy with the Maoists in power making such a proposal and in their push for more 'independent' policies. India has long perceived the Maoists as leaning towards China and supporting the Naxalite movement in India. China, on the other hand, has visibly stepped up its diplomatic efforts with Nepal.

The NC has made calls to form a 'democratic force' in the country accusing the Maoists of not keeping their promises. In response, the ruling CPN has adopted a grand strategy to 'unify' various left parties and to form a 'republican alliance' with the nationalist parties within and outside the current coalition interim government. The party is said to have launched a four-month (December 2008 – March 2009) national awareness campaign to win over the masses. Meanwhile, the CPN-led interim coalition government has requested the United Nations for another six month extension of its special mission monitoring the peace process in the troubled country. The drafting of constitution, along with other crucial policy issues, is bound to make the nascent democratic process difficult for all the participants.

Bhutan – In the International Limelight

Following the democratic transition, 28-year old Jigme Khesar Namgyel Wangchuck was officially crowned the King of Bhutan in November 2008. His father, King Jigme Singhye Wangchuk, had abdicated the throne in 2006 at the start of the democratisation process. The Druk Phuensum Tshogpa (Bhutan Peace Party) swept the first-ever elections of the kingdom in March 2008 and a former pro-monarch minister, Jigme Y. Thinley, became Prime Minister. Surprisingly, the Peoples' Democratic Party, headed by the King's uncle, secured only two seats in a 47-member parliament.

The country has been making headlines around the world for quite some time because of the King's self-initiated democratic process and a socio-economic philosophy of Gross National Happiness, focusing on cultural harmony, natural conservation and equitable economic development.

Bhutan has also been in the international limelight for its refugee problem. In December 2008, the first group of the so-called Bhutanese refugees living in Nepal was admitted into Canada. The United States, Britain, Canada and

Australia agreed earlier in 2008 to admit 70,000 of about 100,000 of these refugees living in Nepal since the 1990s. The ethnic issue arose in Bhutan during the 1980s when a drive for cultural preservation led to the closure of Nepalese language, schools, the initiation of a national dress code and other similar measures. The 1988 initiative declared a large number of ethnic Nepalese as illegal immigrants which led to violence and the deportation of many Nepalese. However, Nepal refused to accept them. As such, they have been living in the United Nation's refugee camps.

A large number of ethnic Nepalese still live in Bhutan and seven of the newly-elected parliament members are Nepalese. The issue is bound to rise again with the gradual opening of politics and outside influences. It remains to be seen how the democratic government will deal with the ethnic issue. The nascent and weak democratic government also faces the challenges of economic and political integration with the outer world, particularly its neighbours, China, India and Nepal. Each step towards opening up to the world will only accelerate the pace of change. How the democratic government balances between its ideological aspirations and internal and external pressures remains to be seen.

ISAS New Research Staff



Dr Darini Rajasingham Senanayake
Visiting Research Fellow
(January – December 2009)

Dr Darini Rajasingham Senanayake is a social anthropologist who specialises in international political economy and culture theory.

Since 1993, she has worked as a Senior Fellow at the International Center for Ethnic Studies, the Social Scientist's Association in Colombo, and was formally a Senior Lecturer at the Department of Social Studies, Open University of Sri Lanka. She has written and published extensively on state building, multiculturalism, migration, identity politics, and gender in development and peace building in South Asia. Her research is on developmentalism, the political economy of the reconstruction and reconciliation.

She has almost two decades of research, teaching and consultancy work experience in the field of international development and governance in South and Southeast Asia, and has worked as an evaluation consultant and expert for various United Nations Agencies, international non-government organisations, the Asian Development Bank and the World Bank. In 2005, she was appointed a member of the International Steering Committee on "Southern Perspectives of Reform of the International Development Architecture".

She has held various international research fellowships, including the Fulbright New Century Scholarship; Asia Fellowship; and a Social Science Research Council-MacArthur Foundation Fellowship. She has also been Centre Fellow at New York University's International Center for Advanced Studies, and was visiting fellow at the Centre for Development Research, University of Bonn in 2001. She is a member of the Faculty of the South Asia Peace Studies Course conducted by the South Asia Forum for Human Rights, Delhi and Kathmandu. She has a BA from Brandeis University and her MA and PhD are from Princeton University.



Dr Suparna Karmakar
Visiting Research Fellow
(January – December 2009)

Dr Suparna Karmakar is an International Trade Economist with rich research experience in Trade Policy and Negotiations. She has also worked in areas of international finance and international macro-economy. Prior to her current appointment, Dr Karmakar worked for four years with the Indian Council for Research on International Economic Relations (ICRIER), New Delhi, a leading independent economic policy think-tank in India, where as a Senior Fellow, she was the project coordinator and lead researcher of ICRIER's Research on World Trade

Organization (WTO) issues. At ICRIER, she also worked on various projects commissioned by the Indian government on preferential service trade liberalisation and non-tariff barriers and regulations on trade in manufactured products. She also carried out studies on the service sector for the Planning Commission of India.

Dr Karmakar has varied research experience and has worked as a trade economist in academic think-tanks, industry associations as well as research institutes of the Indian government. Before joining ICRIER, Dr Karmakar worked for three years as the Senior Economist in ASSOCHAM, a New Delhi-based apex Chamber of Commerce and Industry in India. She was responsible for preparing research papers/Chamber views on desired policy reforms in the different industry sectors of relevance to the country. She also acted as a resource person to the Indian Ministry of Commerce and Industry (MOCI) on trade, investment and WTO issues. She began her career as a research fellow with the Centre for WTO Studies, Indian Institute of Foreign Trade, New Delhi.

Dr Karmakar is currently working on a commissioned project on Industrial Products Negotiations in the Doha Round for MOCI. In the recent past, she has been an External Consultant with the World Intellectual Property Organization and Planning Commission of India (High Level Group on Services) and a resource person for different United Nations organisations and the Indian Ministry of External Affairs. She serves as a referee for the *Global Economy Journal*, published by The Berkeley Electronic Press and the IIM Bangalore Management Review.

Dr Karmakar received her PhD from Jawaharlal Nehru University, New Delhi. She has published widely in international refereed journals and books, trade and business magazines and popular media, and has co-edited a volume entitled *India's Liberalization Experience: Hostage to the WTO?*, published in 2007 by Sage. She also writes a fortnightly column entitled *Trade Winds* for Chennai-based business daily of the Hindu Group, *The Business Line*.

ISAS New Research Staff (cont'd)



Mr Tridivesh Singh
Research Associate
(December 2008 – December 2009)

Mr Tridivesh Singh Maini graduated from the University of Sheffield in the United Kingdom in 2002 with a Bachelor of Arts (Honours) in Politics. He then received a Masters in International Development from The American University (Washington D.C.) in 2004.

Mr Maini then joined The Reliance Group of Industries (July 2005- April 2007) working as a Project Associate in the Agribusiness and Rural Projects. In March 2006, Mr Maini helped to organise the India leg of “Islam in the age of Globalization” – a project funded by the Brookings Institution, Pew Forum and American University. Professor Akbar Ahmed, who headed the project, compiled the proceedings into a book, *Journey into Islam: A Crisis of Globalisation*. In November 2007, Mr Maini joined The Indian Express and worked as a Senior Staff Writer on The Op-ed page.

ISAS Roundtable Session Nepal's Political and Economic Transformation

On 16 October 2008, the Institute of South Asian Studies (ISAS) organised a roundtable session on “Nepal's Political and Economic Transformation: Challenges and Prospects” with Mr Binod Chaudhary, Member of Parliament and Constituent Assembly; and President and Managing Director, Chaudhary Group, Nepal.

During the two-hour session, Mr Chaudhary stated that the different political regimes over the last 240 years have failed in their promise to create a vibrant Nepal. The country has gone through a history of extreme poverty and underdevelopment. It also faced significant social, economic and political challenges. He added that compounding these challenges was the violent insurgency launched by the Maoist in 1996 and the counter-insurgency campaigns of the Nepalese military and security forces. These resulted in widespread killings, human rights abuse and mass displacement.

Mr Chaudhary opined that Nepal's constituent assembly elections are a major step forward in the peace process and the outcome of the elections has reshaped Nepal's political landscape. The elections produced a remarkably inclusive body, far more representative of Nepal's caste, ethnic, religious and regional diversity than any past parliament. One-third of its members are women, catapulting the country into regional leadership on gender representation.

Mr Chaudhary stated that Nepal is not poor in resources. However, the lack of a focused policy and a committed and responsible government have largely constrained its development in the past. Now, with popular mandate and support from all quarters, Nepal has the potential for real growth. Mr Chaudhary outlined four national agendas for development. These include harnessing the hydroelectric potentials with foreign direct investment and creating a conducive legal and policy environment; promoting greater tourism with a focus on employment and income generation; starting a minimum of eight special economic zones; and transforming the agricultural sector.

In recognising the issues confronting Nepal's national development, Mr Chaudhary stressed that the new government needs US\$6-7 billion per annum to build investor confidence, address labour issues, and tackle security, law and order problems. He concluded by expressing optimism that the current Prime Minister, Mr Pushpa Kamal Dahal (also known as Prachanda), has the ability to overcome the socio-economic and political challenges, and propel Nepal on the path of development and progress.



ISAS Recent Publications

ISAS Book

"The Geopolitics of Energy in South Asia", Edited by Dr Marie Lall. Jointly published by ISAS and the Institute of Southeast Asian Studies, December 2008.

ISAS Briefs

"Maldives: Towards Open Polity", Professor S. D. Muni, Visiting Senior Research Fellow, ISAS, 31 October 2008.

"India's Tamil Politics and the Sri Lankan Ethnic Conflict", Professor S. D. Muni, Visiting Senior Research Fellow, ISAS, 6 November 2008.

"Global Economic Slowdown: Can Bangladesh Remain Resilient?", Mr M. Shahidul Islam, Research Associate, ISAS, 25 November 2008.

"National Treasury Management Agency Proposals: Implications for India's Financial Policies", Dr S. Narayan, Head of Research and Visiting Senior Research Fellow, ISAS, 27 November 2008.

"The Mumbai Mayhem: The Global War on Terror comes to India", Professor S. D. Muni, Visiting Senior Research Fellow, ISAS, 1 December 2008.

"The Fall of the Indian Rupee and the Unholy Trinity", Mr M. Shahidul Islam, Research Associate, ISAS, 10 December 2008.

"State Assembly Election Results in India: Dispelling the Many Commonly-held Notions of Indian Elections", Mr Tridivesh Singh Maini, Research Associate, ISAS, 12 December 2008.

"India's External Sector: Emergence of New Structural Trends", Dr Amitendu Palit, Visiting Research Fellow, ISAS, 6 January 2009.

"The Return of Democracy in Bangladesh: Can the New Government Deliver on its Promises?", Mr M. Shahidul Islam, Research Associate, ISAS, 7 January 2009.

"The Satyam Fiasco – Impact on Corporate India", Dr S. Narayan, Head of Research and Visiting Senior Research Fellow, ISAS, 15 January 2009.

"Fate of the Liberation Tigers of Tamil Eelam: From Civil War to Guerilla Warfare?", Professor S. D. Muni, Visiting Senior Research Fellow, ISAS, 19 January 2009.

"Sukhbir Singh Badal as Punjab's Deputy Chief Minister – Implications and Prospects for the Akali Dal", Mr Tridivesh Singh Maini, Research Associate, ISAS, 22 January 2009.

ISAS Insights

"India-United States Relations under the Obama Administration", Professor Sanjaya Baru, Visiting Senior Research Fellow, ISAS, 10 November 2008.

"For Illiberal Finance: Building Dams, Constructing Conduits", Professor Romar Correa, Visiting Senior Research Fellow, ISAS, 12 November 2008.

"Locking in Private Investment in Indian Agriculture", Professor Romar Correa, Visiting Senior Research Fellow, ISAS, 12 November 2008.

"Some Approaches to Pricing Controls for Patented Drugs in India", Dr S. Narayan, Head of Research and Visiting Senior Research Fellow, ISAS, 1 December 2008.

"Pakistan's Economic Crisis and the IMF Bailout Package", Mr Iftikhar A. Lodhi, Research Associate, ISAS, 9 December 2008.

"An Overview of the November-December 2008 Provincial Elections in India", Mr Paranjay Guha Thakurta, Journalist and Founder, "School of Convergence", India, 17 December 2008.

"Indian Bureaucracy – Dismantling the Steel Frame", Professor Bibek Debroy, Visiting Senior Research Fellow, ISAS, 9 January 2009.

"To Win the War and Lose the Peace: Sri Lanka's War on Terror", Dr Darini Rajasingham Senanayake, Visiting Research Fellow, ISAS, 22 January 2009.

"President Barack Obama, the United States and the Sino-Indian Balance", Professor C. Raja Mohan, S. Rajaratnam School of International Studies, Nanyang Technological University, 29 January 2009.

"The Mumbai Terrorist Attacks: An Assessment of Possible Motives for the Mayhem", Professor Ishtiaq Ahmed, Visiting Senior Research Fellow, ISAS, 30 January 2009.

ISAS Working Papers

"Mineral Fuel and Oil Trade between India and Singapore: Trends and Issues", Dr Amitendu Palit, Visiting Research Fellow, ISAS, 9 October 2008.

"Impact of Trade Liberalisation on the Efficiency of Textile Firms in India", Mr Sasidaran Gopalan, Research Associate, ISAS, and Professor K. R. Shanmugam, Madras School of Economics, India, 9 October 2008.

"India and the World – Economics and Politics of the 'Manmohan Singh Doctrine' in Foreign Policy", Professor Sanjaya Baru, Visiting Senior Research Fellow, ISAS, 14 November 2008.

ISAS Recent Events

Seminar by Professor Sanjaya Baru, Visiting Senior Research Fellow, ISAS, "India and the World – The Politics and Economics of the 'Manmohan Singh Doctrine' in Foreign Policy", 8 October 2008.

Seminar by Dr S. Narayan, Head of Research and Visiting Senior Research Fellow, ISAS, "Impact of Financial Turmoil on India", 15 October 2008.

Roundtable Session with Mr Binod Chaudhary, Member of Parliament and Constituent Assembly; and President and Managing Director, Chaudhary Group, Nepal, "Nepal's Political and Economic Transformation: Challenges and Prospects", 16 October 2008.

Seminar by Professor Imran Ali, Lahore University of Management Sciences, Pakistan, "Pakistan's Challenges of Sustainability at the Transition to Democracy", 16 October 2008.

SAARC Seminar Series – Seminar by Dr Amitendu Palit, Visiting Research Fellow, ISAS, "Sub-Regional Cooperation under SAARC: An Economic Analysis", 23 October 2008.

SAARC Seminar Series – Seminar by Ambassador Nihal Rodrigo, Honorary Advisor (Foreign Relations) to the President of Sri Lanka, "SAARC and the South Asian Security Architect", 30 October 2008.

Fifth SICCI-ISAS Global Business Leaders Lecture by H.E. Mr Kapil Sibal, Minister of Science & Technology, and Earth Sciences, Republic of India, "India: Current Scenario and The Road Ahead", 5 November 2008.

SAARC Seminar Series – Seminar by Dr Kripa Sridharan, Head of Research - Asia, Infosight Singapore Pte Ltd; Adjunct Associate Professor, South Asian Studies Programme, NUS; and Associate, ISAS, "SAARC and Evolving Asian Regionalism", 6 November 2008.

Seminar by Professor Romar Correa, Visiting Senior Research Fellow, ISAS, "For Illiberal Finance: Building Dams, Constructing Conduits", 12 November 2008.

SAARC Seminar Series – Seminar by Professor Lok Raj Baral, Professor and Executive Chairman, Nepal Centre for Contemporary Studies Kathmandu, Nepal; Professor Rasul Bakhsh Rais, Professor of Political Science; and Head, Department of Social Sciences, School of Arts and Sciences, Lahore University of Management Sciences, Pakistan; and Professor Sanjaya Baru, Visiting Senior Research Fellow, ISAS, "Role of SAARC Observers (Session 1)", 13 November 2008.

SAARC Seminar Series – Seminar by Professor Bibek Debroy, Visiting Senior Research Fellow, ISAS, "Coping with the Emerging Challenges (Millennium Development Goals): Poverty and Food Security", 20 November 2008.

Fourth International Conference on South Asia – "Challenges of Economic Growth, Inequality and Conflict in South Asia", 24 November 2008. Keynote Speaker: Mr Tharman Shanmugaratnam, Minister for Finance, Singapore.

Public Lecture by Mr M. J. Akbar, Chairman and Director of *Covert*; and Founding Editor and Former Managing Director, *The Asian Age*, "The Forthcoming Indian General Elections: An Assessment", 26 November 2008.

Seminar by Dr Isabelle Saint-Mézard, Lecturer, Sciences Po Paris, France "India's Naval Ambitions: The Emergence of a Major Power in the Indian Ocean and Beyond", 27 November 2008.

SAARC Seminar Series – Seminar by Dr Saman Kelegama, Executive Director, Institute of Policy Studies, Sri Lanka, "SAARC Energy Cooperation: Energy Security and Environmental Challenges", 28 November 2008.

Seminar by Professor S. D. Muni, Visiting Senior Research Fellow, ISAS, and Dr Amitendu Palit, Visiting Research Fellow, ISAS, "Mumbai Mayhem: Economic and Political Fallout", 4 December 2008.

Seminar by Professor David Gilmartin, Professor of History, North Carolina State University, United States, "Elections and Law in Contemporary India", 10 December 2008.

Seminar by Professor Pervaiz Iqbal Cheema, President, Islamabad Policy Research Institute, Pakistan, "India-Pakistan Peace Process: Future Prospects", 19 January 2009.