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Indian Prime Minister Narendra Modi in Singapore

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A Message from the Director

PROFESSOR C RAJA MOHAN

I am delighted to be part of the wonderful ISAS team and privileged to join a premier think-tank on South Asian studies at a moment when the Indian subcontinent is gaining greater salience in world affairs. ISAS, which has emerged over the last decade as an important voice in the regional and global discourse on contemporary South Asia, is well-positioned to strengthen its contributions to the academic and policy research on the region.

Thanks to sustained high levels of economic growth in recent years, the living standards of hundreds of millions in the South Asian region have significantly improved. While many difficult challenges remain, there is an unprecedented optimism in the region about its future. A large, young and educated demography in South Asia is very much part of the global technological revolution, and its diaspora plays a critical role in the development of many nations and enriches the culture of many societies in the East and West, and the North and South.

The region, which had turned inward in the second half of the 20th century and became marginal, is now reclaiming its role as the pivot of Asia, connecting different sub-regions and cultures of the vast continent. The region's waters host the bustling sea lines of

communication between East Asia, the Middle East, Africa and Europe.

More rapid economic growth has also led to stronger defence capabilities in the subcontinent. Nothing illustrates this more than the expansive South Asian contribution to international peacekeeping and peacebuilding. The region's military potential is also expected to decisively shape the future balance of power in Asia and beyond.

The economic growth in South Asia has empowered large sections of the people at the bottom of an intensely hierarchical society. While this causes much turbulence in the near term, it is also likely to strengthen the democratic process in the subcontinent.

This rise of South Asia can be felt strongly here in Singapore as well. Our cover story for this issue highlights Indian Prime Minister Narendra Modi's visit to Singapore from 31 May to 2 June 2018. En route to Singapore, Modi stopped at Jakarta and Kuala Lumpur, and underlined India's rising stakes and growing interest in Southeast Asia.

In this issue, we also discuss the potential of Northeast India as a land bridge to Southeast Asia. As Sri Lanka builds on its central location in the Indian Ocean, we take a look at the recent free trade agreement

between Colombo and Singapore. We also have essays on India's foreign policy and the role of women in the current transformation of the region. At the same time, we have analyses on the developments in Afghanistan, Bangladesh and Pakistan.

As the interests of Singapore, Southeast Asia and the world in the subcontinent grow, ISAS is deeply committed to generating a better appreciation of the region in the expanding base of stakeholders through intensive research and effective outreach. A detailed list of our recent publications and events is at the end of this newsletter.

Three new books from my colleagues deserve special mention. They are *Seven Decades of Independent India: Ideas and Reflection*, edited by Vinod Rai and Amitendu Palit; *Waste of a Nation: Garbage and Growth in India*, written by Robin Jeffrey and Assa Doron; and *Maritime Governance and South Asia: Trade, Security and Sustainable Development in the Indian Ocean*, edited by Jivanta Schoettli. ISAS events to launch these books drew a wide audience and stimulated lively discussions.

I hope you enjoy reading this issue and I look forward to your continuing support for ISAS!



Photo courtesy of the Ministry of External Affairs, Government of India

Indian Prime Minister Narendra Modi in Singapore: Finding New Frontiers

C RAJA MOHAN

Indian Prime Minister Narendra Modi's visit to Singapore from 31 May to 2 June 2018 – the first visit in nearly three years – helped to consolidate advances in the old agenda of the bilateral relationship while opening up new frontiers. It was also an occasion for Modi to lay out his appreciation of the rapidly changing geopolitical environment in the Association of Southeast Asian Nations (ASEAN), currently chaired by Singapore.

On his way to Singapore, Modi had a substantive engagement with Indonesian President Joko Widodo in Jakarta and a courtesy call on

Malaysian Prime Minister Tun Mahathir Mohamed in Kuala Lumpur. Modi's visit to the region comes after the historic summit in January 2018 when all the 10 leaders of ASEAN joined India's Republic Day celebrations in New Delhi.

On the old agenda of economic cooperation, Modi's talks with Singapore's Prime Minister Lee Hsien Loong saw some important new developments. The two sides concluded a long pending review of the India-Singapore Comprehensive Economic Cooperation Agreement (CECA). As Modi put, after his talks with Lee, the review 'is not our

destination; it is just a way station'. He added that senior officials of the two governments will soon start talks on upgrading the CECA.

On the question of trade, Singapore and the other Southeast Asian states have long been anxious about New Delhi's negotiating position in the talks to conclude the Regional Comprehensive Economic Partnership (RCEP) agreement between the ASEAN and its partners – China, Japan, South Korea, India, Australia and New Zealand.

After his talks with Lee, Modi said he had "conveyed India's firm

commitment to an early conclusion of the RCEP agreement” and “hoped for a fair, balanced and comprehensive agreement”. While the remaining issues are said to be difficult, the fact that negotiations are continuing is a positive sign for the future of India’s economic integration with East Asia.

Modi also expressed his happiness at the expanding investment relations between the two countries. The return of India’s economic growth to a higher trajectory – after the dip following the demonetisation at the end of 2016 – has renewed the interest of Singapore investors in India. The Indian prime minister also noted that many Indian companies are using Singapore as a springboard to access ASEAN markets and beyond.

Physical connectivity has been an important theme of India’s engagement with Singapore and ASEAN. Modi and Lee agreed that the two sides would shortly begin talks on expanding air links between the two countries.

Even more consequential for the long term might be the door that Modi and Lee have opened for digital financial connectivity between the two countries. They decided to establish a Joint Working Group (JWG) on Fintech that will be led by the Monetary Authority of Singapore (MAS) and the Department of Financial Services in the Indian Ministry of Finance. Other relevant government agencies will be part of this working group.

The JWG, according to the joint statement issued after talks between the two leaders, would promote exchanges on best practices, encourage cooperation between fintech firms, interoperability between the two markets and connect the payment systems, among other things. As Singapore and New Delhi get ready to implement this ambitious agenda, the two sides have already taken some important steps during Modi’s visit, especially in the domain of cross-border payments. One was the launch of India’s RuPay card in Singapore, in partnership with NETS. In another move

to promote cashless payments, NETS and the National Payment Corporation of India are moving towards the acceptance of Bharat Interface for Money QR mobile app in Singapore. Modi and Lee also welcomed the launch of a cross-border remittance app developed by the State Bank of India for Indian workers in Singapore.

Modi and Lee also devoted some special attention to the task of connecting the innovators from the two countries. For both the leaders, innovation has become the key focus of their respective national strategies. For Singapore, innovation is the key to becoming a ‘smart nation’ amidst the unfolding technological disruption. For India, technological innovation is the only way of addressing the multiple development challenges facing the nation.

From linking research communities in both nations to finding ways to mentor Indian start-ups eager to enter the Singapore market, Modi and Lee have unveiled an ambitious new agenda for the bilateral relationship. This lends much depth to the already existing framework for cooperation on the development of smart cities and the expansion of skill development initiatives in India.

During the visit, the two leaders also presided over the formalisation of an agreement between the two navies on mutual coordination, logistics and services support. The naval engagement between the two countries started nearly two and a half decades ago. New Delhi and Singapore have agreed to expand their joint naval exercises to include third nations from ASEAN. As the naval cooperation between India and Singapore becomes deeper and broader, and as India develops maritime cooperation with Indonesia and Thailand, a new architecture for sub-regional security in the eastern Indian Ocean might well be on the cards.

India’s growing ties with the littoral states of the Malacca Straits that connect the Indian and Pacific Oceans

bring us to the larger geopolitical conception of the Indo-Pacific. Modi, who was the keynote speaker at this year’s Shangri La Dialogue in Singapore, had the opportunity to lay out India’s conception of a new strategic theatre that has begun to take shape. In his address, Modi reaffirmed India’s growing interest in the stability and prosperity of a region, stretching from the east coast of Africa to the west coast of the United States. Modi also declared that India is not interested in taking sides in the renewed rivalry among the great powers. Instead, it will take a principled position on issues at hand – whether it is respect for the rules-based order, peaceful resolution of maritime territorial disputes, or the promotion of regional connectivity based on equality, transparency and mutual benefit.

The most important message from Modi was on the centrality of ASEAN in constructing a stable Indo-Pacific order. “I see ASEAN as an example and inspiration. ASEAN represents the greatest level of diversity of culture, religion, language, governance and prosperity of any grouping in the world”, Modi said. “It was born when Southeast Asia was a frontline of global competition, a theatre of a brutal war and a region of uncertain nations. Yet, today, ASEAN has united ten countries behind a common purpose. ASEAN unity is essential for a stable future for this region”, he added.

At a moment when Singapore and Southeast Asia stare at a period of great uncertainty, Modi has signalled India’s commitment towards being a responsible partner for the region.

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The Evolving Status of Women in South Asia

FAIZA SALEEM AND TAISHA GRACE ANTONY



Photo courtesy of the Ministry of Education, Government of the Maldives

South Asia, home to a quarter of the world's population (1.76 billion), is one of the world's fastest growing regions, with its economy poised to grow at over seven per cent in 2018. This paper examines the status of the region's 855 million women, using the latest World Bank indicators in three key sectors – education, employment and health.

Education

It is estimated that, across the world, approximately 493 million women are illiterate, and more than half of them reside in South Asia. Gender parity in adult literacy rates in South Asia was 0.78 in 2016, which was lower than any other region of the world, including Sub-Saharan Africa (0.79) (Global Education Monitoring Report, UNESCO, 2018).

Examining the gender parity index of the gross enrolment ratio at primary

and secondary levels, it was found that parity has been successfully achieved in the Maldives, Nepal, Sri Lanka, Bhutan, Bangladesh and India, leaving Afghanistan and Pakistan behind at 0.64 and 0.84 respectively. While all countries in the region have made progress in increasing adult female literacy rates, two countries stand out with exceptionally high rates – the Maldives at 98.7 per cent and Sri Lanka at 90 per cent. To reach the national target of universal primary education, the Maldivian government built and upgraded schools, emphasised the selection of an equal number of male and female candidates for higher education opportunities and revised the National Primary Curriculum. Similarly, in Sri Lanka, public secondary and higher education is free for all citizens. Government scholarships, international aid, and vocational and artisanal training have also played

a pivotal role in improving women's access to education. However, some disparities exist, as populations in the regions recovering from civil war face barriers to accessing quality education.

In the recent past, with an adult literacy rate of 69.9 per cent, Bangladesh too has made immense progress. Having taken steps towards ensuring compulsory primary education, it also participated in global initiatives such as 'Education for All' to eradicate illiteracy, increased female representation among teachers and implemented the 'Female Stipend Program' that offered scholarships for female secondary students up to Grade 10. In India and Pakistan, improvements in adult female literacy rates (59.3 per cent and 44.3 per cent respectively) are promising but significant gaps indicate the persistence of patriarchal norms, the lack of public investment in educational

infrastructure, teacher absenteeism and schools that exist only on paper. Afghanistan, at 17.6 per cent, lags behind all countries in the region, due to widespread discrimination and sluggish efforts by the government to implement a national legislation for compulsory education. While the country has been one of the largest recipients of donor funding in recent years, only two to six per cent of assistance has been directed to the education sector (Human Rights Watch, 2017).

Health

The maternal mortality ratio (MMR), a key marker of the overall health of women in a country, accounts for the greatest number of deaths among women of reproductive age (12-49 years) in South Asia. Between 2000 and 2015, the MMR in South Asia dropped significantly from 388 (per 100,000 live births) to 182. Yet, the region, along with Sub-Saharan Africa, still accounts for approximately 88 per cent of maternal deaths worldwide. Women in South Asia face a lifetime risk of maternal death of 1 in 200, compared to 1 in 880 in East Asia (UNICEF, 2015).

The regional averages hide significant unevenness between countries. Afghanistan, for instance, has the highest MMR at 396, followed by Nepal at 258. Pakistan, Bangladesh and India follow at 178, 176 and 174 respectively. Countries that have achieved significant reductions in the MMR, such as Bangladesh, Bhutan and the Maldives have done so through concerted national efforts comprising family planning, maternal and child health initiatives. In Bangladesh, public health delivery improved with robust support from non-government organisations. Outside the health sector, girl's education, labour force participation and micro-credit programmes have also been helpful in lowering the MMR and fertility (Investing in Health, World

Bank, 2015). Sri Lanka stands out amongst all South Asian countries with the lowest MMR of 30. One of the key reasons for its consistent decline was due to ensured access to basic health services, such as the presence of a skilled birth attendant at 97 per cent of deliveries across the country. For Pakistan too, the community health workers programme has been effective in reaching women in rural areas with limited access to hospitals and clinics. However, its decline in the MMR has been slow and may be attributable to the slow fertility decline and the lack of trained health staff. India recorded a significant decline in the MMR as well, from 370 in 2000 to 174 in 2015, but health system deficiencies remain. There is also wide disparity in the MMR across different states and income groups.

Employment

Over 65 per cent of the female population of South Asia is in the working age group of 15 to 64 years. Yet, female labour force participation rates stand at a dismal 30.1 per cent. Less than one-third of women in the working age population are in the labour force.

There exists vast disparity in participation rates in the region. Nepal stands out with participation rates at 85.4 per cent, followed by Bhutan at 60 per cent and the Maldives at 44.3 per cent. The women have increased their participation in Bangladesh, starting from 27.6 per cent in 2000 to 34.6 per cent in 2016, due to the successful creation of jobs in the garments sector and micro-credit facilities, especially for rural women. India's participation rates have, however, declined over time from 35.7 per cent in 2000 to 28.9 in 2016. This may be explained by the lack of job creation in sectors that are open to women's participation as well as a high degree of informal sector employment (ILO, 2014). Additionally, persistent social norms such as early

marriage and gender roles, which leave women disproportionately responsible for housework and childcare, have prevented an increase in the participation rates. Encouragingly, the Maternity Care Act indicates progress in improving conditions for women's participation in the labour market. Pakistan's female participation rates are at a low 26.1 per cent. Although the situation has improved over time, the low rates indicate the presence of significant barriers to women's entry into the labour force, including low levels of education and employable skills, and gender stereotypes such as those seen in India. For instance, a 2016 study by the Asian Development Bank found that, among women who were available to work in Pakistan, only 35 per cent were available to work outside the home, with greater constraints in rural areas. Barriers to mobility and the threat of harassment in public spaces are also key contributors to low participation rates in the region.

Conclusion

As this analysis highlights, the status of women is evolving in South Asia. However, more remains to be done or else the growth trajectories of economies in the region will remain uncertain. By 2030, the region will be home to approximately 2.1 billion people. For the countries to achieve economically sustainable population growth and reap rich demographic dividends, it is important to continue current initiatives and introduce new policies that increase access and parity in health, education and employment for the women.

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Regional Security and Geopolitics in the Indian Ocean

JIVANTA SCHOETTLI



Photo courtesy of the Indian Navy, Ministry of Defence, Government of India

Since ancient times, the maritime routes and weather patterns of the Indian Ocean determined and enabled the flow of goods, people and ideas, connecting Asia with Europe and Africa. Today, according to the Indian Ocean Rim Association, half the world's container ships, one-third of its bulk cargo traffic, two-thirds of its oil shipments and more than 50 per cent of its maritime oil trade passes through the Indian Ocean. Therefore, it comes as no surprise that powerful countries and companies have sought to protect the vital sea lines of communication (SLOCs) that criss-cross the Indian Ocean and to insure heavily against the transnational threats of piracy and terrorism. Along with these, there are many other non-traditional security challenges with global implications and causes that have compelled countries to cooperate and international organisations to call for urgent action. These include pollution, illegal, unreported and unregulated fishing, climate change, and the trafficking of people and drugs. At the same time, there are intense geopolitical competition and collaboration for control over strategic waterways in the Straits of Malacca to the East, and the Straits of Hormuz

and the Straits of Bab el-Mandeb to the West.

The five maritime nations amongst the eight South Asian Association for Regional Cooperation members do not sit astride the key straits mentioned above, which are also known as 'choke points' of the Indian Ocean. However, the southernmost tip of India's Andaman and Nicobar chain of islands is just 166 kilometres from the Indonesian province of Aceh and India is considered a 'funnel state', leading into the Malacca Strait. Furthermore, the subcontinent's location at the centre of the Indian Ocean generates a number of strategic advantages and security dilemmas for each of the countries. Sri Lanka and the Maldives are Indian Ocean island nations with distinct opportunities and challenges of their own. While Colombo ranks high amongst the world's busiest ports and Sri Lanka seeks to position itself as a commercial, financial and trading hub for the Indian Ocean, the Maldives faces an existential threat with rising ocean levels.

The Indian landmass projects deep into the Indian Ocean, commanding more than 7,500 kilometres of

coastline and providing the country with an immense exclusive economic zone of 2,305,143 square kilometres. To the west are some of the country's longest-standing interests in the Gulf, namely, securing the route and flow of energy supplies and protecting the millions of Indian workers located in the region. Pakistan's port of Karachi has long been a vibrant commercial centre and is among the busiest in South Asia. Despite its rivalry with neighbouring India, Pakistan decided in 2014 to join the Indian Ocean Naval Symposium, initiated by India in 2008, which holds biennial meetings among the navies and maritime security agencies from the Indian Ocean Region (IOR).

Nonetheless, the pulse of geo-strategic competition is perhaps nowhere more palpable than in the region known as the Arabian Sea. It is here that the China-Pakistan Economic Corridor, Pakistan's premier infrastructure initiative funded by China, ends or begins with the port of Gwadar, providing China access to the Indian Ocean. India's security concerns stem from the dual-use nature of the port and have propelled India to accelerate its own overseas investments, most

notably in the Iranian port of Chabahar located 170 kilometres away from Gwadar, as the crow flies.

On the eastern side, serious efforts have been underway to push the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation involving nations from South and Southeast Asia. Bangladesh, in particular, has sought to create synergies through maritime connectivity and cooperation on the blue economy. The Bay of Bengal is the largest bay in the world and its littoral areas include the coastal regions of eastern India, Bangladesh, Sri Lanka, Myanmar, Thailand, Malaysia and the Indonesian island of Sumatra.

India, with the largest navy in the region, has always been a key contributor to security in the Indian Ocean, providing protection to the SLOCs. Through a number of long-running naval exercises, it has built up relations of trust and established interoperability with other major navies. This includes the Malabar series, one of the oldest in the region which began in 1992 as an annual bilateral exercise with the United

States and today includes Japan; the Singapore India Maritime Bilateral Exercise, which dates from 1994; and Milan, a multilateral naval exercise hosted by India and initiated in 1995. Recently, Indian Prime Minister Narendra Modi outlined a vision for security in the Indian Ocean region titled 'SAGAR' – Security and Growth for All in the Region, which the 2015 Indian Naval doctrine explains, "As part of India's endeavours to strengthen economic relations and development in the IOR, in a mutually supportive and cooperative manner." 'Sagar' also means the ocean. Indian diplomacy of late has been characterised by an oceanic drive to develop and enhance economic and strategic relations with key island states such as Seychelles, Mauritius and Madagascar, reaching out to the East African littoral regions as well as strengthening existing relations with East and Southeast Asia.

South Asia, as a whole, stands to gain from greater intra-regional trade as well as further integration with the global economy. In this endeavour, connectivity to the ocean plays an important role. It is also important for the three landlocked countries of Afghanistan, Nepal and Bhutan, where

efforts are underway to link land ports ultimately with sea ports. Massive and ambitious investments are also being made in land-based infrastructure projects such as China's Silk Road Economic Belt or the International North-South Transport Corridor with the involvement of Russia and India. These may well be transformative for a future Eurasia but, for now, the logistics and costs of transportation by sea remain smoother and much cheaper.

As the world's major maritime powers move away from the primary focus on trans-Atlantic relations, the idea of the Indo-Pacific has rapidly gained traction and generated much debate over its definition and strategic implications. Regardless of how far and how feasible it is to think about the two oceans as inter-linked, regional security in the Indian Ocean is likely to get more complex and complicated in the near future.

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Photo courtesy of the Indian Navy, Ministry of Defence, Government of India

Indian Foreign Policy Imperatives in an Uncertain Era

S JAISHANKAR

As Indian foreign policy surveys the world today, it has to recognise the growing volatility in relations among major powers and the ripple implications for the rest of the world. Economic, political and security disputes have sharpened beyond the recollections of recent memory. All of this could modulate in the coming months but the underlying tensions will not go away. There are currently five difficult major power relationships: those between the United States (US) and China; the US and Russia; Europe and Russia; China and Japan; and China and India. In this context, if India-China relations improve, it stands to reason that so too will India's overall positioning in the world. Therefore, China becomes the diplomatic priority currently of an India that is confident of navigating the rest of the world. China has its own reasons to reciprocate as its ties with the US, Europe and Japan become more complex. This relationship is, thus, likely to be the arena for near-term activity. There are a number of issues from the past, such as the boundary dispute, Pakistan and the Dalai Lama question, among others. What is perhaps even harder is for the two rising powers to find the right equilibrium. However, as the Wuhan informal summit in April 2018 demonstrated, both nations have a compulsion to moderate their differences and enhance the factors of stability.

While focusing immediately on China, especially in view of the downturn caused by its Doklam intrusion, it is

also natural that India should solidify its ties with other power centres. In contrast to many allies of the US, it has actually built up a strong working relationship with US President Donald Trump's Administration. The results of the Afghanistan-Pakistan review brought the two nations much closer. Security convergences have grown stronger, including in the Indo-Pacific. These could well mitigate some of the trade frictions that would inevitably arise in the present circumstances. In parallel, Indian Prime Minister Narendra Modi's government is also showing a level of attention to Europe that India has lacked in the past. Expanding the French relationship, focusing strongly on Germany, reviving the Commonwealth and normalising ties with Italy may all be predictable, even if they were not done effectively earlier. However, reaching out to the Nordics and cultivating the smaller countries is clearly going the extra mile. Russia remains a fixed point for Indian diplomacy and the pressure on it from the West is not good news. Instinctively, India will be protective of this relationship and not allow it to be diluted under any circumstances. A newer partnership India has lavished great attention on is that with Japan, and the political and economic payoffs clearly justify this decision. Overall, as the world itself is poised for a reset, India looks reasonably comfortable.

The situation in its immediate neighbourhood, however, is the real test of its diplomatic skills. Much of the problems are structural and sociological. Neighbouring elites can

sometimes have an identity issue and their internal issues could also overflow beyond their boundaries. They are naturally not averse to using China to strengthen their hands in dealing with India. The challenge for the latter is to work out that this does not cross its security redlines, to the extent that any Sino-Indian accommodation could be helpful to that endeavour. The electoral cycle, in what is by now a largely democratic region, is also being tested by anti-incumbency. Whether this militates against some of the trends of a few years ago is unclear. Such developments reflect the imperatives of governance in each of these societies and India clearly has to deal with the governments of the day. Assessments of trade, investments and mobility still confirm the centrality of India to the rest of South Asia. In fact, Indian prosperity is a lifting tide for the larger region. As Indian project delivery improves, its role, for example, as an energy hub, has become more prominent. Today, India is the strongest votary of regionalism and connectivity. Its record in the last few years in extending loans and grants to that end has been impressive – that the highest level of political leadership has been personally involved in monitoring projects has had its impact on performance.

Pakistan remains the odd man out, mainly due to terrorism and its resistance to more trade and connectivity. There is strong determination in India that it must not be brought to the table under

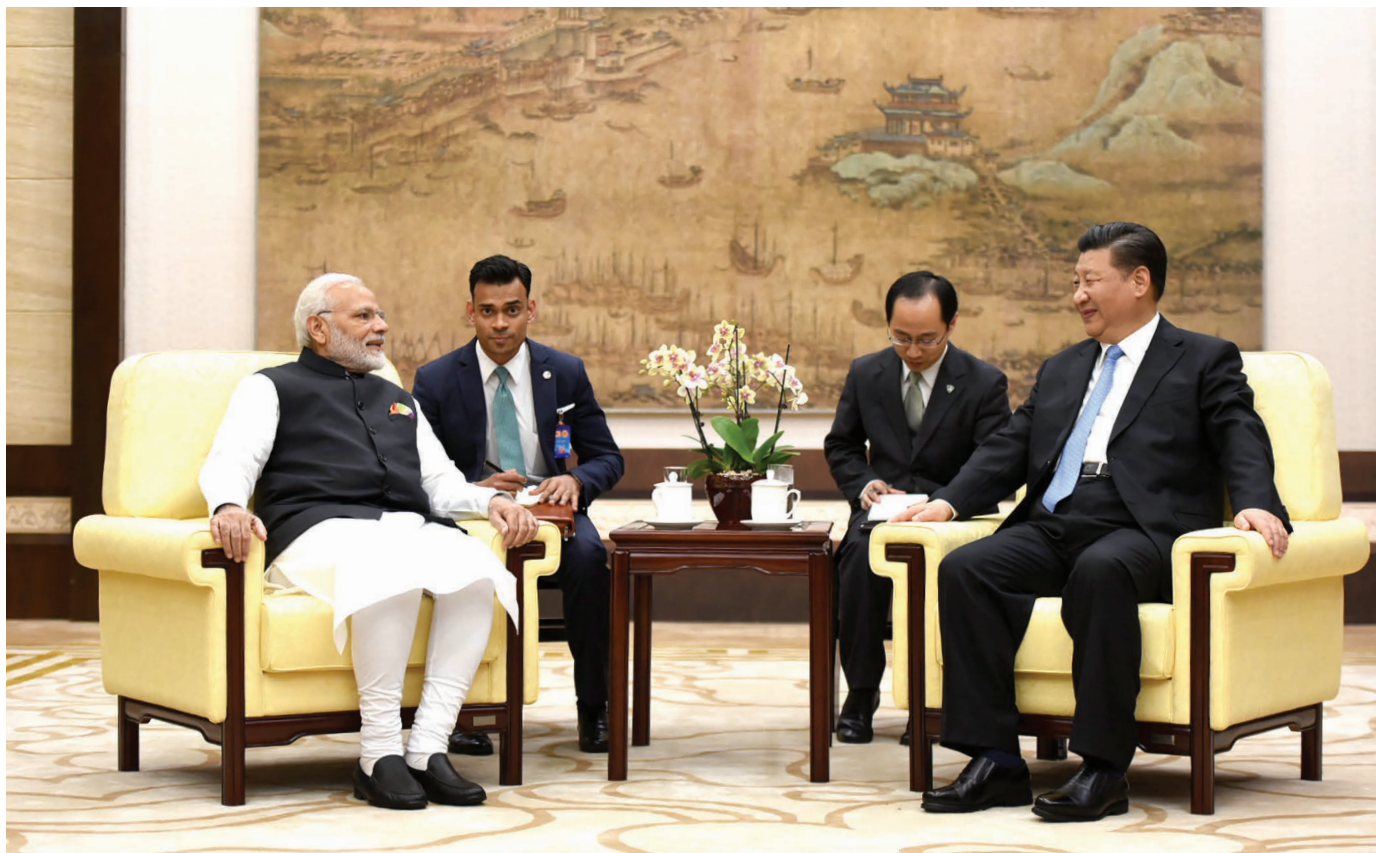


Photo courtesy of the Ministry of External Affairs, Government of India

the pressure of violence. It is also hardly helpful that Pakistan itself has further undermined its already fragile democracy. Its current policies are likely to continue eliciting a robust response from India and this is clearly a patient game. In the meanwhile, India has stepped up its Afghan engagement. Visibly stronger political ties are backed by new aid commitments in irrigation, housing for returning refugees and expansive training opportunities. India has actually built up a record as the most effective aid provider and its recent security assistance has built on the ensuing goodwill. Its meeting point with China in this area, if realised, offers new possibilities.

As India's interests and capabilities grow, the concept of an extended neighbourhood has now taken root firmly. The 'Act East' policy aims to provide physical connectivity to the Association of Southeast Asian Nations (ASEAN) and is being given priority attention. The India-ASEAN

Summit in January 2018 has taken ties to a new level by broadening the scope of cooperation. The growing acceptance of the Indo-Pacific as a strategic concept can contribute to a more intensive relationship with the east. On the other flank, Indian diplomacy has been just as active, balancing its interests and advancing different relationships on their merits. It has been successful in securing greater energy access, more investments, ensuring the welfare of its diaspora and widening its political outreach. Similarly, the SAGAR (Security and Growth for All in the Region) doctrine has encouraged a more proactive maritime policy that is built on security and developmental cooperation with the Indian Ocean island states. 'Sagar' also means the ocean.

The goal today is to become a leading power and not just to be content at remaining a balancing one. This requires a larger footprint, intensive engagement, more initiatives and

bolder decisions. Examples of these are now multiplying: using foreign policy to spur domestic development, brokering the Paris Agreement, spearheading the International Solar Alliance, making big energy investments in Russia and the United Arab Emirates, becoming a major defence partner with the US, undertaking a high-speed rail project with Japan, taking active counter-measures against cross-border terrorism, securing the borders, motivating the diaspora and promoting yoga. What makes a difference is that the rest of the world welcomes this more energetic India.

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Pakistan: Geography, Demography and Civil-Military Relations

RIAZ HASSAN

At the top of the list of Pakistan's perceived challenges is its tension-filled and sometimes strident relationship between its civilian government and the military. Unlike most democratic settings, Pakistan's elected civilian government is not seen to hold sway over the country's military. Scholarly debates and analyses have identified several reasons for this. They include weak political institutions and parties, incompetent political leadership, the entrenched power of the civil-military bureaucracy, and threats to Pakistan's sovereignty and territorial integrity.

The arguments about weak institutions attribute failings to the lack

of well-established political parties headed by competent leaders. This, in turn, has failed to develop the basis for a robust and effective political and constitutional system, seriously impeding the government's ability to respond to the myriad of internal and external challenges it faces related to national cohesion and integration, ethnic tensions, sectarianism, regional inequalities and international relations. In this space, the bureaucratic military elite has become steadily more assertive, increasing its power at the expense of the country's political elite.

Between 1980 and 2000, four democratically-elected governments were dismissed by the country's

presidents on charges of corruption, inefficiency and their inability to meet security challenges. This resulted in the strengthening of the civil-military bureaucracy. Indeed, during its 70-year history, Pakistan has been governed by civilian bureaucrats or military generals for almost 45 of those years.

These factors have undoubtedly played a significant role in shaping civil-military relations in Pakistan. Yet, the author would suggest that there are other contingent factors arising from the country's demography and geography that have contributed significantly to this situation. In most discussions, these factors have not been given the attention they

deserve. In what follows, the author will argue that they have played a significant role in shaping civil-military relations, governance and the security challenges that the Pakistani state has faced from the very onset.

The Montevideo Convention on Rights and Duties of the States defines a state as possessing a permanent population, a defined territory and a government capable of maintaining effective control over its corresponding territory and conducting international relations with other states.

The most striking aspect of Pakistan's demography is that it is made up of six 'nations', each of which is divided between two or, in the case of Balochis, three countries. All of them are predominantly Islamic but also endowed with their own distinct and historically grounded cultural identities. The geographical contour of Pakistan and its demographic heterogeneity has had profound implications for its territorial integrity, social cohesion, political stability, security and international relations.

Kashmir has been a source of intermittent military skirmishes and conflicts with India since 1947 that have seriously impacted Pakistan's relations with its neighbouring state. The area remains a major political and security challenge for Pakistan. Baluchistan, Pakistan's largest province, straddles Pakistan and Iran. It is resource rich and sparsely populated. Around 80 per cent of the Balochi population resides in Pakistan, while the rest live in Iran and Afghanistan. It too has been a site of decades of ethnic conflict with the Pakistani government over regional inequalities and the exploitation of its mineral and gas resources, which have failed to deliver real economic and social benefits to the Balochis. The Pakistani army has carried out numerous operations in the province under the rubric of counter terrorism, only serving to heighten ethnic

tensions. The province also continues to be a site of incidents carried by Balochi nationalists.

However, perhaps the most serious political challenge facing Pakistan concerns the conflict in Afghanistan, which, like the other disputes, also shares a significant demographic dimension. The Pashtun nation consists of approximately 45 million people. Pakistan is home to 31 million Pashtuns or 70 per cent of the population, with Afghanistan home to the other 14 million or 30 per cent of its population. The Pashtuns are overwhelmingly a tribal society, with their identity grounded in the historical memory of a common lineage, Islam, and the over-arching universal tribal 'legal' code of Pashtunwali. These features constitute the social and cultural 'glue' of solidarity among the Pashtuns of both countries.

While the Pashtunwali rules are not a detailed legal code, they provide an all-encompassing framework for behaviour and for managing conflicts in the Pashtun society. According to the code, when one's honour is harmed, a person has a duty to respond by seeking revenge greater than the original slight. This dynamic helps us to gain a deeper insight into the Taliban insurgency. Most Pashtuns are deeply conservative and strongly attached to their tribal values. Moreover, the majority of the Taliban fighters are Pashtuns in culture and character, with a deep sense of shared identity. They are outraged by those who usurp their autonomy and denigrate their culture. The core logic of the Taliban insurgency is that they are fighting for the defence of their country, their honour and their religion, and to avenge the deaths of their relatives killed by Western forces and their allies alike.

The proxy wars between the United States (US) and the Soviet Union in Afghanistan, following its occupation in 1979 by the latter, and after 2001,

between the US, its allies and the Taliban, have made Pakistan an intersection of several global fault-lines. This too has had serious consequences for its economy, political stability, sovereignty and territorial integrity. Under these conditions, and in the face of the external threat of aggression and war, the Pakistani military has been obliged to perform its constitutional duty to ensure national security and national unity, and to assist the government in its humanitarian mission. The conditions in Afghanistan, over which Pakistan has no real control, has compounded the problems of chronic political instability and difficult civil-military relations.

In conclusion, governmental failings and the complex civil-military relations in Pakistan are deeply affected by its weak political institutions and parties, incompetent political leadership and also by the country's geography and demography. This reality is reflected in public opinion polls that show a low level of trust in the government (36 per cent), parliament (27 per cent) political parties (30 per cent) and politicians (27 per cent). In this context, the most trusted institution in the country is Pakistan's army, which is trusted by 82 per cent of the population. However, despite the lack of confidence in political institutions and the people's high trust in the army, most Pakistanis do trust democracy. According to a recent Gallup Poll (November-December 2017), 81 per cent of Pakistanis prefer democracy, while only 19 per cent would rather have a military dictatorship. This shows that Pakistan is heading towards sustainable democracy.

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Bangladesh in 2018: At the Crossroads in an Election Year

IFTEKHAR AHMED CHOWDHURY

It is all but certain that the next parliamentary elections in Bangladesh will take place towards the end of the current year. The Coalition, led by Prime Minister Sheikh Hasina, head of the Awami League (AL), has governed the country for two terms, totalling nearly 10 years at a stretch. The main opposition, the Bangladesh Nationalist Party (BNP), which had boycotted the previous polls, alleging potential rigging, is in disarray. Its leader, Begum Khaleda Zia, is incarcerated, convicted of corruption. Still, she and her party continue to remain a force to be reckoned with.

The current government has used its overwhelming parliamentary majority to scuttle the 'caretaker government' that previously oversaw elections. The BNP argues that it gives the AL a leg up, and the AL counters it by proffering examples of other parliamentary systems. Currently, calm prevails. However, there is no telling if this is sustainable. Bangladesh has a culture of political volatility. The two major parties represent, in some ways, though not absolutely, a major national divide. This is the cleavage between the 'Bengaliness' of the Bangladeshi

(AL) and the 'Muslimness' of the BNP. These are the two values that make up the ethos of Bangladeshis. The division is not just within the community, but, sometimes, oddly enough, within the individual, in whom one or the other value may preponderate at different times.

However, this schism must not conceal a remarkable story of a battered nation that emerged out of a bloody war in 1971 to join the global comity of sovereign nations under the leadership of Bangabandhu Sheikh Mujibur Rahman, known as



Photo courtesy of the Ministry of Women and Children Affairs, Government of Bangladesh

the Father of the Nation (Hasina's father). Since then, the country has made commendable progress across a broad spectrum of national life. Bangladesh did not take long to disprove the contention of Henry Kissinger, the American statesman analyst, who initially opposed the nascence of Bangladesh that the newly born country was a 'basket case'. Already in its early years, Bangladesh was able to effectively utilise the development assistance that poured in its support, so much so that it came to be known as a 'donor's darling'. After some years, it was able to strike out on its own, displaying commendable achievement in certain manufacturing sectors such as garments, despite the tradition of the bias towards agriculture in its economy. Bangladesh has witnessed the growth within it, some believe, as a by-product of a stimulating intellectual heritage, a vibrant civil society that has helped it to produce a number of world-renowned thought-leaders and institutions. In the four and half decades of its existence, it was poised to become a member of 'the next eleven' in the hierarchy of developing states, which has led some, including the World Bank, to see it as a 'paradox'.

In terms of foreign policy, the country has had two broad aspirations: one, the preservation of its sovereignty and its security; and two, the quest for mobilisation of external resources, to complement what are generated domestically, for its economic development. The first required space for sufficient manoeuvrability in policy formulation, particularly as it had a far more powerful state, India, as its neighbour. It also led to a behaviour pattern that warranted the need to live in concord with, but distinct from, the powerful neighbour. The second aspiration required the need to build

a web of extra-regional linkages, with the United States (US), Europe, China, Japan and the Middle East, to satisfy the demands of aid, trade, investments and employment of its expatriate workforce that help prop up the economy with its remittances. So both these aspirations necessitated a high level of international interactions, including in global multilateral institutions, such as the United Nations (where it is a major provider of peace-keepers) and the World Trade Organization (where it seeks to guide norm-setting on behalf of disadvantaged members by securing elections to key offices). Stability was seen as a prerequisite for progress and development and, hence, a matter of perceived national self-interest; as also was the need to avoid taking sides in big-power international rivalries (India, China and the US). Unsurprisingly, Bangladesh was also the initiator of the concept of regional cooperation in South Asia, which found fruition in the establishment of the South Asian Association for Regional Cooperation.

In the economic sphere, Bangladesh chose a path that was akin to 'walking on two legs' – allowing the market to play its role and yet casting the social net wide enough to salvage those who failed to make the grade. In the author's view, that more or less was the philosophical core of the economic policy of Bangladesh even when it opened up the economy in the age of globalisation early 1990s. As a recognised Least Developed Country (LDC), it took advantage of the preferential market access provided, particularly by Europe and, by 2016, emerged as the world's second largest apparel exporter. The export basket expanded to include pharmaceuticals, ship-building (and ship-breaking, an industry that it would like to discard as soon as

feasible due to its environmental unfriendliness), information technology ('Digital Bangladesh' is a declared goal of the Hasina government), leather, steel and light engineering. Women account for the main workforce of its vast garment industry, which assists gender mainstreaming and helps women empowerment, an area in which Bangladesh has done better than many developing countries of comparable milieu.

Bangladesh is now slated to graduate out of the list of LDCs. While many would see this positively, it will also entail the end of preferential treatment in market access and offer of soft credit by global financial institutions. However, it will also provide a fillip to the sense of national dignity and achievement, and help attract larger foreign investor attention. There is the goal, announced by the prime minister, of a vision to turn the nation into a knowledge-based middle-income country by 2021. Challenges still dog the nation, in terms of poverty, notwithstanding the success of alleviating its extreme form, inadequate infrastructure and threats of extremism that often tend to rear their heads. On its path to further progress, much will depend on how the nation's leaders and people are able to tame the political volatility and forge national consensus on key issues.

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The Next Stage of Singapore-Sri Lanka Economic Relations: Opportunities and Challenges

ROSHNI KAPUR

It should not come as a surprise that Singapore and Sri Lanka are strengthening their trade and economic relations, given their unique relationship. The two countries have been historically connected and enjoyed warm diplomatic ties for decades. At one point, Singapore had turned to Sri Lanka as a model to emulate. In 1965, then-Singapore Prime Minister Lee Kuan Yew said that he wanted to replicate the Ceylonese model for a nascent Singapore. Sri Lanka was well-placed to become

a financial hub in the region, due to its strong economy, a high set of development indicators and a high literacy rate. However, it took a different path and lost out to other countries when the civil war broke out.

Despite the different developmental models, Singapore and Sri Lanka have a number of striking commonalities. Both countries have responded well to economic reforms since the 1960s and 1970s. Both also rely on international trade and encourage

the flow of goods. While Singapore is one of the world's most open and trade-friendly economies, Sri Lanka is developing its own port into an international financial hub. This is an important opportunity for Sri Lanka to catch up on lost time. The hub is projected to generate jobs for 15,000 people and contribute 10 per cent to Sri Lanka's gross domestic product (GDP) within the next five years.

Economic relations between the two were further cemented when

Sri Lankan Prime Minister Ranil Wickremesinghe paid an official visit to Singapore in July 2016. Since then, Singapore's involvement in Sri Lanka's development has gone beyond its capital, Colombo, to other cities. International Enterprise Singapore ratified the first-ever memorandum of understanding (MoU) with Sri Lanka to help develop its Western Region Megapolis. The western area contributed 40 per cent to the country's total GDP in 2014, making it one of the key drivers of its economy. The MoU created an avenue for Singaporean and Sri Lankan firms to work with one another in connectivity and urban solutions.

The latest development in their economic relations was in January 2018 when the two partners ratified the Sri Lanka-Singapore Free Trade Agreement (FTA). The historic agreement – Singapore's 13th bilateral agreement and Sri Lanka's first since 2005 – will provide greater access for Singapore companies to the Sri Lankan market when it comes into force later this year. The fact this is Sri Lanka's first "modern and comprehensive" FTA allows Singapore to be a prime supporter of the country's economic liberalisation plans. There are over 350 Singapore companies registered in Sri Lanka, including Prima which is one of the biggest foreign investors in the country. Three more businesses were quick to forge deals with their Sri Lankan counterparts during the Sri Lanka-Singapore Business Forum 2018.

Potentials and Opportunities

Many opportunities lie ahead for greater economic ties and trade flows. First, Sri Lanka can be a gateway to the bigger South Asian economy for Singapore. Sri Lanka's Gross National Income (GNI) is higher than its South Asian neighbours. In 2016, its GNI was US\$11,970 (S\$16,110), based on purchasing power parity, while India's was US\$6,490 (S\$8,735), and Bangladesh's was US\$3,790 (S\$5,101). This could be due to the

Sri Lankan government's efforts on initiating large-scale development projects that have reduced poverty levels and made gains in human capital. Colombo can potentially be the first stop for Singaporean companies before expanding into the other South Asian countries. Even though cultural and social nuances differ across South Asia, Sri Lanka may still provide some induction for Singaporean companies looking to do business in the region.

Second, the two Asian countries can deepen their trade and investment linkages through the Colombo International Financial city project. The financial centre can be the first stop for Singaporean firms when they consider investing in Sri Lanka. Singapore's foreign direct investments to Sri Lanka amounted to only US\$658 million (S\$886 million) in 2016/17. This was less than one per cent of Sri Lanka's GDP. Furthermore, Singapore comprised only 1.1 per cent of Sri Lanka's exports and 5.3 per cent of imports in 2016. The financial centre can also be a gateway to increase goods and services between Singapore and Sri Lanka. The Sri Lankan government is also opening exchange controls for foreign businesses. Such liberalisation, along with the centre's strategic location in the Indian Ocean, may incentivise Singaporean businesses to enter the Sri Lankan market.

Some Challenges

While the opportunities are aplenty, there are several challenges as well.

First, corruption is moderately high in Sri Lanka and that may make Singaporean companies more cautious about investing in the country. Colombo was ranked 95 out of 176 countries in the Corruption Perceptions Index 2016 by Transparency International. Corruption is entrenched at every level of the state's administration. Companies have reported instances of bribes and other forms of unwarranted payment,

especially in the public procurement processes. The government was also hit by the central bank bond scandal that shook international confidence in 2017/18. Such scandals may have broader business implications where it reinforces the idea of widespread corruption in Sri Lanka.

Second, there is bureaucratic red tape in Sri Lanka. While it takes only two and a half days to set up a business in Singapore, it takes nine days to establish one in Sri Lanka. This is, however, better than some of the other South Asian countries. There is also a copious amount of paperwork to import certain items into Sri Lanka.

Third, the ethnic tensions and political turmoil in Sri Lanka may create anxiety within the investor community. A nationwide state of emergency was declared in February 2018 after riots broke out in the city of Kandy. The power struggle between the coalition government of the Sri Lanka Freedom Party and the United National Party has caught international headlines. Recently, President Maithripala Sirisena suspended the parliament for a month. The uncertainty and volatile political landscape may deter risk-averse investors from entering the market.

In sum, there is significant potential for Singapore and Sri Lanka to deepen their economic relations, given their unique relationship. As Sri Lanka pursues its reform agenda and economic development, Singaporean companies can reach out to its cities to participate in Sri Lanka's economy. However, corruption, bureaucratic red tape and political uncertainty may create bottlenecks in their bilateral relations. Sri Lanka needs to address these to reap the full benefits of its economic transformation.

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Northeast India and ASEAN: Striking the Right Note

RUPAKJYOTI BORAH

Since the dissolution of the erstwhile Soviet Union, ending the Cold War, India has reinvigorated its historical ties with Southeast Asia and East Asia through the launch of the 'Look-East' policy, which has now metamorphosed into the 'Act-East' policy under the Narendra Modi government.

Indeed, these relationships have intensified under the watch of the current Indian government. On the third anniversary (May 2017) of his election as prime minister, Modi, while laying the foundation of India's longest river bridge (9.15 kilometres) over the river Lohit in Assam, remarked that, "For fulfilling India's dream of becoming a top economically developed nation, a superpower, the Northeast region is the place to begin with".

In doing so, Modi has clearly laid down one of India's priorities. The Northeastern states share an approximately 1,600-kilometre border with Myanmar. Many tribes in the Northeast have close connections with their brethren across the border in Myanmar. There are Naga tribes, which are spread across the border in Myanmar, and the same goes for groups like the Mizos.

Initiatives

A number of initiatives have been launched by New Delhi to bring this region closer to the Association of Southeast Asian Nations (ASEAN). First, the India-Myanmar-Thailand

trilateral highway is being constructed, which will connect Moreh in the Northeast Indian state of Manipur with Mae Sot in Thailand via Myanmar. In January this year, the heads of state of all the ASEAN countries attended India's Republic Day celebrations in New Delhi. The Delhi Declaration, issued on this occasion, "encourages the early completion of the India-Myanmar-Thailand Trilateral Highway Project". In the future, there are possibilities that this highway would be extended all the way to Vietnam.

Second, New Delhi is involved in a large number of construction projects in Myanmar. These include the Kaladan Multi-Modal Transport Corridor project, the repair of 69 bridges on the Tamu-Kalewa road, the construction of the Kalewa-Yargyi corridor and the Rih-Tiddim road in Myanmar, which borders the Northeastern state of Mizoram.

Third, plans are afoot to increase air-connectivity within the region and with the ASEAN-member countries. Recently, the Cabinet Committee on Economic Affairs approved the expansion and upgradation of integrated terminals at the Chennai, Guwahati and Lucknow airports. In addition, many other airports in the Northeastern part of India are now being made operational, allowing for the ease of movement within the region and beyond. Work is also proceeding at pace on the Trans-

Arunachal highway, which will allow for uninterrupted road connectivity within Arunachal, unlike the present time where people and vehicles have to pass through Assam when travelling between two places in Arunachal Pradesh.

Challenges

There are, however, a number of challenges that need to be tackled by the Indian government.

First, there are serious infrastructure challenges. Beyond Assam, the condition of roads is pitiable, especially during the monsoon season. There are also the vagaries of nature to contend with. This region suffers from such natural disasters as floods, earthquakes and landslides.

Second, some parts of the region still have some active insurgent groups, though most of them have already come to the negotiating table. On the economic front, the per capita incomes in Northeast India have lagged behind the national average, even though states like Mizoram and Tripura are some of the most literate states in India. Hence, providing jobs to educated youths and industrialisation will be vital to the growth of this region.

Third, this region became landlocked after the formation of East Pakistan in 1947 and the formation of Bangladesh in 1971. Hence, providing Northeast India with access to the sea will



be sine qua non. It is here that the Kaladan Multi-Modal Transport Corridor in Myanmar will be crucial since it will provide access to the Bay of Bengal to the Northeastern state of Mizoram through the Sittwe Port in Myanmar via the Kaladan river. From the Sittwe Port, goods from Northeast India could be sent much faster, and at a much cheaper rate, to other Indian ports and also to other ASEAN-member nations via the sea route.

Opportunities Galore

Northeast India is rich in tourism potential, human resources and hydro-electric potential, all of which the state governments should leverage. There are also immense opportunities in horticulture, floriculture and organic farming. Recently, Indian Foreign Minister Sushma Swaraj invited the chief ministers of all the Northeastern

states to New Delhi to discuss the 'Act-East' policy. In the meeting, Assam's Chief Minister Sarbananda Sonowal "urged the ministry to simplify the existing visa regime for facilitating free movement of restricted area permit for ASEAN countries for visiting the Northeast people, including [the] introduction of provisions like visa-on-arrival at North Eastern capitals and relaxing restricted area permit for ASEAN countries for visiting Northeast." This request is timely.

Meanwhile, foreign governments are already waking up to the potential of this region. Japan conducts its IRIS programme, where it invites talented youths from Northeast India for a week-long visit programme in Japan. In addition, it has provided loans for road construction activities in this part of the country. Meanwhile, Singapore

has also signed a memorandum of understanding for the development of a skills training centre in Guwahati.

Silver Lining Ahead

Private players also need to be involved in order for such critical sectors as power and infrastructure to work efficiently in this region. It goes without saying that to realise the full potential of the Northeast, the central and the state governments in Northeast India need to strike the right notes together. Only this will create the perfect symphony between these two actors and ASEAN, which will be as soothing as the mellifluous music wafting through the hills of Northeast India.

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Photo courtesy of the Ministry of Interior Affairs, Government of Afghanistan

Afghanistan: The Shifting Tides of Peace Talks with the Taliban

RANI D MULLEN

In February 2018, Afghanistan's President Ashraf Ghani made an extraordinary offer to the Taliban insurgents to start talks "without pre-conditions". The proposal included the unprecedented possibility of recognising the Taliban as a legitimate political group which could participate in elections, in addition to offering a negotiated ceasefire and the release of Taliban prisoners. It had the full backing of the Afghan High Peace Council – the group established to negotiate peace with the Taliban – and came at a time when the security situation in Afghanistan was the worst since the 2001 defeat of the Taliban government in Kabul.

The Taliban did not immediately respond and many analysts predicted that, given the deteriorating security situation and the usual increase in insurgent activities in the spring and summer, this offer of peace talks would fail like previous outreaches.

However, these analysts failed to take into account five main factors that have changed the context in Afghanistan by 2018. This changing context might not lead the Taliban to the official negotiating table even this time around. Yet, contrary to what one would believe if one only looked at the Taliban's growing presence in Afghanistan, these factors have narrowed the playing field for the Taliban, making it more likely that they will seek a peace deal. And by June 2018, there were reports that Taliban officials at the mid and senior level were secretly negotiating with Afghan officials on a possible ceasefire.

The first factor relates to the origin and content of the offer itself. Unlike previous offers and attempted talks, such as those hosted by Pakistan in 2015, this offer is fully Afghan-owned, giving it a legitimacy that previous efforts lacked. Moreover, the offer would provide the Taliban a path to

political legitimacy by allowing it to compete in the fall 2018 parliamentary elections as a political party and institutionalising it in Afghan politics. The offer of peace talks is, thus, better than any other opportunity presented to the Taliban by the government.

Second, though the deteriorating security situation might appear to give the Taliban an upper hand at first glance, the security context is ironically also one that will put increasing pressure on the Taliban to negotiate. Spurred in part by the deteriorating security situation which saw a Taliban presence throughout the country by June 2018, United States' (US) President Donald Trump had sent several thousand reinforcements to Afghanistan and announced a new Afghanistan strategy that is based on conditions on the ground rather than on an arbitrary timeline. Germany and the other North Atlantic Treaty Organization-member countries are

similarly increasing their boots on the ground. Afghanistan is also ramping up its security forces by supplementing the national army with 36,000 new "territorial army forces", comprising residents to be provincially-recruited in insecure areas. International and domestic security resources are being marshalled to back up the outreach to the Taliban with hard power. Here again, it might not be able to deter suicide bombers, but the impact of enhanced international back-up for the Afghan security forces should also not be dismissed.

Third, domestic sentiment against the Taliban should not be discounted. The annual Asia Foundation surveys have found that there has been a slight growing confidence in the Afghan government and its security forces over the last couple of years. The surveys cite rising security concerns overall, with greater concerns in areas controlled by armed opposition groups, as compared to areas controlled by the government. The greatest fear cited is that of encountering the Taliban. At the same time, Afghan civil society has increasingly mobilised to demonstrate against Taliban attacks, including sit-ins, hunger strikes, and a People's Movement for peace in the southern province of Helmand where a majority of districts are Taliban-controlled. The growth of insurgent groups originating outside Afghanistan, such as Daesh, the increasingly brutal acts committed by these groups and the Taliban's need to distinguish themselves as "Afghans", are building further domestic pressure against the Taliban. While the rising domestic sentiment against the Taliban by itself is not enough to push the Taliban towards a peace deal, the erosion of domestic support they might have enjoyed has led the Taliban in Helmand to seek a meeting with the protestors in the spring of 2018. This is an indication, albeit a small one, that the Taliban does care about its domestic legitimacy in areas it controls.

Fourth, the changing role of regional and global actors is putting pressure on the Taliban to come to the

negotiating table. While there is evidence that many countries in the region and beyond, including Iran and Russia, have been hedging their bets in Afghanistan by keeping in contact with Taliban members, these countries are also increasingly aligned with their desire for a stable Afghanistan that is not ruled by the Taliban. The declaration from the March 2018 Tashkent conference on Afghanistan, which was signed by 22 countries, including Pakistan, China, Iran and Russia, provided strong backing for the Afghan government and highlighted that a political settlement with the Taliban was the best chance for peace.

In addition, the US administration is increasingly putting pressure on Pakistan, the country with the greatest ability to be a spoiler to Afghan peace efforts, to sever its links with the Taliban. The US has suspended most of its security assistance to Pakistan, accusing it of providing safe havens to the Taliban, and has ramped up its efforts to help Afghan forces fight the Taliban.

However, the greatest pressure to bring the Taliban to the negotiating table is likely to come from another regional country: China. Chinese investments in Pakistan's Gwadar port and the promised US\$60 billion (S\$80.5 billion) in investments in the China-Pakistan Economic Corridor (CPEC) are already leading China to want to protect these investments by ensuring peace in the border areas between Afghanistan and Pakistan. These include the reported building of a military base on the Afghan side of the Afghanistan-China border. China also hosted the first China-Afghanistan-Pakistan Foreign Ministers' Dialogue in December 2017 and, in the spring of 2018, proposed that Afghanistan join the CPEC. This drew a muted response from Pakistan, which is wary of its strategic depth on the Afghanistan-Pakistan border being circumscribed by China's involvement. Chinese pressure on Pakistan to no longer provide safe havens and financing for the Taliban and ensure a safe border might indeed be the

largest game changer that could drive the Taliban to the negotiation table.

Finally, systemic factors might well provide the additional push to get the Taliban to the peace table. For one, due to the intensifying trade dispute between China and the US, China is intent on minimising other areas of disagreement with the US, buttressing their already common interest in a safe and peaceful Afghanistan. Pressure from religious quarters is also growing. A conference of prominent Muslim scholars from Afghanistan, Pakistan and Indonesia, which was held on 11 May 2018 in Indonesia, concluded that the ongoing violence in Afghanistan is illegal under Islamic law. Some religious leaders in Pakistan are speaking out about how the killing of innocent people is forbidden by Islamic law and, by June 2018, there were efforts by religious scholars from Pakistan and Afghanistan to hold joint talks on how to promote peace in Afghanistan in line with Islamic teachings.

Together, these five factors are increasing the pressure on the Taliban to take up Ghani's peace offer. In addition, it is important to note that all previous peace offers by the Afghan government were outright and immediately rejected by the Taliban, which has not been the case this time around. Also, the role played by Pakistan and its intelligence agency, particularly its 'Directorate S', which has funded and sought to legitimise the Taliban in Afghanistan, will be crucial to cutting off funding and refuge to the Taliban. Pakistan thus matters less for its (in)ability to bring the Taliban to the negotiation table than for its longstanding ability to play a spoiler role. Building domestic and international pressure on the Taliban to hold peace talks with the government is unlikely to change the Taliban's calculations overnight. However, it is likely to yield results in the medium term.

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The Changing Financial Landscape in India

VINOD RAI

It is only after the introduction of economic reforms in the early 1990s that the Indian economy broke the shackles of the 'Hindu rate of growth' and, by the turn of the millennium, began to knock on the doors of double digit growth. Till the 1990s, the insulated Indian economy provided comfort to public sector banks in areas of liquidity management. Further, in an administered interest regime, the discretion of management being limited, the risk parameters in these spheres were hazy and not quantifiable.

The opening up of the economy post-reforms saw the forces of liberalisation, privatisation and globalisation being unleashed in the business environment. Financial sector reforms and liberalisation of prudential regulations introduced tremendous opportunities for Indian banks to grow and diversify their areas of business operations. At the same time, it entailed greater competition and, consequently, greater risks and challenges in the form of new generation banks, new financial institutions, new instruments and new opportunities in the commercial environment. On the other hand, globalisation ushered in a restructuring of banking and financial sectors through a series of mergers and amalgamations and eventually brought in convergence.

Today, with a projected gross domestic product growth of over 7.4 per cent, India is one of the fastest-growing major economies in the world. The high growth rate has been supported

by a growing financial sector, in addition to continued efforts by the government to push forward with structural reforms.

India has a higher savings rate than any other country at a comparable level of per capita income. Yet, it is characterised by a high cost of debt capital and poor accessibility to capital, as more than two-thirds of India's household savings are held in physical form, largely in real estate and gold. To boost the ratio of financial savings, the *Pradhan Mantri Jan Dhan Yojana* – a national initiative for financial inclusion – has opened about 300 million bank accounts and has mobilised more than ₹450 billion (S\$8.9 billion) in bank deposits. Since August 2015, the Reserve Bank of India has also granted 11 payments bank licenses, 10 small finance bank licenses and two universal bank licences to provide universal access to banking services.

On the other hand, it is estimated that the leakage in the release of government subsidies was at about 40 per cent. The direct benefit transfer (DBT) scheme has plugged this leakage, thereby releasing much more funds for distribution now, thus ensuring that the subsidy budget does not balloon. The greatest success has been the transfer of the liquefied petroleum gas subsidy onto the DBT. Additionally, the introduction of the Goods and Services Tax has increased the number of unique indirect taxpayers by more than 50 per cent to 3.4 million. Digital payments are soaring with global technology giants

entering the market as aggregators for retail payments.

However, India has a long, unfinished reform agenda that needs to be pursued with utmost urgency to sustain a high growth rate in the long term. This needs an integrated approach to financial sector reforms that considers the linkage between different sectors rather than separately undertaking reforms in each sector. The most pressing issue facing the Indian financial sector is the rising stock of non-performing assets (NPAs) in the banking system. Bank credit is the most important source of finance for households and firms in India.

However, the recent spurt in wilful defaults and frauds, coupled with collusive lending, is coming to light and has exposed the vulnerability of the Indian financial sector. The rising stock of NPAs, which amounts to about US\$1 trillion (S\$1.34 trillion), has been eroding the banks' profits and inhibiting their ability to provide credit. The introduction of the Insolvency and Bankruptcy Code will help in a quick resolution without any attendant risks for the bank officials. However, the infrastructure for this must be beefed up.

Within the industrial sector, the credit to small and medium enterprises is picking up very slowly, as compared with the marginal growth in credit to large enterprises. It will be difficult for the banking system to support high growth, especially in the industrial sector, if the growth in NPAs is not



Photo courtesy of the Ministry of Finance, Government of India

checked and the existing stressed assets being carried on the books of the banks are not resolved at the earliest.

The funds arranged by the government towards recapitalisation of public sector banks have been a major boost but recapitalisation must be carried out in tandem with governance reforms that make these banks more accountable. They will also need to change their incentive structures to promote efficient allocation of credit to the most productive uses.

It is very promising that the government seems to recognise the urgency for broad-ranging banking reforms. However, effective implementation and a multi-pronged approach are essential. Public sector banks must be enthused to ensure professionalism to face the coming challenges. Business must be organised along more commercial lines focusing on income and profit centres and on information technology. Considering that the public sector banks still have a two-third share in total credit purveyed, it is

imperative to improve professionalism and distance their boards from political influence.

The corporate bond market in India continues to be very shallow. There is no desire on the part of corporates to issue bonds to raise funds from the market as easy credit is forthcoming from the banks. With the limited capacity of the banks to provide long tenor risk, it is important to develop corporate bond markets, which can provide an alternative source of funding to the firms. There is also a need to develop secondary markets, which will allow market participants to hedge risks arising from their investment in corporate bonds. As the corporate bond market remains underdeveloped, corporates are left with few avenues to raise debt. They end up turning to the banking sector, thereby exposing the banking sector to concentration and credit risk.

In addition to fixing financial markets as described above, it is equally important to sustain the momentum on increasing financial inclusion, improving financial literacy and

strengthening consumer protection. While the ease of doing business has improved, India needs to move up at least another 70 notches. Rapid and equitable growth in the country is no longer an option – it has to become a compulsion. Thus, to ensure the creation of employment opportunities for the roughly one million educated youths that are offering their services every month, the manufacturing and services sectors must gather momentum. It is reassuring to see green shoots in this direction, with bank books being cleaned up, professionalism being encouraged in public sector banks, the government and the political establishment showing restraint by not interfering in bank functioning, and the infrastructure sector benefitting, as public expenditure in roads, railways and the power sector get better budgetary support.

Mr Vinod Rai is a Distinguished Visiting Research Fellow at ISAS. He is the 11th Comptroller and Auditor General of India. He can be contacted at isasvr@nus.edu.sg.

Recent Agreement



Institute of Policy Studies, Sri Lanka

ISAS signed a memorandum of understanding (MoU) with the Institute of Policy Studies (IPS) in Colombo, Sri Lanka, on 23 January 2018. IPS is an autonomous institution that aims to contribute to socio-economic development through high quality, policy-oriented economic research.

The MoU was signed by ISAS Chairman Ambassador, Gopinath Pillai, and IPS Chairman, Professor Razeen Sally. The signing ceremony was witnessed by Singapore's Minister for Trade and Industry (Industry), Mr S Iswaran, who had earlier delivered the keynote address for the ISAS Colombo Colloquium themed 'Singapore and Sri Lanka: Partners in a Fast Growing Region'.

The two-year agreement will see the two institutes collaborating in several key areas, including research on regional political and socio-economic developments, joint conferences, symposia and other relevant events, and regular exchange of academic publications.

ISAS Internship Programme 2018

ISAS offers research internships to students who are keen to further their academic and research interest in South Asia. This fulfils ISAS' educational role of nurturing students to develop greater awareness and understanding of the region. The internship also serves as a testing ground for potential research appointments at the Institute.



Alfred Lien Yi Ru

National University of Singapore
Bachelor of Arts
Third Year

14 May – 13 August 2018



Losheini Ravindran

National University of Singapore
Bachelor of Arts
(One year scholarship to Yale University
under the Yale Visiting Students Programme)
Third Year

14 May – 20 July 2018



Nandhini D/O Bala Krishnan

National University of Singapore
Bachelor of Arts
Final Year

21 May – 10 August 2018



Dhanya Nageswaran

Wellesley College
Bachelor of Arts
First Year

28 May – 10 August 2018

The ISAS Lecture Series



ISAS started the ISAS Lecture Series in November 2017 whereby we invite a select group of distinguished senior members of the ISAS research team to share their perspectives on key socio-economic and political developments in South Asia. The key aim of the series is to communicate knowledge and insights about this important region to policymakers, the business community, academia and civil society, in Singapore and beyond.

In the last six months, we organised three lectures under this banner.

The second lecture, titled 'The Indian Civil Service: Has it Delivered?', was delivered by Mr Vinod Rai, Distinguished

Visiting Research Fellow, ISAS; and 11th Comptroller and Auditor General of India, on 16 January 2018.

On 28 February 2018, the third lecture on 'India in a Globalising World' was delivered by Dr Duvvuri Subbarao, Distinguished Visiting Research Fellow at ISAS, and former Governor of the Reserve Bank of India.

Professor Subrata K Mitra, Director and Visiting Research Professor, ISAS, delivered the fourth lecture on 'India: Democracy against Development?' on 10 April 2018.

The lecture series has been well received, with each session attracting more than 100 participants from a cross section of the Singapore society.

23
JAN

ISAS Colombo Colloquium

Singapore and Sri Lanka: Partners in a Fast-Growing Region



The second ISAS Colombo Colloquium was held in Colombo, Sri Lanka, on 23 January 2018, against the backdrop of the signing of the landmark Free Trade Agreement (FTA) between Singapore and Sri Lanka. Singapore's Minister for Trade and Industry (Industry), Mr S Iswaran, delivered the keynote address on 'Singapore and Sri Lanka: Partners in a Fast Growing Region', and engaged the audience in an interactive session.

Addressing some 150 guests, Mr Iswaran highlighted that the FTA between Singapore and Sri Lanka provides the opportunity for Sri Lankan businesses to access not just the Singapore markets, but also the larger Southeast Asian markets, especially in the e-commerce sector. Mr Iswaran was optimistic about the new trade and investment avenues that the FTA would open up.

During the event, Mr Iswaran also witnessed the signing of a memorandum of understanding on research cooperation between ISAS and the Institute of Policy Studies.

The ISAS Colombo Colloquium is a 1.5 track forum which provides a platform for Singapore's political leaders to engage with local political, business and academic communities on issues pertinent to Singapore and the South Asian region in a frank and candid setting.

29
JAN

Joint ISAS-Pathfinder Foundation Symposium The Belt and Road Initiative – Politics, Potentials and Partnerships

ISAS organised the symposium on 'The Belt and Road Initiative (BRI) – Politics, Potentials and Partnerships' in partnership with the Sri Lanka-based Pathfinder Foundation, in Singapore on 29 January 2018. As regional connectivity and infrastructure capacities in Asia are poised to change remarkably following the implementation of the China-led BRI, the one-day event witnessed the panellists presenting on such key aspects as political and security issues, and economic potentials, particularly at the sectoral level.



The Guest-of-Honour, Ms Sim Ann, Senior Minister of State for Trade and Industry; and Culture, Community and Youth, Singapore, stated that, as the world today is entering a new phase of economic globalisation, increased integration and connectivity have resulted in greater opportunities for cooperation between countries. In addition, Ms Sim

discussed Singapore's participation in the BRI and the role it could play in facilitating business opportunities along the BRI, especially in Southeast Asia.

The event attracted more than 200 attendees from the public and private sectors, and the academia.

05
MAR

ISAS-COSMOS Foundation Panel Discussion Bangladesh: Challenges and Opportunities



On 5 March 2018, a panel discussion on 'Bangladesh: Challenges and Opportunities' offered Singapore an overview of the political, economic and social landscapes in Bangladesh. The event was jointly organised by ISAS and the COSMOS Foundation of Dhaka.

HE Mr Md Mustafizur Rahman, Bangladesh's High Commissioner to Singapore, delivered an address during the

event. The all-Bangladeshi panel featured experts from the government and private sectors in the field of public policy, entrepreneurship, development and women empowerment. They were Dr Mashiur Rahman, Economic Adviser to the Bangladesh Prime Minister; Mr Md Abdul Halim, Director General of the Government's Governance and Innovation Unit; Mr Md Aziz Khan, Chairman, Summit Group; Ms Rubana Huq, Managing Director, Mohammadi Group; and Ms Samanta Farahnaz, Consultant, Bangladesh International Finance Corporation.

The panel discussion highlighted the progress made by Bangladesh and the various economic opportunities offered by the country. At the same time, the panellists touched on some key challenges that Bangladesh needs to tackle before it can move to the next level of development.

27-28
MAR

ISAS Book Launch and Panel Discussion Seven Decades of Independent India – Ideas and Reflections

ISAS organised a book launch and panel discussion on 'Seven Decades of Independent India – Ideas and Reflections' in New Delhi and Mumbai on 27 and 28 March 2018 respectively. Edited by Mr Vinod Rai, Distinguished Visiting Research Fellow at ISAS; and 11th Comptroller and Auditor General of India; and Dr Amitendu Palit, Senior Research Fellow and Research Lead (Trade and Economics) at ISAS, the book is ISAS' signature effort to commemorate the 70th anniversary of India's independence.



The Chief Guest for the event in New Delhi, India's Minister of Finance, Mr Arun Jaitley, launched the book and delivered the keynote address while Mr Ajit Singh, Singapore's Consul-General in Mumbai, was the Special Guest for the book launch in Mumbai.

Both launches were followed by panel discussions on the theme of the book. Distinguished experts, practitioners and scholars presented their views on India's economy, society, politics, external environment and institutions.

6
APR

12th International Conference on South Asia Emerging South Asia: Politics, Economy and International Relations

ISAS organised its 12th annual conference on 'Emerging South Asia: Politics, Economy and International Relations' on 6 April 2018. It explored the three determinants of stability – politics,

trade and economics; and international relations and security – to identify the potentials, prospects and pitfalls facing the region. About 240 participants attended the event.



The Guest-of-Honour, Mr Ong Ye Kung, Singapore's Minister for Education and Second Minister for Defence, delivered the keynote address on the opportunities for Singapore and Southeast Asia in a dynamic and fast growing South Asia, in particular in the technological and digital sectors, as well as in education and skills development.

The event also witnessed addresses from Professor Tan Eng Chye, NUS' President; Mr Amitabh Kant, Chief Executive Officer of NITI Aayog, India; and Mr Syed Raza Ali Gillani, Minister for Higher Education, Punjab, Pakistan, as well as presentations by panellists from Singapore and around the world across three thematic groups.

The one-day conference addressed a number of important questions relating to South Asia's domestic priorities, its economic potentials, its security challenges and its aspirations on the international stage.

EVENTS

ISAS Events Listing (January to June 2018)

Second ISAS Lecture	The Indian Civil Service: Has it Delivered?	16 January 2018
ISAS Colombo Colloquium	Singapore and Sri Lanka: Partners in a Fast-Growing Region <i>Colombo, Sri Lanka</i>	23 January 2018
ISAS-Pathfinder Foundation Joint Symposium	The Belt and Road Initiative – Politics, Potentials and Partnerships	29 January 2018
ISAS Seminar	Evolving Strategic Dynamics in the Indo-Pacific and India's Maritime Security	30 January 2018
ISAS Book Launch and Panel Discussion	Employment Policy in Emerging Economies: The Indian Case	2 February 2018
ISAS Panel Discussion	Indian Budget 2018: Discussing the Decisions	8 February 2018
ISAS Seminar	The Evolving Patterns of the Global Economic Activity: An Analytical Overview	13 February 2018
ISAS Closed Door Session	South Asia in a Changing World: Implications for Singapore	15 February 2018
ISAS Closed Door Session	Challenges and Opportunities for the Bharatiya Janata Party in 2019	20 February 2018
ISAS Ambassadors' Lecture	Germany and Europe – Strategic Partners for Singapore and ASEAN	26 February 2018
Third ISAS Lecture	India in a Globalising World	28 February 2018
ISAS Seminar	The Monk who became Chief Minister	1 March 2018
ISAS-COSMOS Foundation Panel Discussion	Bangladesh: Challenges and Opportunities	5 March 2018
ISAS Book Launch and Panel Discussion	How India Sees the World: Kautilya to the 21st Century	6 March 2018
ISAS-CPA Joint Workshop	Security and Governance in South Asia	9 March 2018
ISAS Symposium	India's Changing Financial Landscape	23 March 2018
ISAS Ambassadors' Lecture	Costa Rica and its Relations with Asia: Thoughts and Opportunities	27 March 2018
ISAS Book Launch and Panel Discussion	Seven Decades of Independent India – Ideas and Reflections <i>New Delhi, India</i>	27 March 2018
ISAS Book Launch and Panel Discussion	Seven Decades of Independent India – Ideas and Reflections <i>Mumbai, India</i>	28 March 2018
12 th ISAS International Conference on South Asia	Emerging South Asia: Politics, Economy and International Relations	6 April 2018
Fourth ISAS Lecture	India: Democracy against Development?	10 April 2018
ISAS Seminar	Transition in Afghanistan: Past Challenges, Future Prospects	11 April 2018
ISAS Closed Door Session	Presentation by Oxford University Press	24 April 2018
ISAS Closed Door Session	India in the 21st Century	26 April 2018
ISAS Closed Door Session	India and China: Compulsions of Cooperation	26 April 2018
ISAS Seminar	Bringing Back the Old? – India-Europe Partnership in the Indo-Pacific	2 May 2018
ISAS Closed Door Session	Update on India-China Relations	7 May 2018
ISAS Public Lecture	India-China Relations in an Uncertain World	9 May 2018
ISAS Closed Door Session	Proposal to Impeach a Chief Justice – Can it ever be Apolitical?	10 May 2018
ISAS Joint Panel Discussion	Bangladesh: The Next Level of Development	15 May 2018
ISAS Ambassadors' Lecture	Kazakhstan and China's Road Belt Initiative: Implications for the Region	17 May 2018
ISAS Book Launch and Panel Discussion	Waste of a Nation: Social and Environmental Challenges for India	24 May 2018
ISAS Seminar	An Update on Pakistan's Key Relationships	1 June 2018
ISAS Book Launch and Panel Discussion	Maritime Governance and South Asia	4 June 2018
ISAS Seminar	Pakistan's Foreign Policy: Current Issues	5 June 2018
ISAS Closed Door Session	Changing US-China Relationship: Impact on Asian Geopolitics	8 June 2018
ISAS-LSE Panel Discussion	Seven Decades of Independent India: Ideas and Reflections <i>London, United Kingdom</i>	12 June 2018
ISAS-UOP Academic Workshop	India-UK Trade and Societal Challenges: Current Trends and Post-Brexit Prospects <i>Portsmouth, United Kingdom</i>	14-15 June 2018
ISAS Book Launch and Panel Discussion	The Politics of Common Sense: State, Society and Culture in Pakistan	19 June 2018
ISAS Closed Door Session	Interactive Session with the University Grants Commission of Bangladesh, Government of Bangladesh	21 June 2018
ISAS Closed Door Session	In Conversation with Mr Heng Swee Keat, Minister of Finance, Singapore <i>Mumbai, India</i>	27 June 2018
ISAS Symposium	Strengthening Ties, Fostering Connections <i>New Delhi, India</i>	28 June 2018

ISAS Publications and Papers (January to June 2018)

Authored Books

- Ivan Szelenyi, Riaz Hassan and Vladislav Maksimov. *Building Nations with Non-Nationals: The Exclusionary Immigration Regimes of the Gulf Monarchies with a Case Study of Pakistani Return Migrants from and Prospective Migrants to the United Arab Emirates*. Corvina, 2018
- Aasim Sajjad Akhtar. *The Politics of Common Sense: State, Society and Culture in Pakistan*. Cambridge University Press, 2018
- Subrata Kumar Mitra and Harihar Bhattacharyya. *Politics and Governance in Indian States: Bihar, West Bengal and Tripura*. World Scientific, 2018
- Assa Doron and Robin Jeffrey. *Waste of a Nation: Garbage and Growth in India*. Harvard University Press, 2018

Edited Books

- Ashley South and Marie Lall. *Citizenship in Myanmar: Ways of Being in and from Burma*. ISEAS-Yusof Ishak Institute/Chiang Mai University Press, 2018
- Jivanta Schoettli. *Maritime Governance and South Asia: Trade, Security and Sustainable Development in the Indian Ocean*. World Scientific, 2018
- Vinod Rai and Amitendu Palit. *Seven Decades of Independent India: Ideas and Reflections*. Penguin Random House, 2018

Briefs

- 536** Blocking of American Aid to Pakistan: A Great Asian Divide in the Offing?, Mr Shahid Javed Burki, Visiting Senior Research Fellow, ISAS, 2 January 2018
- 537** Rajnikanth's Entry into Party Politics: Implications for Tamil Nadu, Dr S Narayan, Visiting Senior Research Fellow, ISAS, 8 January 2018
- 538** The Year Gone By: The Old Order, Globalisation and the New Era, Mr Shahid Javed Burki, Visiting Senior Research Fellow, ISAS, 12 January 2018
- 539** Pakistan in 2018: Defying the Odds to Come Out Stronger, Mr Shahid Javed Burki, Visiting Senior Research Fellow, ISAS, 16 January 2018
- 540** Nepal in 2018: The Challenge of Building a 'New Nepal', Prof S D Muni, Visiting Research Professor, ISAS, 16 January 2018
- 541** Afghanistan in 2018: A Defining Moment in its Troubled History, Mr Shahid Javed Burki, Visiting Senior Research Fellow, ISAS, 16 January 2018
- 542** The Maldives in 2018: Facing Uncertain and Unpredictable Times, Dr Amit Ranjan, Visiting Research Fellow, ISAS, 16 January 2018
- 543** Bangladesh in 2018: Challenges And Prospects, Dr Iftekhar Ahmed Chowdhury, Principal Research Fellow, ISAS, 16 January 2018
- 544** Bhutan in 2018: Economic and Geopolitical Adjustments for Long Term Prosperity, Dr Srikanth Thaliyakkattil, Visiting Research Fellow, ISAS, 21 January 2018
- 545** Sri Lanka in 2018: Towards a Bold New Vision, Dr Chulanee Attanayake, Director (Research) Institute of National Security Studies, Sri Lanka, 21 January 2018
- 546** India's Economy in 2018: Combating Macroeconomic Challenges, Dr Amitendu Palit, Senior Research Fellow and Research Lead (Trade and Economic Policy), ISAS, 21 January 2018
- 547** India's Politics in 2018: Elections Hold the Key to Government Policy, Dr Ronojoy Sen, Senior Research Fellow and Research Lead (Politics and Governance), ISAS, 21 January 2018
- 548** Israeli Prime Minister Benjamin Netanyahu in India: New Delhi Seeks Balance in the Middle East, Prof C Raja Mohan, Visiting Research Professor, ISAS, 23 January 2018
- 549** Emerging Contours in India –Israel Relations: Progress, Pitfalls And Prospects, Dr Iftekhar Ahmed Chowdhury, Principal Research Fellow, ISAS, 26 January 2018
- 550** Growing ASEAN-India Ties: Economic Opportunities for Singapore in India, Mr Chan Jia Hao, Research Assistant, ISAS, 30 January 2018
- 551** The Regional Comprehensive Economic Partnership: India should join the Asian Trade Block, Mr Girija Pande, Member of Management Board, ISAS, 7 February 2018
- 552** Mayhem in the Maldives: A Pugnacious President Confronts a Court-Driven Crisis, Dr Iftekhar Ahmed Chowdhury, Principal Research Fellow, ISAS, 8 February 2018
- 553** Political Turmoil in Paradise: The Unfolding of the Maldivian Crisis, Dr Amit Ranjan, Visiting Research Fellow, ISAS, 9 February 2018
- 554** Tripura Assembly Election: Stiff Challenge for the Left from the Bharatiya Janata Party, Dr Ronojoy Sen, Senior Research Fellow and Research Lead (Politics and Governance), ISAS, 12 February 2018
- 555** The Politics in Bangladesh: From Despair to Hope?, Mr Rajeev Ranjan Chaturvedy, Research Associate, ISAS, 19 February 2018
- 556** Elections in Meghalaya: The Stakes for the Political Parties, Dr Rupakjyoti Borah, Visiting Research Fellow, ISAS, 21 February 2018
- 557** India's Strategic Engagement with the Middle East, Dr Jivanta Schoettli, Visiting Research Fellow, ISAS, 22 February 2018
- 558** The Punjab National Bank Fraud in India: Failure of Institutional Controls and Oversight, Dr S Narayan, Visiting Senior Research Fellow, ISAS, 2 March 2018
- 559** India and the Asian Infrastructure Investment Bank: Sustained Engagement Notwithstanding Anxieties, Dr Amitendu Palit, Senior Research Fellow and Research Lead (Trade and Economic Policy), ISAS, 6 March 2018
- 560** More Power for President Xi Jinping: A Return to Authoritarian Rule in China?, Mr Shahid Javed Burki, Visiting Senior Research Fellow, ISAS, 6 March 2018
- 561** What Next for ASEAN-India Ties?, Dr Rupakjyoti Borah, Visiting Research Fellow, ISAS, 7 March 2018
- 562** Elections in Northeast India: The Bharatiya Janata Party wins in Tripura, Makes Inroads in Nagaland and Meghalaya, Dr Ronojoy Sen, Senior Research Fellow and Research Lead (Politics and Governance), ISAS, 11 March 2018

PUBLICATIONS AND PAPERS

563	President Xi Jinping's Domination Promises Stability, Mr Shahid Javed Burki, Visiting Senior Research Fellow, ISAS, 14 March 2018
564	Trump Tariffs, National Security, Trade and India: Sensing Scenarios, Dr Amitendu Palit, Senior Research Fellow and Research Lead (Trade and Economic Policy), ISAS, 15 March 2018
565	The Payments Bank in India: A Great Initiative but Challenges Remain, Dr Rahul Nath Choudhury, ISAS, 16 March 2018
566	Bypolls in Uttar Pradesh and Bihar: The Bharatiya Janata Party on the Back Foot, Dr Ronojoy Sen, Senior Research Fellow and Research Lead (Politics and Governance), ISAS, 19 March 2018
567	United States-China Trade War: Tremors For India And South Asia, Dr Amitendu Palit, Senior Research Fellow and Research Lead (Trade and Economic Policy), ISAS, 13 April 2018
568	Indo-Israeli Relations: Sailing In Uncharted Waters, Dr Rupakjyoti Borah, Visiting Research Fellow, ISAS, 16 April 2018
569	The Afghanistan Conundrum: The Problem It May Pose For The Muslim World, Mr Shahid Javed Burki, Visiting Senior Research Fellow, ISAS, 26 April 2018
570	Karnataka Assembly Elections 2018: A Closer Contest on the Cards, Dr Ronojoy Sen, Senior Research Fellow and Research Lead (Politics, Society and Governance), ISAS, 7 May 2018
571	Reconciliation in Sri Lanka: A Flawed Model?, Ms Roshni Kapur, Research Assistant, ISAS, 7 May 2018
572	Walmart's Buyout of Flipkart: Implications for Indian E-Commerce Landscape, Dr Amitendu Palit, Senior Research Fellow and Research Lead (Trade and Economic Policy), ISAS; Dr Rahul Choudhury, Visiting Research Fellow, ISAS, 14 May 2018
573	The Emergence of E-Commerce In South Asia, Dr Rahul Choudhury, Visiting Research Fellow, ISAS, 15 May 2018
574	Trump, Kim And Moon: Speed Bumps on the Road to Singapore, Dr Iftekhar Chowdhury, Principal Research Fellow, ISAS, 22 May 2018
575	Graduating from the List of Least Developed Countries: What it means for Bangladesh?, High Commissioner of Bangladesh to Singapore, 23 May 2018
576	Bangladesh's Graduation and Economic Realignment within South Asia, Dr Amitendu Palit, Senior Research Fellow and Research Lead (Trade and Economic Policy), ISAS, 23 May 2018
577	Karnataka Assembly Elections 2018: An Unlikely Alliance forms the Government, Dr Ronojoy Sen, Senior Research Fellow and Research Lead (Politics, Society and Governance), ISAS, 28 May 2018
578	Pakistan Prepares for the Polls: A Caretaker Government takes Charge, Dr Iftekhar Ahmed Chowdhury, Principal Research Fellow, ISAS, 31 May 2018
579	Ramzan Ceasefire: Peace Interludes in Kashmir and Afghanistan, Professor C Raja Mohan, Director, ISAS, 13 June 2018
580	The Regional Comprehensive Economic Partnership: Hopes Flicker but Hiccups Remain, Dr Amitendu Palit, Senior Research Fellow and Research Lead (Trade and Economic Policy), ISAS, 14 June 2018
581	The Chief Justice of India: Make the Impeachment Process Apolitical, Mr Vinod Rai, Distinguished Visiting Research Fellow, ISAS, 15 June 2018
582	Nepali Prime Minister's Visit to China: Connectivity Initiatives Key on the Agenda, Dr Srikanth Thaliyakkattil, Visiting Research Fellow, ISAS, 16 June 2018
583	The Meeting of the Financial Action Task Force: Pakistan Fights being 'Blacklisted', Dr Iftekhar Ahmed Chowdhury, Principal Research Fellow, ISAS, 16 June 2018
584	The European Union-based General Data Protection Regulation: Implications for India and ASEAN, Mr Chan Jia Hao, Research Assistant, ISAS, 20 June 2018

Insights

480	The Leftist Alliance Victory in Nepal: Implications for Domestic and Foreign Policies, Ms Roshni Kapur, Former Intern, ISAS, 12 January 2018
481	Will India Walk the Talk? Parsing Prime Minister Narendra Modi's Davos Speech, Dr Duvvuri Subbarao, Distinguished Visiting Research Fellow, ISAS; Ms Taisha Grace Antony, Research Assistant, ISAS; and Ms Faiza Saleem, Research Assistant, ISAS, 9 February 2018
482	Sri Lanka's Local Polls: Gains for Mahindra Rajapaksa's New Party, Ms Roshni Kapur, Research Assistant, ISAS, 21 February 2018
483	A New Chief Minister in Balochistan: Changing Political Tide?, Mr Anish Mishra, Former Intern, ISAS, 5 March 2018
484	A Decade of India-Vietnam Strategic Partnership: Progress and Prospects, Mr Ankush Ajay Wagle, Research Assistant, ISAS, 13 March 2018
485	The Mahadayi River Water Disputes between Karnataka and Goa, Dr Amit Ranjan, Visiting Research Fellow, ISAS, 19 March 2018
486	Afghanistan: Dilemmas for Peace and Security, Dr Iftekhar Ahmed Chowdhury, Principal Research Fellow, ISAS, 4 April 2018
487	Emerging Strains in China-Pakistan Friendship, Dr Srikanth Thaliyakkattil, Visiting Research Fellow, ISAS, 11 April 2018
488	Xi-Jinping-Narendra Modi Meeting in Wuhan: Understanding the Chinese and Indian Motivations, Dr Srikanth Thaliyakkattil, Visiting Research Fellow, ISAS, 26 April 2018
489	The 2017 Annual Status of Education Report 1: India's Learning Crisis, Dr Dipinder S Randhawa, Senior Research Fellow, ISAS, 27 April 2018
490	India's Skills Challenge: First Principles, Priorities and Responses, Dr K P Krishnan, Secretary, Ministry of Skills Development and Entrepreneurship, Government of India, 2 May 2018
491	End of the Iran Nuclear Deal? Implications for India, Dr Jivanta Schoettli, Visiting Research Fellow, ISAS, 21 May 2018

492	Nepal, India and China: A Trilateral Equation, Mr Ankush Ajay Wagle, Research Assistant, ISAS, 22 May 2018
493	ASEAN-India Cooperation in Information And Communications Technology, Mr Chan Jia Hao, Research Assistant, ISAS, 24 May 2018
494	The NSE-SGX Impasse and the Path Ahead:, Dr Dipinder Singh Randhawa, Senior Research Fellow, ISAS, 7 June 2018
495	India and Indonesia: Constructing a Maritime Partnership, Professor C Raja Mohan, Director, ISAS; and Mr Ankush Ajay Wagle, Research Assistant, ISAS, 14 June 2018
496	Central Asia and ASEAN: Perspectives for Interaction in Implementing the Belt and Road Initiative, HE Usen Suleimen, Ambassador Extraordinary and Plenipotentiary of the Republic of Kazakhstan to Singapore, 19 June 2018
497	Sheikh Hasina's Visit to West Bengal: Much Ado about Nothing, Dr Amit Ranjan, Visiting Research Fellow, ISAS, 25 June 2018
498	Moving Forward: Bilateral Exchanges on E-governance between Singapore and India, Mr Chan Jia Hao, Research Assistant, ISAS, 25 June 2018

Working Papers

281	Development of Migrant Businesses in Saudi Arabia: Towards an Economic Sociology of Gulf Migration, Dr Md Mizanur Rahman, Visiting Senior Research Fellow, ISAS, 2 January 2018
282	China's 'New Era' Vision: Potential for Big-Power Conflicts in Asia, Dr Srikanth Thaliyakkattil, Visiting Research Fellow, ISAS, 2 January 2018
283	Infrastructure-led Growth: Maharashtra – India's Engine of Development, Mr Devendra Fadnavis, Chief Minister of Maharashtra, India, 8 January 2018
284	Interpreting India's 'Act East' Policy, Mr Rajeev Ranjan Chaturvedy, Research Associate, ISAS, 29 January 2018
285	Seventy Years of Independence: Challenges and Prospects for Sri Lanka, Director (Research), Institute of National Security Studies, Sri Lanka, 7 February 2018
286	Indian Export Performance as Part of Global Value Chains, Dr Deeparghya Mukherjee, Visiting Research Fellow, ISAS, 19 February 2018
287	The Repatriation of the Rohingyas: A Flawed Bangladesh-Myanmar Agreement?, Ms Roshni Kapur, Research Assistant, ISAS, 16 March 2018
288	China's 'Digital' Belt and Road Initiatives: Potentials for India in ASEAN's Technological Sector, Mr Chan Jia Hao, Research Assistant, ISAS, 16 March 2018
289	Powerful yet Vulnerable: China's Constitutional Amendments and Contemporary Political Thinking in China, Dr Srikanth Thaliyakkattil, Visiting Research Fellow, ISAS, 21 March 2017
290	Bangladesh: Challenges and Opportunities, Dr Iftekhar Ahmed Chowdhury, Principal Research Fellow, ISAS, 26 March 2018
291	Determinant of Foreign Direct Investment in India's E-Commerce Sector, Dr Rahul Nath Choudhury, Visiting Research Fellow, ISAS, 11 April 2018
292	Donald Trump and the Established Trade Order: Implications for South Asia, Mr Shahid Javed Burki, Visiting Senior Research Fellow, ISAS, 12 April 2018
293	The Cauvery River Water Disputes in India, Dr Amit Ranjan, Visiting Research Fellow, ISAS, 16 April 2018
294	International Tax Competition, Anti-Money Laundering Efforts and Capital Flow: Implications for South Asia as part of the Global South, Mr Chan Jia Hao, Research Assistant, ISAS, 16 April 2018
295	Nepal In 2018: The Post-Conflict Situation and the State of Reconstruction, Dr Nishchal N Pandey, Director of Centre for South Asian Studies, Kathmandu, Nepal, and Honorary Fellow, ISAS, 28 May 2018
296	India's New Geopolitical Paradigm and Reintegration of the Bay of Bengal, Dr Jayati Bhattacharya, Lecturer, South Asian Studies Programme, National University of Singapore; and Ms Silvia Tieri, Research Assistant, ISAS, 4 June 2018
297	The New Great Game in the Indo-Pacific, Dr Rani D Mullen, Visiting Research Fellow, ISAS, 6 June 2018
298	The Pashtun Protection Movement in Pakistan: The Taliban, the Military and the Fragmentation of Authority, Associate Professor Iqbal Singh Sevea, Visiting Associate Professor, ISAS, 12 June 2018

Special Reports

49	Towards a Low Carbon Asia: The Challenges of Ensuring Efficient and Sustainable Energy, Dr Elena Reshetova, Research Fellow, ESI; and Mr Rajeev Ranjan Chaturvedy, Research Associate, ISAS, 1 February 2018
50	Revisiting Globalisation: Comparing Country Experiences from South Asia and the World, Dr Amitendu Palit, Senior Research Fellow and Research Lead (Trade and Economic Policy), ISAS; and Ms Taisha Grace Antony, Research Assistant, ISAS, 5 February 2018
51	The Belt and Road Initiative: Politics, Potentials and Partnerships, Ms Taisha Grace Antony, Research Assistant, ISAS; and Mr Chan Jia Hao, Research Assistant, ISAS, 19 March 2018
52	Security and Governance in South Asia, Dr Jivanta Schoettli, Visiting Research Fellow, ISAS; and Ms Faiza Saleem, Research Assistant, ISAS, 26 April 2018
53	Emerging South Asia: Politics, Economy and International Relations, Ms Taisha Grace Antony, Research Assistant, ISAS; Mr Chan Jia Hao, Research Assistant, ISAS; Ms Roshni Kapur, Research Assistant, ISAS; Ms Faiza Saleem, Research Assistant, ISAS; Ms Silvia Tieri, Research Assistant, ISAS; and Mr Ankush Ajay Wagle, Research Assistant, ISAS, 2 May 2018
54	Maritime Governance and South Asia, Dr Jivanta Schoettli, Visiting Research Fellow, ISAS; Ms Roshni Kapur, Research Assistant, ISAS; and Mr Alfred Lien, Research Intern, ISAS, 26 June 2018

The authors bear full responsibility for the facts cited and opinions expressed in their articles in this publication.

The Institute of South Asian Studies (ISAS), established in July 2014, is an autonomous research institute at the National University of Singapore. ISAS is dedicated to the study of contemporary South Asia. Researchers at the Institute conduct long-term and in-depth studies focused on social, political and economic trends and developments in South Asia and their impact beyond the immediate region. In addition, ISAS produces regular up-to-date and time-sensitive analyses of key issues and events in South Asia. ISAS disseminates its research output to policy makers, the academia, business community and civil society.



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