

SOUTH ASIA

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SOUTH ASIA A REGION CHALLENGED

As 2007 drew to an end, South Asia was featured prominently in news headlines around the world.

In India, the Indo-US nuclear deal took a stumble when the Congress-led United Progressive Alliance government made a surprise announcement that it was going to delay the agreement process of its civilian nuclear deal with the United States as it attempted to gain a domestic consensus. Determined opposition to the deal by the Left coalition partners of the Congress had stalled the progress of what had been considered an almost done deal not too long ago. Meanwhile, the Congress failed to dislodge the hold of the Bharatiya Janata Party (BJP) in the economically-thriving state of Gujarat. Not unexpectedly, the controversial Narendra Modi led the BJP to another term in power in the assembly elections of December 2007, winning 117 seats and nearly 50 percent of the votes.

The news of Ms Benazir Bhutto's assassination on 27 December 2007 shocked the world and resulted in political turmoil in Pakistan. As Pakistan grapples with her death and the unrest it caused in the country, the government has decided to postpone the elections to 18 February 2008. In the midst of calls for fair and open elections, some analysts believe that the elections may be the most divisive since 1971 when East Pakistan broke away from Pakistan. The world waits with bated breath.

Elsewhere in South Asia, the tropical cyclone 'Cidr' caused widespread destruction in Bangladesh's south-western coast on 15 November 2007, as crops and homes were destroyed, killing about 3,000 people. An estimated one million families are believed to have been affected and total damages arising from 'Cidr', which is the deadliest storm to hit the country in 15 years, exceeded US\$1 billion.

In Nepal, the interim legislature announced plans to amend its constitution that will effectively end the reign of its centuries-old monarchy, the only South Asian monarchy left in the world. The country is due to elect a Constituent Assembly by April 2008.

In the last few months, the Institute organised several significant events, highlighting developments in South Asia. The Third International Conference on South Asia on 25 October 2007 drew experts on South Asia to share their analyses on domestic and international challenges in the region. We worked with the Lee Kuan Yew School of Public Policy to organise a panel discussion on Bangladesh on 2 November 2007. We also held another panel discussion on 7 December 2007, in conjunction with the Confederation of Indian Industry, for its business leaders to share their views on economic opportunities in India. At the same time, we have been producing regular briefs, insights and working papers on South Asia, and these are found on our website at www.isas.nus.edu.sg.

In this edition of the newsletter, we focus on several important developments in South Asia. These include the performance of the Indian economy; international participation in urban development in South Asia; China-India overseas energy cooperation; managing Bangladesh's remittance flows; and the political crisis in Nepal.

We hope you enjoy this issue of our newsletter.

Assoc Prof Tan Tai Yong
Acting Director

Indian Economy – Signs of Strain?

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In December 2007, the Indian government came out with the Mid-Term Economic Review for 2007-2008, which was tabled in Parliament. The review pointed out that the high growth rates in the economy had been sustained in the first half of the current year, and that gross domestic product (GDP) growth was 9.1 percent in the first half of the year. Inflation has eased to levels below four percent due to pragmatic and effective monetary policy initiatives. The percentage of 'below poverty line' people has also declined to 22 percent of the population. There is buoyancy in all asset classes, including equities and real estate, and capital formation, in the form of new starts and expansion, as well as investments in plant and machinery, is at an all time high. Indian industry and the government have been justifiably upbeat and there is sufficient optimism that the growth story of the last three years will be sustained this year as well.

All this is good news. However, there is an undercurrent of anxiety in the report that deserves further analysis. The expected growth for the full year has been put at 8.5 percent, notwithstanding the 9.1 percent in the first half of the year, which signifies expectations of a slowdown in the second half to around 7.9 percent. The review points to a slowing down in manufacturing growth, probably led by slowing consumer and export demand. There appears to be several challenges to holding on to growth with macro-economic stability.

First, there is the concern over management of capital flows and their absorption. Increased flows during 2007 have taken the foreign exchange reserves of the country to over US\$250 billion. The rupee has appreciated over 14 percent against the US dollar in the last eight months of 2007, and export targets of US\$160 billion have been scaled down by 10 percent. The Reserve Bank of India (RBI) has been intervening in the currency market to sterilise the liquidity caused by these capital flows by issuing bonds under the Market Stabilisation Mechanism. The interest cost of these bonds is expenditure for the government and the impact is likely to be of the order of Indian Rupees 82 billion in the current financial year. This mechanism helps the RBI to manage the exchange rate and to prevent the rupee from appreciating too rapidly. The worry is that a growing economy, healthy asset valuations and an open current account are likely to accelerate flows and would exacerbate the effects of a weakening dollar. The stronger the



rupee and the greater the capital flows, the larger the worries about inflation as well as about export competitiveness.

Second, the subsidy bill in respect of fuel, fertilisers and food is rising rapidly. The inability to allow petrol and diesel prices to rise to balance increases in crude prices has resulted in losses for public sector companies that are marketing fuel. They have been allowed to float bonds in the market to offset these losses but these bonds are guaranteed by the government and, thus, a liability. Fertiliser prices have risen due to increases in input costs but the government has been unable to increase

consumer prices. It is reported that the total costs of all subsidies would be of the order of two percent of the GDP and it is evident that these funds could have been better used elsewhere.

Third, there is a concern about agricultural production. There is a need to increase agricultural incomes, productivity and technology, and the government has recognised this as a priority. However, it is a difficult process since it involves working with state governments, research institutions and the farmers, and it requires enormous organisation as well as capital. Little headway has been made so far. At the same time, food grain consumption is rising, fueled by rising standards of living and growing incomes, and there is, thus, some anxiety that food security needs to be ensured in the medium term. Imports of food grains cannot be a long-term solution, and investments in production and processing have become very important.

Fourth, it is clear that lower exports, higher food and energy prices, and rising demand, due to increased incomes, are likely to put a pressure on prices in general, as supplies cannot respond in the short term to these demand signals. Coupled with rising asset and equity prices, there is some danger of inflation getting out of hand, though the RBI has been quite successful in holding down price increases in the last year. Inflation is likely to hit the poorer sections of the society most, making the cost of essentials unaffordable. This would be a serious worry for policy makers, especially in a pre-election year.

Finally, there is the need to manage the impact of fluctuations in the global economy. India is less dependent on exports for growth than China, and the economic survey argues that there would be sufficient shift to internal demand and consumption to offset export contraction. This, however, is to be tested. There is also the worry that financial markets would find India more advantageous than the United States or the European Union, leading to accelerated capital flows and asset valuation



increases that are unsustainable. This would increase income and wealth disparities, with significant impact on internal harmony and peace.

The challenge to growth with stability lies in managing these concerns. The good news is that policy makers and politicians alike appear alive to these issues, and a coherent medium-term strategy appears to be emerging. At the top is the concern for inclusive growth, and the need to focus on the disadvantaged sections of the society who have not benefitted from the growth. The employment guarantee programme is now well grounded and provides 100 days of employment in the rural areas. The new Eleventh Five Year Plan focuses on education – allocations for education have been increased four-fold, and the emphasis is on improving access to, and quality of, secondary and tertiary education. The attempt is to develop skills that would be useful and employable, and to move beyond primary education to skill formation. An agricultural revival programme costing over US\$7 billion has been prepared and is likely to be implemented in the coming year. There is revival in investment in power generation, and the new model contracts are expected to lead to availability of cheaper power from large hydro-electric projects and efficient thermal projects.



On the flip side, infrastructure development is lagging, especially in the case of roads, airports and ports, as well as urban transport systems. The performance in these sectors has lagged behind expectations and they appear to be the main bottleneck to sustaining the growth momentum in the short term. The management of coalition politics has deflected attention of policy makers away from the important agenda of reforms and, indeed, there is a substantial unfulfilled agenda of reforms that has been pending for some time now.

In the short term, these inadequacies are likely to put pressure on growth and prices. It is only when the longer term agenda starts getting implemented, would there be some measure of sustainability in the growth process. ■

International Participation in Urban Development: **Patterns from India, Pakistan and Bangladesh**

Ms Indu Rayadurgam
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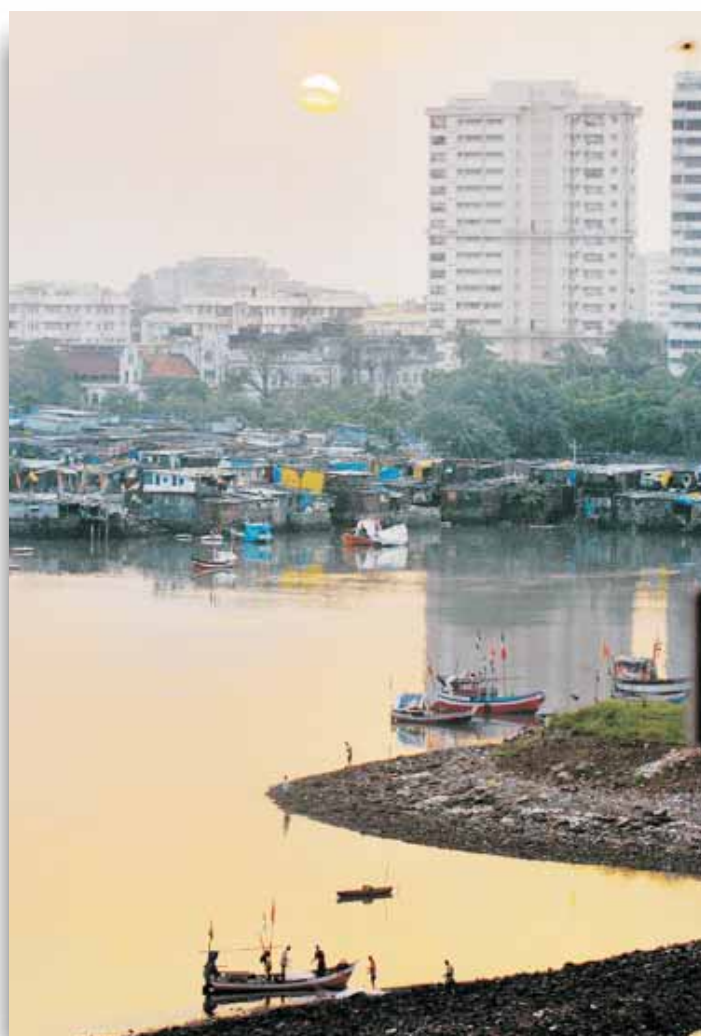
Globalisation and economic development have brought about significant demographic shifts in many of the South Asian countries. Based on 2006 figures, Pakistan has the largest urban population of about 35 percent of its total population, followed by India at 29 percent and Bangladesh at 26 percent. When compared to the reduction of annual population growth, India's urban population, as a percentage of its total population, has been on a rise, especially since 2002.

These migrations have resulted in many challenges for the planning and regulatory authorities in these countries. These include public transportation, infrastructure development, governance and other basic services for the people. In addition to the governments, local and international organisations and agencies have also taken on the responsibility to address such issues as poverty reduction, education, infrastructure facilities and the provision of public transportation.

This paper shall examine the efforts of international organisations and the governments in India, Pakistan and Bangladesh in addressing the issues arising from urban migration and growth.

The central and state governments (or the provinces), and the local bodies in these three countries have begun work to reform their functions in order to make them more participatory. In fact, they have been adopting various models of decentralisation since the 1980s, with gradual devolution of greater power to local governments. However, the process has been rather slow. The resultant effect has been the inability of the state governments to address pressing urban issues such as growing poverty, public transportation woes, environmental problems and inadequate infrastructure facilities.

As local government agencies grapple with these issues, international organisations such as the World Bank and the Asian Development Bank (ADB) have begun to take a more proactive approach and a greater involvement in the development of these countries. These international organisations work in tandem with each other to coordinate their operations and the disbursement of funds. A snapshot of their functions in India, Pakistan and Bangladesh will help understand the nature and role played by the World Bank and ADB in this regard.



World Bank

The World Bank's terms of external concessional assistance and various forms of financial lending have substantially increased the activities of economic restructuring, infrastructure, social development and, most importantly, poverty reduction in many developing countries.

In partnership with the Indian government, the World Bank has designed a poverty reduction programme to basically increase the condition of poor urban dwellers. It also has separate programmes to improve the decentralisation of governance and finance. The main thrust of the World Bank's strategy in India is to aid economic development in order to raise the standard of

living of urban dwellers. The two major urban development projects under the World Bank's funding are the Karnataka Municipal reform project and the Tamil Nadu Urban Development Fund. The National Urban Infrastructure Fund project is in the pipeline. At the same time, other Indian states such as Andhra Pradesh and Gujarat have plans to work with the World Bank to address their urban issues.

In Pakistan, apart from the common agenda of poverty reduction and infrastructure facilitation, the World Bank is currently involved in an analytical study, in partnership with the ADB and the Department of International Development, United Kingdom. This study aims to assist the Pakistan government in its latest devolution reform which is being implemented in the country. The study titled 'Devolution in Pakistan' will provide a holistic approach to the model of service delivery in Pakistan.

The World Bank's Bangladesh operations emphasise the improvement of the fiscal situation of the government and restructuring in financial management. It is also committed to addressing Bangladesh's transport issues, as evident by its investments in the country. Since 1990, the World Bank has approved six transport projects totaling US\$1.08 billion. Of these, one of the most significant projects has been the Dhaka Urban Transport Project (DUTP), which has claimed to address traffic problems in Dhaka and helped increase service delivery to the poor. The Strategic Transport Plan, which provides a five-year investment plan and long term strategic plan for Dhaka's transport problems, was an important element of the completed DUTP.

The World Bank's operations in India, Pakistan and Bangladesh reveal that it has been focusing and making loans on a wide variety of projects with substantial results. However, the World Bank has been criticised for the conditionality of structural adjustments that are placed on the donor nations.

Asian Development Bank

The operations of the ADB have been designed to encourage economic growth, social development and good governance, while promoting regional cooperation and integration in partnership with governments, the private sector, and non-government and international organisations.

In India, the ADB has been active in Gujarat, Madhya Pradesh and Kerala. Its recent strategy plan has included Chattisgarh, Assam and Sikkim. The ADB has been involved in various developmental projects across these states, including infrastructure development, resource management and allocation of social services. The ADB's poverty reduction strategy also involves assistance to develop the urban social infrastructure.



Based on India's 74th constitutional amendments, the ADB, in coordination with the Indian government, is developing new approaches to monitoring property tax reforms, participation of the municipal governments and simplifying administrative practices of the local bodies. This project will be linked to the three financial incentive schemes launched by the Indian government, which include the City Challenge Fund and the Urban Reforms Incentive Fund. The ADB has also agreed to include tourism projects for urban renewal in many tourist spots in the country.

In Pakistan, the ADB has been involved in designing governance projects so that they are compatible with the Local Government Ordinance passed in December 2003. The projects are designed, among other things, to shift state-level public expenditure in favour of social services, particularly pro-poor services. The ADB's operations in Bangladesh since 1973 have focused on macro-economic stability, gender parity, health, education and poverty reduction.

Apart from the aforementioned projects, the transport and communications sector has been one of the important areas of the ADB's focus in all these countries, combined with renewable energy development and urban clean fuel. The ADB's share of loans for transport and communications projects has risen from 16 percent in the 1970s to 33 percent in the period 2000-05. Most importantly, the ADB's stress has been on the concept of inclusive transport, that is, the availability of efficient transport facilities for people rather than the movement of goods and services.

In conclusion, the common thrust of international organisations in South Asia has been poverty reduction, economic reforms, infrastructure development and the decentralisation of governance systems. These organisations coordinate their activities in the region. As a result, there has been greater public-private participation, as well as a more balanced regional development. ■

China-India Overseas Energy Cooperation: Strategic Congruence

Dr Huang Liming
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In order to ensure energy security, China and India realise the importance of bilateral overseas energy cooperation. China and India signed five memoranda on energy cooperation on 12 January 2006. The memoranda cover a comprehensive range of areas, including upstream exploration and production; building joint ventures on seismic warning; oil and gas exploration; prospecting and petrochemical production and marketing; the transmission of gas and urban gas supply; domestic and cross-border oil pipelines; unconventional oil and gas resources; the innovation and development of energy technologies; as well as software and information technology in the energy sector.

China and India have already joined hands in their quest for overseas energy resources. For example, both hold stakes in the Greater Nile Oil Project in Sudan and the development and exploration of the Yadavaran field in Iran. They are also investing in natural gas imports from Iran. China's National Petroleum Corporation and India's Oil and Natural Gas Corporation have teamed up to win the bid for oil assets worth up to US\$1 billion in Syria.

However, some observers are still skeptical about this new-found relationship. They believe that, owing to the lack of strategic congruence between the two countries, any future cooperation can only be on a case-by-case basis so as to keep bid prices down. They also argue that, when it comes to the critical question of energy security, nations, if they can, will most certainly go alone. It is, therefore, important to analyse the energy cooperation between China and India from a strategic



perspective so as to understand the rationale and implication of the cooperation.

In recent years, soaring energy consumption has posed a huge potential threat to China's and India's energy security. The two countries already rank among the world's top five energy consumers. China's energy consumption growth has been increasing by an average of 4.3 percent per year since 1980 and that of India by 5.4 percent. In 2006, China's total was 2.46 billion tons of standard coal equivalent. India consumes about four percent of the world's total energy per year. According to the International Energy Agency (IEA), the overall demand for energy in China and India is projected to approximately double by 2030. The IEA forecasts that two-thirds of all future energy demand will come from just these two countries. Both

have rich coal resources – China is the number one coal producer and India has the fourth largest coal reserves in the world – but most of the coal is mainly burned directly with low efficiency and causes serious pollution. The coal from these two countries results in roughly half of the greenhouse gases emitted on the planet.

Oil and gas have an important role in the two countries' national economic and social development. China's oil demand has been growing at an average of seven percent since 1990 and it is now the world's second largest consumer of oil after the United States. China's demand for oil is expected to more than double from 7.1 million barrels a day in 2006 to 16.5 million barrels by 2030. Oil comprises 36 percent of India's primary energy consumption in 2005, and is expected to grow from 119 million tons oil equivalent (MTOE) in 2004 to 250 MTOE in 2025, registering an annual



growth of 3.6 percent. However, their domestic oil output cannot meet the needs for their economic and social development. China imports 50 percent of its oil consumption and India imports more than 70 percent.

While the two nations' oil consumption is only a third of that consumed by the United States today, by 2030, China and India together will import as much oil as the United States and Japan do today. Their combined oil imports will rise from 5.4 million barrels per day (bpd) in 2006 to 19.1 million bpd in 2030. With the dependence on oil increasing each year and the sources of supply concentrated in a few countries, this naturally results in energy supply insecurity. The Persian Gulf countries contribute to around 60 percent of China's oil imports and India receives more than 50 percent of its imported oil from the Middle East. It is clear that China and India face the same strategic challenges, that is, of meeting the growing demand for energy and minimising the risks of energy supply by diversifying their sources of oil.

China and India face the common strategic problems. These are:-

i) *Limited sources in the international energy arena* – Increasing domestic demand for petroleum fuels, and the growing gap between production and consumption have undeniably pressurised China and India to enhance their search for overseas energy sources. Overseas exploration and production contracts for both nations have considerable importance in their long-term energy security. However, both countries are relatively late entrants into the global energy market, compared to the western countries, in buying overseas petroleum fields, and in making long-term production and exploration contracts with petroleum rich countries. The global energy market has been dominated by big oil and gas companies from the developed countries. The two Asian countries' scope of searching for overseas energy sources is seriously limited. Both apparently seek to reach out to 'niche markets' that have remained off-limits to the more politically sensitive multinational oil companies.

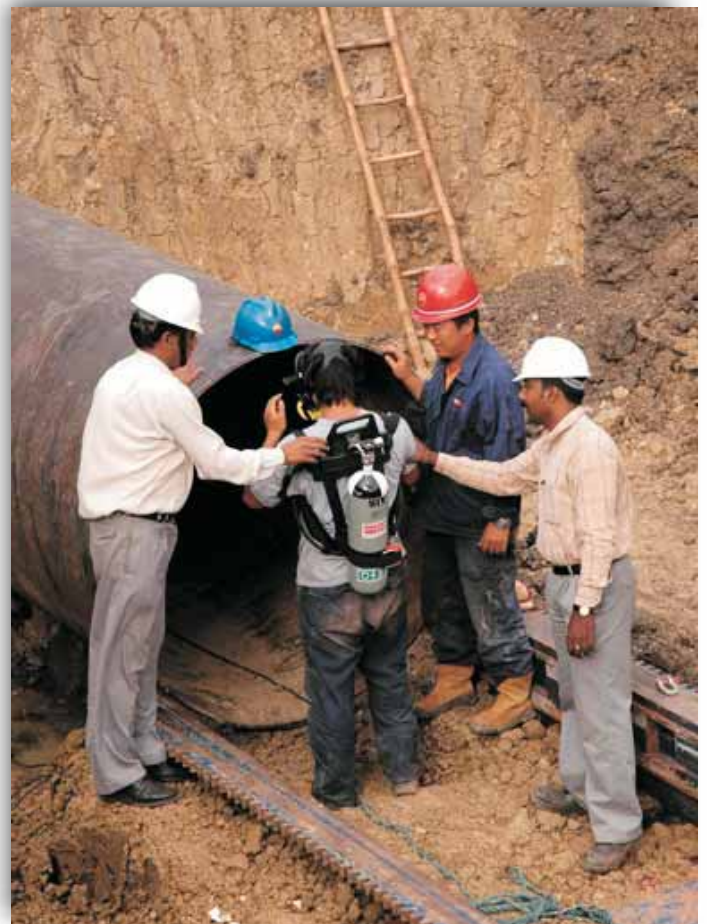
ii) *Complicated political, diplomatic and economic relations between the two countries, and with the energy rich countries, including the Persian Gulf countries, Russia, Kazakhstan, Sudan and Burma, as well as with the other major oil importing countries such as Japan, the United States and the European Union* – "Energy security and geopolitical security are two sides of the same coin".

The strategies that China and India adopt to search for overseas energy sources will significantly affect not only the ties between the two countries but also with the energy rich countries and the other major oil importing countries. The actions by the two countries in the international energy arena could bring stability, prosperity and peace, or they may lead to conflict and instability.

iii) *Increased cost* – The costs incurred by India and China in their search for overseas energy assets will increase as finding new sources of oil become even more difficult in the future.

The key issue faced by India and China is the resolution of the aforementioned strategic challenges. China and India have already formed a strategic consensus. They recognise that their search for overseas energy sources is not a race to "lock up and monopolise" available energy supplies. Rather, they need to work together to explore oil resources, establish strategic oil storage, maintain stability of the energy markets, remove obstacles to development, and guarantee the fluency and security of oil transition channels. There is a need for a concerted effort on the part of the two countries.

Based on the above analysis of strategic congruence between the two countries, it is clear that China's and India's search for oil and gas in the international energy arena should be characterised by cooperation rather than by competition. At the end of the day, when it comes to the critical question of energy security which has national, regional and global implications, nations need to work together for mutual benefits. ■



Nepal: The Suspense Continues

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The most recent report released on 10 December 2007, coordinated by the Asian Development Bank and the World Bank, identifies Brunei as the richest and Nepal as the poorest country in Asia. Brunei, (with a gross domestic product [GDP] per capita of US\$34,632), Singapore, Macau, Hong Kong and Taiwan, are the wealthiest economies while Nepal is the poorest with a GDP per capita of a mere US\$788, followed by Bangladesh, Cambodia and Laos. Brunei is an absolute monarchy but a stable polity with a thriving economy, while Nepal recently scrapped the provision of a monarchy in its interim statute, thus creating the illusion of a 'federal democratic republic'. However, in reality, the system is already lending itself to incompetence and lawlessness.



After King Gyanendra reinstated the parliament in April 2006, the Maoists laid down their weapons and signed a comprehensive peace agreement (CPA) with the government of G. P. Koirala which was followed by the promulgation of the Interim Constitution. The Maoist guerrillas were kept inside United Nations-designated cantonment sites and the Nepal Army inside the barracks. It was agreed that a

Constituent Assembly, with the task of writing a new Constitution for the country, would be in place by June 2007. The people heaved a sigh of relief in the anticipation that a decade of killing and destruction would finally end. However, a year after the CPA, the country is still struggling with the peace process and the euphoria of April 2006 has given way to frustrations and despair among the people.



On 23 December 2007, the Koirala government agreed to abolish the monarchy as part of a deal to persuade the Maoist rebels to rejoin the interim administration. However, the new dates of the Constituent Assembly election have yet to be finalised. The provision of a republic itself has to be passed by the first meeting of the Constituent Assembly. Having betrayed the people twice before, it is difficult to believe that this government would be able to hold the polls anytime in the near future.

The current predicament has two distinct dimensions. Firstly, there is an apparent inability of the government to maintain law and order, either in the terai or in other parts of the country, resulting in the postponement of the Constituent Assembly elections on two occasions. Secondly, the Nepali society is rapidly being divided on the pretext of ethnic, linguistic, racial and geographic



resumption of arms supplies from India during his visit to India in December 2007. He was conferred with the title of the Honorary General of the Indian Army by the President of India. He also has extensive parleys not only with the chiefs of the army, navy and air force, but also with cabinet ministers and the National Security Advisor in India. It ought to be recalled that India had supplied the Nepalese army with helicopters, light artillery guns, night vision devices and light arms during the period of insurgency, and Kathmandu now wants the arms supplies and spares to resume. With 100,000 trained personnel, the Nepal Army remains the only disciplined force intact as the nation struggles with one crisis after another.

autonomy. Despite propitious political circumstances and virtually no opposition, the government has been powerless both in curbing rising militancy and holding the elections, or in meeting the numerous demands of the more than 12 armed outfits that have sprouted along the India-Nepal open border. The Acting President of the ruling Nepali Congress Party, Mr Sushil Koirala, a relative of the Prime Minister, concedes, “The threat of a civil war looms large in the country as the transition to peace is getting protracted.”

The focus of the government leadership at this crucial moment of nation’s history should be on getting the Maoists’ full commitment to free and fair elections, and assuaging multiple terai groups not to disturb the security situation ahead of the polls as a duly elected Constituent Assembly will look at their demands at any rate. Instead, the government seems to be engaging in the counter-productive task of combining peace overtures with pre-emptive and retaliatory offensives on the terai groups while blaming the Maoists for much of the troubles with the current seven-party coalition. This has resulted in a lack of trust between the various constituents of the government. Four members of parliament of the Interim Parliament belonging to the terai region and a minister of the Koirala cabinet resigned recently, criticising the government’s handling of the situation in the terai. The General Secretary of the Communist Party of Nepal (Unified Marxist-Leninist), Madhav Kumar Nepal, widely perceived to be the successor to the ailing Koirala, has already demanded the resignation of the Prime Minister on the grounds of incompetence. He has also stated that “this is Koirala’s last chance to hold the polls by April 2008 [otherwise] he would be replaced”. Apart from Mr Nepal, the civil society at large also feels that the leadership has to change if Koirala fails to hold Constituent Assembly elections.

Amidst this confusing situation, the Chief of the Army Staff of the Nepal Army, General Rookmangud Katawal, sought the

On the economic front, new airlines have commenced flights to Kathmandu, owing to international publicity on the “end of the insurgency” and due to the fact that the conflict-hit areas of the terai are not prime tourist areas. Orient Thai Airlines, a Thailand-based airline, commenced flights between Kathmandu and Bangkok in August 2007 while Etihad Airlines, the national airline of the United Arab Emirates, and Silk Air, a subsidiary of Singapore Airlines, started flights to Kathmandu in October 2007. Moreover, Thai Airlines, Qatar Airways, China Southern, Air Arabia, and Korean Air are also planning to increase flight frequency to Nepal. With robust growth in tourist arrivals and more Nepalese traveling abroad, foreign airlines are competing to tap this market. Tourist arrivals grew by a staggering 35.6 percent to 193,211 in the first seven months of 2007, which itself is sufficient evidence that Nepal can make a quick economic recovery if sustained peace can be achieved in the political front. This can only be accomplished if the current nominated parliament and the interim Constitution are replaced by a duly elected body which will write a new Constitution representing the sovereign people of Nepal.

Therefore, early elections and a fresh mandate from the people are essential components of the peace process as well as of a functioning democracy. Repeated postponement of the elections has already eroded the credibility of the government and affected the process of democratic transformation and legitimisation. The ruling seven-party alliance, which includes the Maoists, has now vowed to hold elections by the end of the Nepali Year (12 April 2008). The exact date has still not been fixed despite repeated reminders by the Chief Election Commissioner that he needs a minimum of three months to prepare for the polls. An apprehensive international community and the hapless Nepali people watch the political drama as the suspense continues. ■

Managing Bangladesh's Remittance Flows: Prudent Policies Needed

Mr M. Shahidul Islam
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The end of the cold war in the early 1990s and the subsequent spread of globalisation have markedly changed the external balance sheet of many developing countries. In recent years, the role of foreign aid has decelerated sharply but it has largely been offset by the growth of foreign direct investment (FDI) and remittances. A recent report prepared by the Inter-American Development Bank (IDB) and the International Fund for Agricultural Development (IFAD) reveals that 150 million migrants worldwide sent more than US\$300 billion to their families in developing countries in 2006. This is more than three times of all aid disbursed by donor nations to developing countries. Asia received almost US\$114 billion in remittances in 2006 and this accounted for the highest regional total in the world. While Bangladesh has not been able to reap the benefits of the cross border expansion of FDI or portfolio investment, as in the case of India, China, Vietnam and other developing countries, inward remittance flow into the country has been phenomenal since 2000. Remittances in Bangladesh have increased by 17 percent on average a year in the last 30 years. In Asia, Bangladesh is the fourth largest recipient of inward remittances and second in South Asia, after India.

Bangladesh received over US\$8 billion dollar remittances in 2006, which was equivalent to 13.1 percent of the country's gross domestic product (GDP), according to the IDB and IFAD report. There are some discrepancies on remittance data as many migrant workers prefer unofficial channels to send their income home. It is believed that unofficial flows of remittances could be as high as the official figures. The International Monetary Fund (IMF) reports that Bangladesh's migrant wage earners sent home about US\$6 billion in the 2006-07 fiscal year which amounted to 7.7 percent of the country's GDP, compared to 16.8 percent of GDP for merchandise exports, 1.9 percent of GDP for official development assistance (ODA) and 1.1 percent of GDP for FDI. The same source believes that remittances through the so-called 'hundi' system (informal channels) are estimated at about 75 percent of reported remittances.

The Middle East petro-dollar economies, the United States and the United Kingdom are the major sources of remittances for Bangladesh. Some 50 percent of overseas Bangladeshi workers live and work in Saudi Arabia and 95 percent stay in the oil exporting countries in the



Middle East. The country also receives substantial amount of remittances from other Asian countries namely Singapore, Malaysia and Japan.

For several reasons, remittances are crucial for the Bangladesh economy. First, such flows help the Bangladesh Bank, the country's central bank, maintain a healthy position of foreign exchange reserves, considering that the export earnings are volatile and the Bangladeshi export sector is not diversified enough to absorb any external shocks. The country's reserves amounted to US\$5 billion in July 2007. Second, unlike ODA and export earnings, remittances are less volatile and these unrequited transfers do not require debt servicing in the future. Third, some evidence has shown that remittances serve as an insurance against economic shocks. For instance, Bangladesh has so far weathered the negative shock of the ongoing global oil price hike, largely owing to the large flow of remittances. Fourth, the impacts of workers' remittances are more equitable than other sort of external finances as they reach to the rural areas and, more importantly, to the bottom-half of the population.

US\$30 Billion Remittances per Annum by 2015?

The Bangladesh government is targeting a few more fold increase of workers' remittances in the coming years with more skilled and semi-skilled people going abroad. Two recent studies commissioned by the Danish International Development Agency and conducted by the Bangladesh Enterprise Institute and the Indian Institute of



Management, Calcutta, show that a staggering US\$30 billion can be earned annually as workers' remittances by 2015.

The target is ambitious. Nonetheless, it is attainable, provided the government and other private sector players successfully transform the country's massive stock of people into human resources.

Bangladesh has a huge demographic advantage. It has roughly 150 million people and the country's population pyramid shows that one-third of its population is aged below 14 years, and 64 percent of its population is between 15 and 64 years, with the latter defined as a working age group. The median age of the country's population is 22.2 years. In recent decades, most European and some Asian countries (Japan, Singapore and South Korea, in particular) are ageing rapidly and producing fewer babies. The demographic changes in these economies have resulted in the need for more and more foreign workers so as to maintain their economic growth. Bangladesh can emerge as a major supplier of skilled and semi-skilled workers to these countries. Indeed, the country is diversifying its overseas labour markets steadily. The current stock of overseas workers in the country is estimated at 3.9 million and the lion's share of its labour force is unskilled. This figure is just 2.8 percent of Bangladesh's total population and the number of migrant workers can increase a few folds if the current trend continues. As a result, the country is expected to receive higher flow of remittances in the coming years.

Managing Remittances and the Dutch Disease

Studies show that most of the remittances in Bangladesh are used for consumption rather than productive investment. In the long run, it is imperative that for these unrequited transfers to be channelled towards productive investments. If not managed prudently, the rising level of remittances might result in the "Dutch Disease" – a phenomenon in which a dramatic increase in wealth has paradoxically adverse consequences. Economists borrowed the idea from Miguel de Cervantes Saavedra, the celebrated 16th century Spanish author of *Don Quixote de la Mancha*, who once said that "the gratification of wealth is not found in mere possession or in lavish expenditure, but in its wise application."

Cross-country studies reveal that an increase in remittances leads to an increase in consumption demand that is biased toward non-tradables. The higher demand for non-tradables and increasing production costs raise the relative prices of non-tradables. This causes an appreciation of the real exchange rate that ultimately jeopardises the prospects of the tradable sector (and the associated loss of international competitiveness).

The Bangladesh Bank has been experiencing an upward pressure on the exchange rate in recent months, owing to strong remittance inflows. As workers' remittances are set to increase even higher in the years ahead, the Bangladesh Bank and the fiscal authorities need to be better prepared to manage the large flows of remittances. If the inflows are not prudently absorbed through sterilisation and other mechanisms, they could destabilise the Bangladesh Taka, the country's currency, and may trigger other macro-economic shocks such as rising inflation.

Apart from short-term strategies, Bangladesh needs to formulate some long-term policies to manage remittances. It should expedite its current financial reforms. A well-regulated and competitive financial sector promotes product innovations and such developments generally channel remittances to productive use. ■



Bangladesh-Singapore Panel Discussion

The Institute of South Asian Studies and the Lee Kuan Yew School of Public Policy, National University of Singapore (NUS), jointly organised a panel discussion on “Bangladesh and Singapore: Developing a Development Mindset” on 2 November 2007. The panel discussion aimed to exchange insights from development experiences of the two countries. Close to 300 participants attended the event.



Nobel Laureate Professor Muhammad Yunus delivered the inaugural address for the event. He emphasised the importance of “mindset” in making change happen. He said, “The system that creates a problem cannot solve the problem.” He also felt that “a mindset of defiance is necessary for us to confront the pace of change ushered in by technology.” The Nobel Laureate expressed confidence that the youth of today have the energy, drive and tools to change systems and create new networks.

The event also included a panel discussion amongst distinguished speakers from Bangladesh and Singapore. The Singaporean panelists were Mr S. Dhanabalan, Chairman, Temasek Holdings; Mr Tan Gee Paw, Chairman, Public Utilities Board; Ms Euleen Goh, Council Member, The Institute of Banking and Finance; and Associate Professor Shapan Adnan, South Asian Studies Programme, NUS. The Bangladesh panelists were Dr Akbar Ali Khan, Former Cabinet Secretary and Advisor to Caretaker Bangladesh government; Mr Syed Manzur Elahi, Industrialist and Former Advisor to Caretaker Bangladesh government; Mr Mahfuz Anam, Editor-Publisher, The Daily Star, Bangladesh; and Ms Farida Akhter, Executive Director, UBINIG (Policy Research for Development Alternatives).

The speakers shared their views on various issues, including Singapore’s economic achievements, leadership and institutional developments; bureaucratic reforms; public-private partnerships; business promotions since its independence; and Bangladesh’s struggle to establish a democratic system and good governance; corruption-free efficient bureaucracy; the success of non-government organisations; and the country’s future prospects.

International Conference on India

The Institute of South Asian Studies (ISAS), the South Asian Studies Programme at the National University of Singapore, and the India Studies Programme of Indiana University, Bloomington, United States, will jointly organise the conference titled “The Indian State: 60 Years On” in Singapore on 19 and 20 May 2008.

Dr Ramachandra Guha, a renowned Indian historian, will deliver the keynote address for this conference. The conference will bring together specialists and experts from Singapore and around the world to provide in-depth analyses of issues and developments in post-independent India.

The conference will focus on the evolution of India’s political institutions since 1947. The principal purpose of this conference is to offer a dispassionate assessment of how the country has fared in these various dimensions. To that end, the conference will deal with the state of India’s judiciary, legislative process, executive branch, armed forces, police and paramilitary forces, economic policies and mass media.

Please look out for further details on the event on ISAS’ website at www.isas.nus.edu.sg.

Snippets on South Asia

*Dr Rajshree Jetly
Research Fellow, ISAS*

Pakistan – A Country in Turmoil

The year 2007 was a very volatile and turbulent year for Pakistan, culminating in the tragic assassination of Ms Benazir Bhutto, the former Prime Minister and charismatic opposition leader of the popular Pakistan Peoples Party (PPP) on 27 December 2007. Ms Bhutto had returned to Pakistan in October 2007 and was to participate in the parliamentary elections scheduled for 8 January 2008. Ms Bhutto's assassination comes after a series of destabilising events in Pakistan, including the imposition of emergency rule by President Musharraf on 3 November 2007. Under emergency rule, President Musharraf suspended the constitution, sacked the Chief Justice and other judges, imprisoned many lawyers and political activists, and imposed restrictions on the media. New judges were appointed to the Supreme Court, which validated General Musharraf's re-election as President. After being confirmed as President, General Musharraf relinquished his uniform in November 2007 and lifted emergency rule on 15 December 2007, but not before ensuring immunity for his actions.

Ms Bhutto's assassination threw the elections into chaos – the elections have now been postponed to 18 February 2008. The

PPP is clearly regrouping with Ms Bhutto's son, Bilawal Bhutto-Zardari, appointed chairperson of the PPP, and her husband, Asif Ali Zardai, co-chairperson. Mr Nawaz Sharif's Pakistan Muslim League (Nawaz) [PML (N)] has twice changed its mind on whether to participate or boycott the elections. As of 1 January 2008, the PML (N) has indicated that it will contest. Although Mr Sharif's nomination papers have been rejected by the Election Commission, which disqualifies him from standing, he is leading the campaign for his party. There are grave concerns as to whether the 2008 elections will be free and fair.

In addition to the political uncertainties, the country remains hostage to radical influences and serious violence. Mr Bhutto's return from exile on 18 October 2007 was marked by one of the worst suicide bomb attacks that killed more than 100 people. Two months later, she was dead. In between, there were numerous attacks, especially in the border areas including the suicide bombing on 21 December 2007 at a mosque in the North Western Frontier Provinces which killed more than 50 people.

Sri Lanka – A Country at War

Sri Lanka continues to be embroiled in civil war, and fighting has escalated since December 2005 when the more hardline Mahinda Rajapakse was elected President of Sri Lanka. The political landscape has also made any diplomatic resolution difficult. The major Sinhala parties, namely, Rajapakse's Sri Lanka Freedom Party and the United National Party, are in competition with each other and are not able to arrive at a consensual framework for power sharing with the Tamil community. Further, the nationalist Sinhala parties such as the People's Liberation Front Janatha Vimukthi Party and the National Sinhalese Heritage Party Jathika Hela Urumaya are against any devolution of power in the Tamil-dominated areas. The Liberation Tigers of Tamil Eelam (LTTE), on the other hand, remains intransigent and has, in fact, upped the ante on its demands for a separate state.

During his annual national speech on 27 November 2007, Mr V. Prabakaran, LTTE's leader, reiterated the demand for

a "Tamil Eelam". This speech followed the government's recent operations against the LTTE, one of which resulted in the death of a senior LTTE leader, S. P. Tamilselvam. In a further tit-for-tat, the government responded to Mr Prabakaran's speech by launching a huge crackdown on Tamil people, reportedly rounding up over 2,500 people for questioning. The Sri Lankan crisis has clearly worsened, with both sides adopting very belligerent attitudes: the rhetoric from Rajapakse's government is that it has the military wherewithal to defeat the LTTE while the LTTE's stance for now is that it will settle for nothing less than a separate state.

Some small rays of hope may be found in Foreign Minister Rohitha Bogollagama's assurance that the government is willing to negotiate with the LTTE as long as it stops terrorist activities and adopts a democratic agenda. He has also hinted that a political settlement involving all 13 political parties is in the offing.

Bhutan – A Country in Transformation

On 17 December 2007, Bhutan celebrated the centenary of its monarchy. In 2008, those hundred years will become part of Bhutan's past history as it transforms itself into a democracy. The first phase of the process began on 31 December 2007 with the election of 15 members to the National Council (Upper House) which will eventually have 25 members. Five more candidates were scheduled to be elected on 29 January 2008 with the remaining five nominated by the King. Elections for the National Assembly (Lower House) which will have 75 seats are scheduled for February or March 2008.

This transition has the full support of the monarchy and the people have been familiarised with the democratic process with mock elections held in early 2007. Bhutan's path to democracy is unusual in that it is spearheaded by the monarchy itself. On 14 December 2006, the fourth King of Bhutan, Jigme Singye Wangchuck, abdicated the throne in favour of his son, despite the people of Bhutan wanting him to continue. The King travelled around the kingdom espousing his vision of a democratic future, in which all people would unite and continue to work towards achieving the goals of "Gross National Happiness".

A new constitution, drafted under the stewardship of the Chief Justice, Lyonpo Sonam Tobgay, provides the platform for a unique form of democracy in Bhutan. The architects of Bhutan's democracy have studied various models to avoid the mistakes other countries have made and to learn from their successes. The model that has been designed is one that balances absolute freedom with controlled order. Bhutan's two-stage elections allows any number of parties to contest in the first stage but only the top two parties will be allowed to contest at the second stage, which is the general elections to form the Government. The reason for this is to prevent coalition politics and horse trading, which as a small country, Bhutan can ill-afford.

The two major political parties that have formally submitted their applications to participate in the elections are the People's Democratic Party and the Druk Phuensum Tshogpa which was formed after the merger of the Bhutan People United Party and the All People's Party. It should be noted that the Bhutan Communist Party, Maoist is gaining popularity in the refugee camps and generally in southern Bhutan.

Maldives – A Country in Transition

The opposition against President Maumoon Abdul Gayoom's dominance of politics in Maldives is continuing, with various opposition parties working together in a loose alliance. Led by the Maldivian Democratic Party, the group includes the religious Adhaalath Party, Social Liberal Party, Islamic Democratic Party and a group of former ministers. This alliance is pushing for an immediate interim government to implement the new constitution and to ensure that the forthcoming elections scheduled for 2008 are free and fair. The government, however, wants to delay the establishment of an interim government until the completion of a draft constitution.

Maldives also experienced its first Islamist terrorist attack with a bomb blast in Male in September 2007. The government has responded firmly with a Presidential decree barring foreign clerics from entering the country without permission, and banning words or acts that could fuel extremism. Ironically, President Gayoom himself had used Islam as a tactic to gain power and is now forced to react and will no doubt have a difficult balancing act to maintain. This has raised fears of radicalised politics and religious terrorism with external dimensions that could be destabilising for Maldives.

Conference on "China-India: Economic and Social Development"

The Institute of South Asian Studies (ISAS), the East Asian Institute, the South Asia Studies programme at the Paul H. Nitze School of Advanced International Studies, Johns Hopkins University, United States, and the Centre for Policy Research, India, will jointly organise the conference on "China and India: Economic and Social Development" in Singapore on 17 and 18 March 2008. It will be held at Grand Ballroom 1, Level 4, Grand Copthorne Waterfront Hotel.

This conference will bring together expertise from Singapore, India, China and the United States to explore the dynamics of the relationship between the two rising Asian giants and their responsibilities towards the international system. Key issues of economic, social and regional developments, education, government-business relations, the rule of law and environment will be discussed at the conference.

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

ISAS New Research Staff



Professor S. D. Muni
Visiting Senior Research Fellow

Professor S. D. Muni is a Senior Visiting Scholar at the Institute of Defence Studies and Analyses (IDSA), New Delhi, and Editor of Indian Foreign Affairs Journal. He was superannuated from Jawaharlal Nehru University, New Delhi, India in 2006 after 33 years of teaching and research service. In the university, he was Chairman of the Centre for South, Central and Southeast Asian Studies (1991-93) and held the prestigious Appadorai Chair of International Relations and Area Studies. From January 2006 to June 2007, he was Executive Director of International Affairs at the Observer Research Foundation, a policy think-tank in New Delhi. He is a member of

India's University Grants Commission's Standing Committee on Area Studies, and the Visitor's nominee for faculty selections in Social Sciences of the Indira Gandhi National Open University. The Ministry of Culture nominated him on the Executive Committee of the Maulana Azad Institute of Asian Studies Kolkata. He also served as India's Special Envoy (2005-06) to the Southeast Asian countries on United Nations Security Council Reforms and was India's Ambassador in Lao PDR from November 1997 to December 1999. In 2005, the Sri Lankan President bestowed on him "Sri Lanka Ratna", the highest Sri Lankan national honour for a non-national.

A founder Executive Member of the Regional Centre of Strategic Studies, Colombo, Professor Muni was nominated to the first National Security Advisory Board in 1990-91. He has been an Executive Member of IDSA. He delivers guest lectures periodically at India's various strategic institutions including the National Defence College and Foreign Service Institute; New Delhi, College of Naval War Fare, Mumbai, College of Combat Mhow, and Defence Services Staff College Wellington. Professor Muni has travelled extensively in America, Europe, Africa and Asia for academic purposes and has been a visiting faculty for teaching and/or research in the academic institutions and universities in the United States, the United Kingdom, Sweden, Norway, Germany, Australia, Japan and Singapore. He was also invited for consultations on South Asian conflict resolution issues by the World Bank and the United Nations. He addressed the United Nations Ad hoc Committee on Indian Ocean as a Zone of Peace at Socci (then USSR) in 1985.

Professor Muni is author and editor of about two dozen books and monographs, published both In India and abroad. He has also published 125 research papers and articles in various journals and edited volumes on security and foreign policy issues of India, South Asia and Southeast Asia. He has also extensively written in newspapers and current affairs periodicals. He is currently editing the IDSA Asian Strategic Review.

He has been on the editorial and advisory boards of various Indian and international academic journals. Some of his recent publications include China's Strategic Engagement with the New ASEAN (Singapore, 2002), Maoist Insurgency in Nepal (New Delhi; 2003), India's Energy Security (New Delhi, 2005), Responding to Terrorism in South Asia (New Delhi 2005) and IDSA Strategic Review 2007 (New Delhi 2007). The publications in process include India and the East Asia Summit and India and China: the Next Decade.



Dr Huang Liming
Visiting Research Fellow

Dr Huang Liming works in the fields of policies and management for sustainable energy, business economics, international economics and trade, China-India relations, foreign trade policies of China, environmental and natural resources economics and industry economics. He is engaged in research on India-China relations and comparisons, with especially strategies for renewable energy.

Prior to joining the Institute of South Asian Studies, Dr Huang was an Associate Professor in the Department of International Economics and Trade of Jinan University where he obtained a PhD in Industry Economics.

Dr Huang has good international academic research experience. In 1999, Dr Huang was awarded a distinguished fellowship for EU-China Higher Education Programme at The Environmental Economics and Natural Resources Group, Wageningen University, the Netherlands, for his research on renewable energy in China. During the end of 2003-early of 2004, Dr Huang researched on the issues of China-India Cooperation in Renewable Energy Field at The Centre of Asian Studies, the University of Hong Kong after being awarded a fellowship for China-India Project. In 2005, Dr Huang gained a prestigious scholarship for Canada-China Scholarly Exchange Program, and undertook research related to sustainable energy strategies in Canada at the Natural Resources Institute, the University of Manitoba in Canada.

ISAS New Administrative Staff



Ms Shermaine Lee
Executive

Ms Shermaine Lee joined the Institute of South Asian Studies in December 2007. Her key responsibilities are events organisation, human resource management and general administration.

Shermaine brings with her about seven years of experience in general administration such as events management, marketing and customer service in the government and non-government sectors.

She has a Bachelor of Business in Business Administration (Business Finance) from Royal Melbourne Institute of Technology University.

Third International Conference on South Asia



The Institute of South Asian Studies organised its Third International Conference on South Asia on 25 October 2007. More than 220 members of the Singapore business community, government agencies, diplomatic community, research institutes and think-tanks, expatriate community and the academia attended the conference.

Mr Lim Hng Kiang, Singapore's Minister for Trade and Industry, delivered the keynote address for the conference on "Socio-Political and Economic Challenges for South Asia". In his speech, Mr Lim mentioned that the South Asian economies have had an outstanding performance in the past five years, with an average growth rate of six per cent per annum in the last decade. He further stated that there still remains a tremendous potential for growth,

citing an example that the "IMF expects the economies of Sri Lanka, Pakistan and Bangladesh to each expand by more than six per cent annually till 2008. Nepal's economy is also expected to grow by 4.5 per cent next year." Mr Lim also touched upon several challenges facing South Asia today. These include the need to reduce poverty among the general population, translating into "more equitable distribution of wealth among the population"; the need for "good governance and the efficient implementation of policies"; and the need to "continually upgrade its infrastructure".



The conference also witnessed two plenary sessions, with eminent speakers from Singapore, China, South Asia and the United States discussing South Asia's relations with principal partners and the developments in the South Asian countries.

The fourth conference is scheduled for October 2008.

ISAS-CII Panel Discussion and MOU



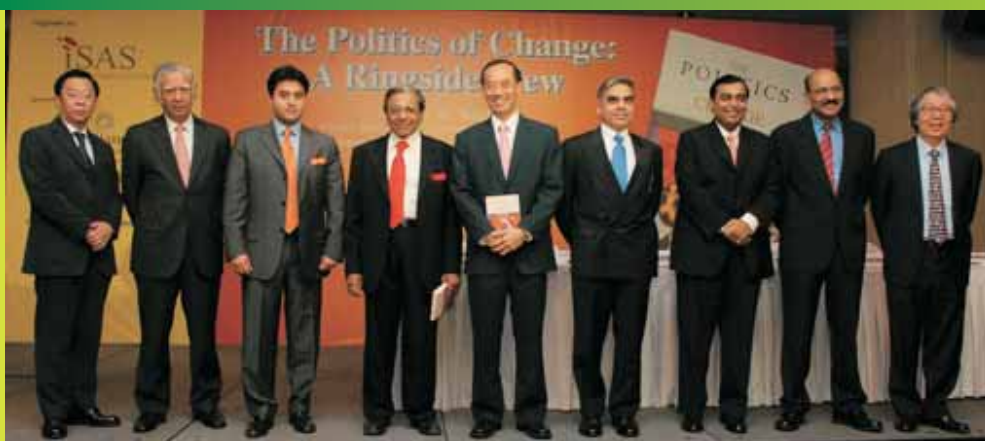
The Institute of South Asian Studies (ISAS) and the Confederation of Indian Industry (CII) jointly organised a panel discussion on “Why and how does India matter?” on 7 December 2007.

The panel comprised chairmen and chief executive officers of prominent Indian companies, such as Bharti Enterprise, Godrej and Boyce Manufacturing Co Ltd, TATA International, Punj Lloyd and Max India Group of Companies, as well as the Institute’s research staff. They shared their views on the growth and importance of India and the economic potentials in the country.

Following the panel discussion, Mr Gopinath Pillai, ISAS’ Chairman, and Mr Sunil Mittal, CII’s President, signed a memorandum of understanding aimed at promoting exchange of information, joint research and development activities between their two organisations.

Book Launch and Panel Discussion “The Politics of Change – A Ringside View”

More than 300 guests, including Singapore’s Minister for Foreign Affairs, Mr George Yeo, witnessed the launch of the book, “The Politics of Change – A Ringside View”, by Mr N. K. Singh, Former Secretary to the Prime Minister of India, and Deputy Chairman, Bihar Planning Board, on 7 January 2008.



The book sheds light on India’s economic development prospects while exploring the political constraints and challenges the country faces. It also helps to identify and understand the policies that have fuelled India’s rapid economic growth and that have made it a significant force. At the same time, it evaluates the relevance of these policies for sustenance of India’s future growth.

The launch of the book was followed by a panel discussion. The panelists were Professor Tommy Koh, Ambassador-At-Large, Ministry of Foreign Affairs; Professor Kishore Mahbubani, Dean, Lee Kuan Yew School of Public Policy, National University of Singapore; Mr Mukesh Ambani, Chairman and Managing Director, Reliance Industries Ltd; and Mr Jyotiraditya Scindia, Member of Parliament, Congress Party, India. The panelists provided their perspectives on India’s strategic world view and foreign relations, domestic developments, economics and politics.

This was the second book launch by the Institute of South Asian Studies (ISAS), the first being “Growth Opportunities in Indian States” by Dr S. Narayan, Visiting Senior Research Fellow and Head of Research at ISAS.

ISAS Recent Publications

ISAS Briefs

“Musharraf’s Future – Legality versus Legitimacy”, Dr Rajshree Jetly, Research Fellow, ISAS, 4 October 2007.

“General Pervez Musharraf: A Profile”, Professor Ishtiaq Ahmed, Visiting Senior Research Fellow, ISAS, 19 October 2007.

“Climate Change, Conflict over Scarce Resources and the Nobel Peace Prize”, Mr Mohammad Shahidul Islam, Research Associate, ISAS, 23 October 2007.

“Development Blues in Urban India: Failure of Accountability-Responsibility Mechanism”, Ms Indu Rayadurgam, Research Associate, ISAS, 24 October 2007.

“Cold Feet in Autumn – Climb Down from Elections in India”, Mr Dhiraj Nayyar, Research Scholar in Political Economy of India, Trinity College, Cambridge, and Research Fellow-designate, ISAS, 24 October 2007.

“Pakistan’s Struggle for Democracy – How Should India Respond?”, Dr Rajshree Jetly, Research Fellow, ISAS, 4 November 2007.

“Emergency Rule in Pakistan: Making Sense of the Reasons and Rationale”, Mr Iftikhar A. Lodhi, Research Associate, ISAS, 5 November 2007.

“Political Intrigue in Karnataka: Implications for India”, Mr Dhiraj Nayyar, Research Scholar in Political Economy of India, Trinity College, Cambridge, and Research Fellow-designate, ISAS, 12 November 2007.

“Cyclone Sidr’s Deadly Trail and Bangladesh’s Humanitarian Crisis”, Mr Mohammad Shahidul Islam, Research Associate, ISAS, 21 November 2007.

“The Battle of Nandigram and West Bengal’s Political and Economic Future”, Mr Dhiraj Nayyar, Research Scholar in Economics at Trinity College, Cambridge, and Research Fellow-designate, ISAS, 10 December 2007.

“Forthcoming Pakistan Elections: A Profile on Imran Khan”, Professor Ishtiaq Ahmed, Visiting Senior Research Fellow, ISAS, 12 December 2007.

“Forthcoming Pakistan Elections: A Profile on Benazir Bhutto”, Dr Rajshree Jetly, Research Fellow, ISAS, 13 December 2007.

“Forthcoming Pakistan Elections: A Profile on Nawaz Sharif”, Professor Ishtiaq Ahmed, Visiting Senior Research Fellow, ISAS, 19 December 2007.

“Who Wins in the Gujarat Election?”, Mr Dhiraj Nayyar, Research Scholar in Economics at Trinity College, Cambridge, and Research Fellow-designate, ISAS, 24 December 2007.

“Forthcoming Pakistan Elections: A Profile on the Islamic Parties”, Mr Iftikhar A. Lodhi, Research Associate, ISAS, 26 December 2007.

“Benazir Bhutto (1953-2007) Assassinated – Pakistan in Turmoil”, Professor Ishtiaq Ahmed, Visiting Senior Research Fellow, ISAS, 4 January 2008.

“Ms Benazir Bhutto’s Will”, Professor Ishtiaq Ahmed, Visiting Senior Research Fellow, ISAS, 7 January 2008.

“The Sub-prime Crisis - Likely Consequences for the Indian Economy”, Dr S. Narayan, Head of Research and Visiting Senior Research Fellow, ISAS, 10 January 2008.

“One Year in Office: An Assessment of Bangladesh’s Caretaker Government”, Mr M. Shahidul Islam, Research Associate, ISAS, 15 January 2008.

“The Appreciating Rupee and India’s Exports: Should Policy Makers Worry?”, Dr K. V. Ramaswamy, Visiting Senior Research Fellow, ISAS, 18 January 2008.

“India and China: Towards Slow and Steady Cooperation”, Professor S. D. Muni, Visiting Senior Research Fellow, ISAS, 18 January 2008.

ISAS Recent Publications

“Sino-Indian Trade Relations: Understanding the Bilateral and Regional Implications”, Mr Deep K Datta-Ray, D. Phil Candidate, University of Sussex, (currently on attachment to the Ministry of External Affairs, New Delhi, India), 22 January 2008.

“The 21st Century – Will it Belong to Asia?”, Professor Ishtiaq Ahmed, Visiting Senior Research Fellow, ISAS, 25 January 2008.

ISAS Insights

“The Legacy of Gandhi: A 21st Century Perspective”, Professor Ishtiaq Ahmed, Visiting Senior Research Fellow, ISAS, Mr Rajiv Sikri, Consultant, ISAS, and Former Secretary (East), Ministry of External Affairs, India, Dr D. M Nachane, Senior Professor, Indira Gandhi Institute of Development Research, Mumbai, India, and Professor Partha Nath Mukherji, S. K. Dey Chair (Instituted by the Ford Foundation), Institute of Social Sciences, India, 3 January 2008.

ISAS Working Papers

“Political Economy of Iran-Pakistan-India Gas Pipeline”, Dr Marie Lall, Honorary Visiting Fellow, ISAS, and Mr Iftikhar A. Lodhi, Research Associate, ISAS, 23 October 2007.

“Dynamics of Integration in India’s Policy Making: An Analysis of the Urban and Energy Sectors”, Ms Indu Rayadurgam, Research Associate, ISAS, 20 November 2007.

“Nepal’s Shaky Peace Process: One Year On”, Mr Nishchal N. Pandey, Honorary Fellow and Consultant, ISAS, 18 December 2007.

“India-Myanmar Relations – Geopolitics and Energy in Light of the New Balance of Power in Asia”, Dr Marie Lall, Honorary Fellow, ISAS, 2 January 2008.

“Special Economic Zones in India: Recent Developments and Future Prospects”, Associate Professor Rahul Mukherji, Centre for Political Studies, Jawaharlal Nehru University, India, 8 January 2008.

“The Political Economy of Military Rule in Pakistan: The Musharraf Regime”, Professor Akbar Zaidi, Independent Social Scientist, Pakistan, 9 January 2008.

“India in the Global Labour Market: International Economic Relations, Mobility of the Highly Skilled and Human Capital Formation”, Professor Binod Khadria, Zakir Husain Centre for Educational Studies, School of Social Sciences, Jawaharlal Nehru University, New Delhi, India, 14 January 2008.

“Flight to Freedom: Third Country Re-settlement Option for Bhutanese Refugees in Nepal”, Mr Nishchal N. Pandey, Honorary Fellow and Consultant, ISAS, 16 January 2008.

“The Skilled South Asian Diaspora and its Role in Source Economies”, Professor Rupa Chanda, Indian Institute of Management Bangalore, 22 January 2008.

“India’s Rise in the New Economy: Implications for Labour”, Dr Jayan Jose Thomas, Research Fellow, ISAS, 25 January 2008.

“South Asia – Social Development: Country Perspectives and Regional Concerns”, Dr Shobha Raghuram, Director, Hivos, India Regional Office, 30 January 2008.

ISAS State Studies

The Institute of South Asian Studies will be publishing a series of papers on the states in India in the next few months.

Focusing on the political economies of these states, the papers will examine political and economic developments, key political personalities and election prospects, and economic liberalisation efforts. The studies will also explore trade and investment potentials in these states.

ISAS Recent Events

Seminar by Professor D. M. Nachane, Visiting Senior Research Fellow, ISAS, “Monetary Policy Challenges in a Financially Liberalised Environment: The Indian Experience”, 10 October 2007.

3rd International Conference on South Asia, “Socio-Political and Economic Challenges for South Asia”, 25 October 2007. Keynote speaker: Mr Lim Hng Kiang, Minister for Trade and Industry, Singapore.

ISAS-South Asian Studies Programme, NUS, Seminar by Professor Bharat Ramaswami, Planning Unit, Indian Statistical Institute, India, “How Does Poverty Decline? Suggestive Evidence from India, 1983-99”, 29 October 2007.

ISAS-Lee Kuan Yew School of Public Policy, NUS, Panel Discussion on “Bangladesh and Singapore: Developing A Development Mindset”, 2 November 2007. Keynote speaker: Professor Muhammad Yunus, Nobel Laureate.

Conference on “Early India and Southeast Asia: Reflections on Cross-Cultural Movements”, 21-23 November 2007. Jointly organised by ISAS, Institute of Southeast Asian Studies, Asia Research Institute and National Library Board.

ISAS-Confederation of Indian Industry Panel Discussion on “Why and How Does India Matter”, 7 December 2007.

Seminar by Dr Ram Manikkalingam, Senior Advisor, Centre for Humanitarian Dialogue, Geneva, and Visiting Professor, Department of Political Science, University of Amsterdam, “Sri Lanka’s Three Conflicts”, 11 December 2007.

Closed-Door Session by Dr Sanjaya Baru, Media Adviser to the Indian Prime Minister, “Regional Aspect of India’s Globalisation”, 13 December 2007.

Book Launch-cum-Panel Discussion, “The Politics of Change – A Ringside View”, by Mr N. K. Singh, Former Secretary to the Prime Minister of India, and Deputy Chairman of Bihar Planning Board, India, 7 January 2008.

Seminar by Dr Moazzem Hossain, Senior Lecturer in Economics, Department of International Business & Asian Studies, Griffith Business School, Griffith University, Brisbane, Australia, Proposed Three-Tier Local Institutions In Bangladesh: Some Contentious Issues”, 8 January 2008.

Seminar by Dr Sony Pellissery, Associate Professor, Institute of Rural Management Anand, Gujarat, India, “Social Networks and Public Policy: Uncomfortable Bed-Fellows?”, 21 January 2008.

Seminar by Brigadier Yasub Ali Dogar, Freelance Consultant and Former Director, Inter Services Intelligence, Pakistan, “The Future Role of the Army on the Pakistani Political Scene”, 24 January 2008.