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Sixth President of the Republic of Singapore, Mr S R Nathan, was honoured with the 'Outstanding Member of the South Asian Diaspora 2016' Award at the gala dinner of the ISAS-organised South Asian Diaspora Convention in Singapore on 18 July 2016. Singapore's Prime Minister, Mr Lee Hsien Loong (second from right), presented the award to Mr Nathan's grandson (second from left). Others on stage are ISAS Chairman and Singapore's Ambassador-at-Large, Ambassador Gopinath Pillai (left), and Mr Nathan's granddaughter (right). *Photo: By special arrangement.*

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Top: Singapore's Prime Minister, Mr Lee Hsien Loong, in conversation with India's former Foreign Secretary, Mr Shyam Saran, during a dialogue session with the delegates at the ISAS-organised South Asian Diaspora Convention in Singapore on 18 July 2016.

Bottom: Singapore's Foreign Minister, Mr Vivian Balakrishnan addressing the 11th ISAS International Conference in Singapore on 3 March 2017.

Photos: By special arrangement

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From the DIRECTOR'S DESK



I am delighted to welcome you to this edition of our newsletter. Set up in 2004, ISAS has steadily established itself as a hub for research and policy analysis with a South Asian focus. We seek to keep pace with developments in South Asia, and global issues connected to it in our analysis of politics, economy and governance of South Asian states. However, the areas of interest for ISAS comprise not only the states of South Asia – Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka – but also the Indian Ocean and countries outside the region that are closely connected to South Asia, and the South Asian Diaspora, spread all over the world.

The publications of ISAS – policy Briefs on current events of importance, more elaborate Insights on the significance of major developments in the region, and detailed, scholarly analyses of developments in South Asia in the form of Working Papers, as well as Special Reports on major events that we undertake – are disseminated to key stakeholders in business, industry, government and civil society in

Singapore, South Asia and the wider world. The writing is done mostly by our in-house researchers in trade and industry, foreign affairs, governance and civil society and the large pool of external experts with whom we collaborate on a regular basis.

Public events organised by ISAS are free, and open to the public by registration. These include:

- The annual international conference, attended by prominent leaders of government and public life in South Asia and distinguished global specialists, to showcase research and policy analyses relevant to South Asia;
- The biennial South Asian Diaspora Convention, which draws an enormous body of participants from members of the global South Asian Diaspora, as well as policy makers and leaders of government from Singapore and South Asian states;
- Regular seminars that act as a hub for exchange and dissemination of expertise on the region;

- Facilitation of strategic dialogues between Singapore and India;
- International workshops, based on policy-relevant issues, held in collaboration with partner institutions in South Asia as well as in other parts of the world; and
- Organisation of Singapore Symposiums in major cities of South Asia.

We have planned an exciting series of workshops and events in the current financial year on a broad range of themes. These include skills training in South Asia; foreign policy and security in South Asia; infrastructure; the South Asian state, society and the economy in the age of globalisation; India-China and, India-Africa relations; and trade and linkage of South and Southeast Asia. It is a great privilege for us at ISAS to serve our audience in Singapore and beyond in the areas of our expertise. I look forward to welcoming you to our events and offer you the opportunity to join our distribution list for ISAS publications that are disseminated on the worldwide net.

PROFESSOR SUBRATA KUMAR MITRA

Bucking a GLOBAL TREND

IFTEKHAR AHMED CHOWDHURY

The world is in the cusp of great changes, with new groups of people in charge of global governance. China is rising, eager to fill any void created by a possible withdrawal of the United States (US) from its earlier global commitments and engagement. One time critics of free-trade and globalisation are transforming into champions of these ideas, and the erstwhile votaries appear to be changing their hearts and minds. One region that appears to remain static in this evolving situation is South Asia. It remains mired in its intra-mural conflicts that are beginning to significantly erode the region's potentials.

With the announcement by US President Donald Trump to withdraw from the Trans-Pacific Partnership and renegotiate the North Atlantic Free

Trade Agreement, many regions in the world will seek to buttress their own organisations and deepen their intra-mural cooperation. The South Asian Association for Regional Cooperation seems to be bucking this trend. Mostly for reasons of India-Pakistan rivalry, the body is on the verge of disintegration.

India-Pakistan trade, in the words of the Association of Chambers of Trade and Industry in India, is "abysmally low". Out of India's total goods trade in 2015-16 of US\$641 billion, that with Pakistan was only US\$2.67 billion, a very paltry 0.41 per cent. As an example of a non-Indo-Pakistan South Asian state, Bangladesh's export of US\$37.61 billion (2015-16 figures) is almost entirely bound for the US and Europe, and its import of US\$40 billion is largely from China. Trade

relations in South Asia are at their nadir. Pakistan has not reciprocated India's offer of the Most Favoured Nation status, which now India is said to be reviewing. Both the initial granting and the current review by India are unlikely to have any impact on this paltry bilateral trade.

Knowing that there can be no victors in a total war between India and Pakistan – both sides have around 110 to 120 nuclear warheads apiece, some of which would surely be used to avert an ultimate defeat, resulting in consequences of Armageddon proportions – there is no dearth of jingoistic pronouncements in both countries, only to advance political interests domestically. The danger is that such verbal escalations could unwittingly lead to changes in their current deterrence policies, should the advocacy of 'nuclear war-fighting capability' find greater public resonance.

Domestically, in India, Prime Minister Narendra Modi appeared to suffer no setback even from such initiatives as the 'de-monetisation' of 86 per cent of the currency notes in circulation. Despite the resultant pain, the common man seemed to buy the argument that it was directed against dealers in 'black money'. The main opposition party, the Congress, is in utter disarray, and whatever might be the resistance Modi is facing from the regional parties in various states, his Bharatiya Janata Party seems to be on the roll! His surprising



India's High Commissioner to Singapore, Mr Jawed Ashraf, at the ISAS Ambassadors' Lecture Series in Singapore on 16 February 2017. Dr Iftekhar Ahmed Chowdhury (right), Principal Research Fellow at ISAS, chaired the session.



Pakistan's High Commissioner to Singapore, Mr Nasrullah Khan, at the ISAS Ambassadors' Lecture Series in Singapore on 27 March 2017.

choice of a guest of honour for India's Republic Day in January 2017, the Crown Prince of Abu Dhabi, may have gone down well with the Muslims at home and abroad, already wary of the burgeoning pro-'Hindutva' sentiments across the country.

In Pakistan, Prime Minister Nawaz Sharif has, by and large, remained unfazed by the allegations of corruption against him. He succeeded in presiding over a change of guard among the top brass in the all-important military. The terrorists keep striking intermittently. A silver lining is the massive Chinese investment of more than US\$46 billion in Pakistan, including in the impoverished Balochistan province, which can lift the quality of life in and around that region.

Non-Indo-Pak South Asia has been muddling through. In Bangladesh, Prime Minister Sheikh Hasina Wazed seems firmly entrenched, particularly vis-à-vis her perennial rival, Begum Khaleda Zia of the Bangladesh Nationalist Party. There is a sense of a modicum of progress

economically. Extremist violence, though still sporadic, can be said to be largely under control. Political instability continues to haunt Nepal, with 24 prime ministers in office since it became a republic in 1990. In Sri Lanka, the end of the fierce civil war and the democratic transition from President Mahinda Rajapaksa to President Maithripala Sirisena, bode well for stability, but the intensity and the turmoil of the past conflict continue to pose huge developmental and emotional challenges. The Himalayan Kingdom of Bhutan, a constitutional monarchy since 2008, is happy to project itself as a Shangri-La of peace with the 'happiness index' its main contribution to global governance culture. Tiny Maldives, with a population of about 350,000 (none but a Muslim is allowed citizenship) and its resplendent scenic beauty, has become, sadly, a paradise in peril, given to extremist tendencies and the enthusiasm of many to get involved in foreign 'jihad', which, of course, the government is seeking to counter.

All these countries feel that they are paying a price for India-Pakistan and Sino-Indian rivalries. China seems eager to embrace them as participants in its massive 'Road Belt' scheme, in fulfilment of its 'Chinese Dream'. If South Asia and China cooperate, the resulting huge market and economies of scale could pull them up, one and all.

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Asymmetry in India-China RELATIONS?

SUBRATA KUMAR MITRA



Speakers at an ISAS Seminar on 'Sino-Indian Rivalry in the Age of Globalisation', in Singapore on 23 January 2017: (from left) Professor Subrata Kumar Mitra, Director and Visiting Research Professor at ISAS; Professor T V Paul of McGill University (Canada); and Professor Rajesh Basrur of S Rajaratnam School of International Studies, Singapore.

The volume of trade, high-level visits and tourism between China and India has grown significantly since the border war of 1962 when these indicators of close relations between the two countries had reached their nadir. However, a brief look at the trends that underpin this relationship points towards an asymmetry to the disadvantage of India. China, in occupation of areas claimed by the Indian government as part of

India, directly impacts India's territorial integrity. Chinese support of Pakistan inadvertently exacerbates cross-border terrorism in India. The Chinese export of manufactured goods to India stymies the latter's efforts to develop its manufacturing sector. The task faced by the Indian government under Prime Minister Narendra Modi is to persuade China not to tolerate terrorism through Pakistan, secure Chinese support for

India's entry into the Nuclear Suppliers Group (NSG) and devise means to redress the imbalance in China-India trade. However, India's efforts on all these fronts do not appear to have been as successful as it had hoped.

India protested in vain against China's plans to construct the China-Pakistan Economic Corridor (CPEC). It also informed the United Nations

(UN) General Assembly that "India's reservations about the proposed CPEC stem from the fact that it passes through Indian territory illegally occupied by Pakistan for many years" but there seems to be little impact.

While India received a waiver to engage in global nuclear commerce in 2008, joining the NSG as a member state would be a significant step as India will then be a part of the NSG decision-making process. However, India's efforts to join the NSG are primarily blocked by China. It claimed that India is not a signatory of the Nuclear Non-Proliferation Treaty (NPT), and if it is given membership, then the other non-NPT-signatory countries like Pakistan will clamour for the same. Such Chinese support for Pakistan is not new. In 2009, China blocked Indian efforts to designate Masood Azhar as a global terrorist and, in June 2015, China also blocked India's demand for taking action against Pakistan under the UN Security Council's anti-terrorism resolutions, for releasing Lashkar-e-Taiba commander Zaki-ur-Lakhvi, the mastermind of 26/11 Mumbai attack, from custody.

China's share in total Indian imports rose from 11.34 per cent in 2013 to 16.20 per cent in 2015. The Indian trade deficit with China increased from US\$36 billion in 2013 to more than US\$52 billion in 2015. A breakdown of the contents of India-China trade shows India exporting

primarily low-end basic raw materials and importing finished Chinese products. The various high-profiled visits by Indian leaders to China since Prime Minister Modi took office – many of which focused on finding a balanced economic relationship between India and China – have yet to really bear fruits.

Referring to ties with China, Prime Minister Modi said, in the Raisina Dialogue held in New Delhi in January 2017, that, "it was not unnatural for two large neighbouring powers to have some differences but both sides should show sensitivity and respect for each other's core concerns and interests. In the management of our relationship, and for the peace and progress in the region, both our countries need to show sensitivity and respect for each other's core concerns and interests." A Chinese Foreign Ministry spokesperson said that the CPEC, which passes through Pakistan-occupied Kashmir, will not affect China's policy on the Kashmir issue. She hinted that Beijing will continue to regard it as a disputed area instead of assuming that it belongs to Pakistan.

For India, a strategic move to increase the country's room to manoeuvre against China would entail decreasing its trade deficit with China and strengthening its economic relations with countries with whom India shares mutual interests. The crucial challenge

is to make India more attractive as a destination for investment. Global investments follow long-term and short-term profitability, and are contingent on political and institutional stability.

India should continue to explore a peaceful resolution to the India-China border issue through talks, but, at the same time, enhance credible military deployments in the border areas. In global forums, India should continue to actively campaign against Pakistan-based terrorist networks. Strategically, India can also adopt a policy of selective and calibrated engagement with China, combined with concentrated focus on its key partners around the world.

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A Stable ENVIRONMENT

S NARAYAN

There appear to be several uncertainties in attempting to forecast the global environment for growth in 2017. The new United States (US) administration is attempting to revise its approach to international trade agreements. Having announced that it would not pursue the Trans-Pacific Partnership, it is also looking at other existing agreements, including the North Atlantic Free Trade Agreement, in an attempt to secure greater advantages for the US. Tariffs on several goods imported from China have been increased.

China is looking at an inward-looking US as an opportunity to expand influence globally, even while focusing on strengthening internal consumption. Britain's exit from the European Union (EU) is likely to give rise to new trade architecture. The recent elections in France indicate support for the EU and the trade architecture therein. Finally, the future of oil prices is uncertain, as even a recent cut of 13 million barrels a day of production by the Organization of Petroleum Exporting Countries (OPEC) has not raised oil prices significantly.

Overshadowing all this is the threat of new technology, as robotics, three dimensional manufacturing, virtual

reality and the extension of the digital world attempt to disrupt existing paradigms of manufacture and services.

Against this backdrop, Asia, and especially South Asia, appears to have a stable, robust growth environment. The expectations of gross domestic product (GDP) growth, as per the Asian Development Outlook 2016, are in Table 1.

Table 1
(Figures show percentages of GDP growth)

Country	2016	2017
Afghanistan	2.0	3.0
Bangladesh	7.1	6.9
Bhutan	6.4	6.1
India	7.4	7.8
Maldives	3.5	3.9
Nepal	0.8	4.8
Pakistan	4.7	5.2
Sri Lanka	5.0	5.5
Average	6.9	7.3

(Source: Asian Development Outlook 2016)

The figures for India may go down a bit consequent on the demonetisation exercise. Overall, the region is expected to grow steadily in 2017.

Inflation remains relatively stable (See Table 2).

Table 2
(Figures show percentages of inflation)

Country	2016	2017
Afghanistan	4.5	6.0
Bangladesh	5.9	6.1
Bhutan	3.3	4.6
India	5.4	5.8
Maldives	1.2	1.4
Nepal	9.9	8.5
Pakistan	2.9	4.7
Sri Lanka	4.5	5.0
Average	5.2	5.7

(Source: Asian Development Outlook 2016)

In India, growth forecasts for the 2017-2018 fiscal year will probably have to be trimmed by 0.4 percentage points (as at the time of writing), primarily due to the negative consumption shock induced by cash shortages and payment disruptions associated with the recent demonetisation initiative. Private sector investment growth remains poor. With concerns over fiscal deficit and low revenue growth, unless there is improvement in private sector investments, growth in India would be range-bound at current levels.

Bangladesh appears to be a stable, low-inflation performer. Political uncertainties have not had an impact



Professor Tommy Koh (at the podium), Singapore's Ambassador-at-Large, chairing a discussion on the Indian economy at a public forum, jointly organised by ISAS, Ananta Aspen Centre and the Confederation of Indian Industry, in Singapore on 30 August 2016. Photo: By special arrangement.

on economic growth. The exports are vibrant, and the garment industry is internationally competitive. Inward remittances remain buoyant. The currency is stable. Social indicators are better than in India, and the economy is poised for a steady and stable growth. Bangladesh is also emerging as an investment opportunity for Singapore, with companies investing in the infrastructure and the energy sectors.

Pakistan is also recovering from the downturn of a couple of years ago. The expectations are for a growth of GDP of around four per cent in 2017. Sri Lanka is showing signs of resurgence

and a number of foreign companies, including several from Singapore, are investing in infrastructure and in urban development.

Uncertainties in energy, especially oil prices, continue. It was anticipated that the voluntary cut in production agreed upon by OPEC countries would arrest the fall of crude prices. This happened, for a short while, and prices climbed close to US\$60 a barrel. They have softened again. The shale gas producers in the US have improved productivity and efficiency of operation, cutting costs as they have done so, and are ready to compete at these levels. Therefore, the

chances of oil prices rising significantly in short term appear to be ruled out. This would be a relief for South Asia, especially India, which imports over 80 per cent of its requirements.

The year 2017 is, therefore, likely to be a stable, steady environment for the South Asian region, an area of relative calm amidst global uncertainties.

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Ushering A NEW TAX ERA

AMITENDU PALIT

The introduction of the Goods and Services Tax (GST) in India on 1 July 2017 will fundamentally change the management of public finance and the character of the Indian economy.

The GST has been discussed in India for a very long time. It entered the discourse on public finance soon after the majority of Indian states implemented the Value Added Tax (VAT) in 2005. The GST was first proposed as a concept in the Union Budget for 2006-2007. Since then, it has been taken up by Indian finance ministers in almost every annual budget. However, it has taken long to work out the modalities of the GST as this required coordination between the Centre and all states and union territories. There were major political hurdles, too, that had to be overcome. Apart from convincing several states

that were reluctant to come on board, fearing a loss of revenue post-GST, mustering support in both houses of the Parliament for amending the Constitution proved a huge challenge.

Amending the Constitution was necessary to give concurrent powers to the Centre and the states to levy and collect the GST. The incumbent National Democratic Alliance (NDA) government, headed by Prime Minister Narendra Modi, did not have enough political support in the Upper House of the Parliament (Rajya Sabha) for the adoption of the amendment. It required extensive political management by the NDA government to forge a broad consensus among various opposition parties to take the GST forward. The Constitution Amendment Bill, which was introduced in Parliament in December

2014, was finally approved by the Upper House in August 2016, and the amendment became effective in September 2016.

The GST will subsume almost all the indirect taxes that are now imposed by the Centre and states in India. These include the central excise tax the Centre imposes on the manufacture of goods, the service tax on the sale of services, the central sales tax on the inter-state sale of goods and services, state VATs, purchase- luxury- and entry-taxes imposed by the states, state taxes on advertisement, lottery, betting, gambling and entertainment taxes. The existing taxes that will not be subsumed by the GST include customs duties (including additional duties) imposed by the Centre on imports and entertainment taxes levied by local



An ISAS-Confederation of Indian Industry interactive session on 'India-Singapore Relations in the Changing Global Scenario', in Singapore on 20 February 2017. Issues of economic and political importance were discussed at the event.

bodies like municipalities and *panchayats*. The impact of the GST in this respect will be sweeping, with the plethora of taxes that currently require to be paid by consumers of goods and services being replaced by a single consolidated tax. Moreover, the GST would also include, within itself, the different cesses levied by the Centre and states to raise revenues for specific purposes.

Many are under the impression that the introduction of the GST will reduce the overall indirect tax burden and bring down prices in the economy. Conceptually, if all existing taxes are replaced by a single tax, then it should not have any impact on the effective tax rate and retail prices, leaving these unchanged. However, consumers are likely to benefit at least marginally from lower prices following the GST. Four rates have been fixed for the GST: 5, 12, 18 and 28 percentages respectively. The GST Council, headed by the finance minister and comprising representatives of states, is engaged in fixing the rates

for individual items, as at this writing. An important objective guiding the exercise is to ensure that the effective tax rates do not increase post-GST. Given that the idea is to tax items at a GST rate that is either equal or lower than the current effective tax rate, many items might attract lower taxes. For example, if an item currently attracts an effective tax of 21 per cent, it is expected to be available at a GST rate of 18 per cent, which is the closest to its current rate. Furthermore, it has been decided to leave untaxed several items that are part of the common man's consumption basket.

While ensuring minimum pain and maximum gain for consumers, the GST implementation will encounter formidable administrative challenges. It will be administered and managed digitally by a common 'pass-through' portal known as the GST Network. The most basic challenge facing all those involved with the GST would be to migrate to digital functions. This can be particularly challenging for state

governments, many of whom are not only technologically under-equipped, but also inexperienced in handling as much responsibilities as the GST would require them to bear. The GST will entail much bigger roles for the Indian states in administering and collecting taxes than ever before. The efficiency with which the GST rolls out in India would depend largely on how the states can adapt to its digital and administrative challenges.



Panellists, including Dr Amitendu Palit (centre), Senior Research Fellow at ISAS, at an ISAS Symposium on 'India Budget 2017: Analysing the Impact', in Singapore on 7 February 2017.

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Modi and HIS MESSAGE

RONOJOY SEN

The major political event in India during the first half of 2017 was the Bharatiya Janata Party's (BJP) spectacular victory in India's largest and most populous state of Uttar Pradesh (UP). The election result in UP confirmed that Narendra Modi's star shines as brightly as it did in 2014 when he was elected the country's Prime Minister. The BJP victory virtually decimated UP's regional parties, the Samajwadi Party (SP), which had ruled the state from 2012 to 2017, and the Bahujan Samaj Party (BSP). The Congress, which fought the election in alliance with the SP, won a mere seven of the 403 seats in the UP Assembly. In the four other states that had gone to polls along with UP – Punjab, Uttarakhand, Manipur and Goa – the results were not so one-sided.

While the BJP won by a huge margin in Uttarakhand, the Congress won a convincing victory in Punjab under the leadership of Amarinder Singh. The two smaller states of Goa and Manipur saw hung verdicts but the BJP, despite not having a majority, outmanoeuvred the Congress to form governments with the help of smaller political outfits and independent candidates.

The BJP's performance in UP, which sends 80 members to India's Lower House of Parliament (Lok Sabha), sent a signal that the BJP and Prime Minister Modi are undisputed frontrunners for the 2019 national general election. The win also gave Modi enough political capital to initiate economic reforms in the remaining two years of the BJP's current tenure at the Centre. Finally, the

UP result boosted the party's ambition of ensuring the victory of a person of its choice as the country's President when the term of the current Head of State, Pranab Mukherjee, ends on 25 July 2017.

In UP, the BJP virtually replicated its performance in the 2014 national elections, when it won 42 per cent of the vote share and 71 Lok Sabha seats from the state, and forged a broad coalition of voters. In contrast, none of the other parties managed to significantly increase its vote share from 2014. The ruling SP won 22 per cent of the vote share, the same as what it had won in 2014; the BSP received 22 per cent, marginally higher than what it had won in 2014; and the Congress, at six per cent, fell a little below the mark it achieved in 2014.



ISAS Chairman and Singapore's Ambassador-at-Large, Ambassador Gopinath Pillai, presiding over a session on 'Looking Ahead to 2019: The Impact of State Polls on National Elections' (in India) during the ISAS Workshop on 'The State of Uttar Pradesh: Indian State Elections and Its Implications', in Singapore on 12 April 2017. Dr Seshadri Chari (second from right) is National Executive Member of India's ruling Bharatiya Janata Party.



An ISAS panel discussion on 'Three Years of Modi's Government: An Assessment' in Singapore on 1 June 2017. Dr Vijay Chauthaiwale (second from left), In-Charge, Foreign Affairs Department in India's ruling Bharatiya Janata Party, setting the tone. All the other panellists are from ISAS.

The BJP's victory in the 2014 national election was based on Modi's charisma as well as the stitching together of a broad social constituency. In 2017, the BJP banked on the same strategy. The party did not name a chief ministerial candidate in UP, which was seen by many as a weakness. That, however, turned out to be its biggest asset, with the BJP making the prime minister the face of its campaign. As in 2014, Modi was the party's biggest vote getter. Addressing 23 election rallies across UP, Modi drove home the message that he was the only leader who could make economic development a reality in the state. Despite a mixed feedback on demonetisation, which withdrew 86 per cent of India's currency notes from circulation, Modi was also able to convince UP's voters that he stood against corruption and black money.

A carefully-crafted electoral strategy helped Modi. BJP president, Amit Shah, who oversaw the elections in UP in both 2014 and 2017, selected candidates in such a manner so as to tap into the widest social base. It was also meant to neutralise the SP, whose

base is the Muslim-Yadav combination, and the BSP, which relies on the Dalits (former untouchables), particularly the Jatavs. Alongside the successful social engineering, there was an attempt to consolidate the vote along religious lines, both at the ground level and in the campaign rhetoric of the BJP leaders, including Modi himself. The fact that the BJP did not field a single Muslim candidate in a state where one out of every five persons is a Muslim would have also sent out the message that the party is capable of winning elections without Muslim support.

The appointment of a Hindu nationalist hardliner, Yogi Adityanath, as UP's Chief Minister could be seen as an outcome of the BJP's strategy to consolidate the Hindu vote before the 2019 election. Adityanath, a head priest of a well-known temple in UP and a five-time member of parliament, is not only known for making incendiary statements against minorities, but also has several charges against his name. While Adityanath, after taking over as Chief Minister, has been restrained in his words and actions, his appointment has

emboldened the Hindu hardliners across India.

Following the UP elections, the BJP's dominance was further illustrated in a set of by-elections and the Delhi municipal elections in April 2017. With the opposition in disarray and no credible challenger to Modi in sight, the BJP will look to capture states that go to polls over the next two years in the run-up to the 2019 general elections.

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In 'Tune' with GLOBALISATION

VINOD RAI



Singapore's Deputy Prime Minister and Coordinating Minister for Economic and Social Policies, Mr Tharman Shanmugaratnam (left, on the dais), in conversation with the delegates to the Ninth India-Singapore Strategic Dialogue, in Singapore on 29 August 2016. The discussion centred on governance issues in India, among other subjects. Photo: By special arrangement.

Global history is replete with examples of national economic development efforts becoming unsustainable due to the lack of a good governance platform which could have incubated and nurtured those efforts. India's vibrant parliamentary democracy is targeted at ensuring an inclusive development agenda for empowering the people and promoting transparency in administration. Governance has been strengthened by democratic decentralisation and the active participation of people in the process of administration. The introduction of local self-government at the grassroots level has empowered people to ensure transparency and accountability at

all levels of administration. It has introduced the element of vigil over the devolution of public funds and the implementation of projects, thereby ensuring minimum leakage.

India has initiated a series of measures to improve the ease of doing business. The emphasis is on the simplification and rationalisation of rules, and the introduction of information technology to make governance more efficient and effective. In recent months the Indian economy has been provided with a qualitative upgrade. The demonetisation of select denominations of currency notes may, on the surface, appear to have not fulfilled the objectives.

However, it has hugely improved India's attempts to induce transparency in its governance processes. It certainly has dented terror financing. Counterfeiting centres have been rendered defunct, and to revive them, the counterfeiters will have to re-boot their entire apparatus which is going to take time and expense. On the other hand, with more transactions taking place digitally (it was reported that Paytm alone was adding 14,000 clients per day in metros), the scope for corruption and leakage in government's transfers of money to people will see a downslide.

New Delhi's foreign economic policy has also borne fruit, establishing Asia

as India's most important trading platform: 28.3 per cent of India's exports are to Asia and 21.1 per cent of India's imports come from Asia. Foreign direct investments in India from Singapore and Hong Kong have been on the rise. These trends are clear indicators that India has integrated itself with the global economy and benefited from globalisation.

The Indian government has managed to garner domestic political consensus for strengthening ties with Bangladesh. This has been reciprocated by the Bangladesh government, resulting in the landmark Land Boundary Agreement. In early 2016, Bangladesh signed an agreement with the Exim Bank of India for US\$2 billion in low-cost loans for a number of social and development projects. This is the largest credit line extended by India to any country. Other examples of sub-regional cooperation are the bus services between the two countries, and India being permitted to use the ports of Chittagong and Mongla. In fact Bhutan, Nepal, Bangladesh and India have signed a motor vehicular agreement to regulate passenger transportation and cargo and traffic among the four countries. India and Sri Lanka, recognising the benefits of bilateral cooperation beyond the existing free trade agreement, have desired to enhance economic ties to allow a free flow of services, investments and technology. Sri Lanka is seeking to make the whole area around the Bay of Bengal a zone of vibrant

economic cooperation. These are signs of governments recognising that globalisation is no longer an option but a necessity.

The Indian government recognises that knowledge is power and that access to information will empower the common man. The Right to Information Act, introduced in the country in 2006, has proved to be an effective instrument contributing towards accountable administration. India's emphasis on digitisation and e-governance has ensured that common service-delivery outlets become efficient, transparent and reliable. By using broadband and information technology, the Unique Identification Authority of India has issued more than 500 million *Aadhaar* cards across the country, enabling people to receive 'direct benefit transfers' of money from the government. Illiteracy has been a major hurdle in the way of good governance in India. The Right to Education Act, 2009, is hailed as a landmark legislation to make free and compulsory education a fundamental right for all children in the age group of six to fourteen years.

The National Rural Employment Guarantee Act has been a step towards implementing the provision of right to work. It is the largest social welfare scheme of its kind in the world, guaranteeing 100 days of work to every rural household whose adult members volunteer to provide their unskilled labour towards the building of rural

infrastructure. The National Rural Health Mission is another initiative for ensuring good governance, with special focus on the Indian states that have been performing poorly on different health indicators. The National Urban Health Mission was launched in 2013 as a sub-mission under the overarching National Health Mission. It is being implemented in 779 cities and towns with more than 50,000 residents.

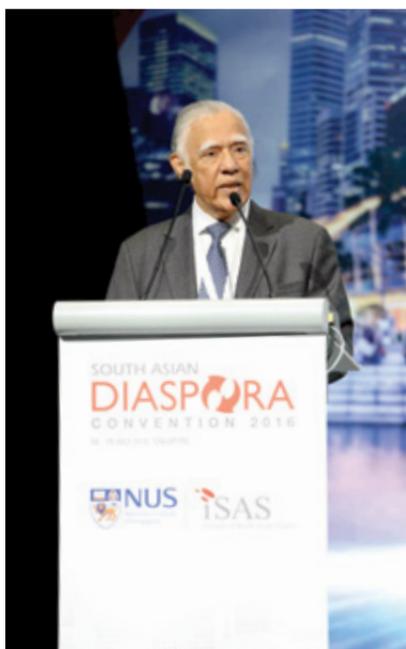
India has to contend with the challenges of a burgeoning population and huge inequalities in the development of vast tracts of rural and inaccessible areas. Its initiatives to increase manufacturing, not only to increase domestic production but also to generate employment opportunities, have yet to bear results of a substantial magnitude. However, India's attempts to improve its governance structure to ensure the sustainability of economic development efforts, have helped it to get a better foothold in the global economy.

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A Sense of 'SOUTH ASIAN' SPIRIT

Globalisation, as the trend of the times, was a key issue when the Institute of South Asian Studies, Singapore, organised the South Asian Diaspora Convention 2016 (SADC 2016) on 18 and 19 July 2016. Expatriates from the countries of South Asia were, at the time, focused on the global implications of the British vote to leave the European Union. Significantly in that evolving context, Singapore's Prime Minister Lee Hsien Loong, who addressed the delegates to the SADC 2016 in a dialogue session on 18 July 2016, said: "The way forward is more globalisation and more distribution of the benefits of the globalisation to those who have not enjoyed it... The story of India, the Indian subcontinent as well as the Indian Diaspora is part of this."

The inaugural SADC, held in 2011, was aimed at fostering the identity of South Asian Diaspora at a politically neutral venue like Singapore. This endeavour continued at the SADC 2013. Also evident at the SADC 2016 was this sense of South Asian spirit. Within this framework, a wide variety of subjects – geopolitics, investment opportunities, scope for partnerships in education, India-China business linkages etc., all of direct relevance to South Asia – were discussed at the plenaries and other sessions at the SADC 2016, opening up possibilities for specific outcomes in the future.



▲ ISAS Chairman and Singapore's Ambassador-at-Large, Ambassador Gopinath Pillai, delivering the opening remarks at the SADC on 18 July 2016.



▲ NUS President, Professor Tan Chorh Chuan, at the SADC plenary on partnership in education on 19 July 2016.



▲ Sri Lanka's Prime Minister, Mr Ranil Wickremesinghe, delivering the keynote address at the ISAS-organised SADC in Singapore on 18 July 2016. All photos on Pages 16 and 17: By special arrangement.



▲ Singapore's Minister for Trade and Industry (Industry), Mr S Iswaran, at the SADC plenary on investment on 18 July 2016.



▲ Singapore's Minister for Foreign Affairs, Dr Vivian Balakrishnan, at the SADC plenary on geopolitics on 18 July 2016.



▲ Panellists at the SADC plenary on diaspora and citizenship on 19 July 2016. ISAS Director and Visiting Research Professor, Professor Subrata Kumar Mitra (second from right) chaired the session.



▲ Singapore's Deputy Prime Minister and Coordinating Minister for Economic and Social Policies, Mr Tharman Shanmugaratnam (second from right), unveiling a book, *A Vijjaratnam: Engineered for Success* (biography of Singapore's first Asian engineer) at the SADC on 18 July 2016. Others on stage include Sri Lanka's Prime Minister, Mr Ranil Wickremesinghe (third from right), and ISAS Chairman and Singapore's Ambassador-at-Large, Ambassador Gopinath Pillai (left).



▲ Indian-vintage Kerala-style drummers performing at the SADC gala dinner on 18 July 2016.



▲ A section of the audience at the SADC gala dinner on 18 July 2016.



▲ Enjoying a lighter moment during the SADC plenary on geopolitics on 18 July 2016. From left in the foreground: Singapore's Minister for Foreign Affairs, Dr Vivian Balakrishnan; Sri Lanka's Foreign Minister, Mr Mangala Samaraweera; ISAS Chairman and Singapore's Ambassador-at-Large, Ambassador Gopinath Pillai.

Regional DYNAMICS

JIVANTA SCHOETTLI



A session on 'South Asia to the East' in progress during the 11th ISAS International Conference on South Asia, under the overarching theme of 'Contemporary South Asia: Regional Dynamics and Changing Global Politics', in Singapore on 3 March 2017. Photo: By special arrangement.

On 3 March 2017, the Institute of South Asian Studies, Singapore, held its 11th International Conference on South Asia, bringing together 21 speakers from 11 countries. Organised into four main panels, the participants deliberated on a number of themes related to the overarching topic, *Contemporary South Asia: Regional Dynamics and Changing Global Politics*.

The conference aimed to examine South Asia in the light of

developments within the broader region and to explore the impact of global economic and political currents. These include globalisation and anti-globalisation sentiments, the upsurge in protectionism as rhetoric and policy, the move towards greater regionalism and, concurrently, the forces of localism and nationalism. Focusing on South Asia (comprising Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka) the

deliberations considered the role of history, culture and memory, the constraints of geography and politics, and the promise of infrastructure in the making and re-making of the region's identity and importance.

To the west, Afghanistan promises valuable, yet risky, opportunities to link South Asia to markets and resources in Central Asia and beyond. To the east, a number of bilateral and multilateral initiatives are underway to create sector-specific linkages that

can stimulate South Asia's economic cooperation with the Association of Southeast Asian Nations and beyond. The momentum currently is, to a large extent, infrastructure-driven, particularly in Pakistan and Nepal where Chinese investments have been substantial, aimed at overcoming the obstacle of difficult terrain. However, political initiative and commitment are essential, as demonstrated by the recent breakthrough agreements over maritime issues between India and Bangladesh. Furthermore, security concerns remain a serious roadblock to greater trans-regional connectivity and inter-regional cooperation.

In terms of global dynamics, a number of key themes stand out, including internationally-funded terrorist groups and the challenge of stemming radicalisation. Economic globalisation has brought, in its wake, a backlash, founded upon fears of competition, the perceived erosion of national autonomy, the loss of jobs and the sense of vulnerability that comes with global financial markets. Hence the reverberations of Britain's exit from the European Union and the election of Donald Trump as the United States (US) President are felt across the world, particularly in South Asia where concerns are high about the implications for visa policies

and immigration laws in the United Kingdom and the US.

The relationship between the US and China retains primacy, also for South Asia, especially at a time where there is uncertainty about America's role in Asia and in the wake of China's much-talked-about Belt and Road Initiative, particularly in Pakistan and Bangladesh. Russia's aspirations as a Eurasian power and India's ambitions for great power status are key elements in the evolving balance of power.

Two other aspects of global connectivity stand out in the context of South Asia's international politics – its diaspora and the Indian Ocean. South Asian diaspora is spread across the world for a number of reasons, including the legacy of historical processes, the acumen of trading communities and the upheavals and civil wars which have prompted many to leave their homelands, besides the more-contemporary phenomenon of remittance-driven migration.

The maritime world of South Asia is set for revitalisation, with Sri Lanka laying claim to a position as the heart of the Indian Ocean, at the cross-roads of oceanic trade and transport. India has invested heavily

in developing its coastline, through port development projects, and river- and railway-transport, with the hope of enabling a greater export of Indian manufactured products. At the same time, traditional security interests and naval rivalries are set to increase in the near future, especially between India, the dominant naval power, and China, which looks to extend its naval capabilities and outreach.

Integrated into the global economy, yet not so integrated as a region, the states of South Asia face particular challenges and opportunities in their use of diplomacy and development for growth, security and stability. Obstacles include limited state-capacity to pursue a cross-regional development agenda, the persistence of bilateral conflicts, and the preponderant importance of domestic politics over foreign policy. Yet, the eight countries of South Asia have the potential to utilise unique historical, cultural and geographical linkages to stimulate trade and business networks, and reap essential foreign policy dividends.

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A Trilateral CALCULUS

P S SURYANARAYANA

Poised to turn 70 as an independent state, India faces formidable challenges in its foreign policy pursuits in mid-2017. The unknowns of an emerging world-view of the 'unpredictable' new President of the United States (US), Donald Trump, matter more to India than to many other countries. Also of great consequence to India is the worldwide perception that China is relentlessly rising as a potential global superpower. Chinese President Xi Jinping is finessing an act-global policy of creating all forms of connectivity between Asia and Europe as well as beyond that continent. For this purpose, he has launched the 'Belt and Road Initiative' (BRI) of land-and-sea connectivity. In its web, India, by its own reckoning, is caught in a tricky situation. Cyber space and the outer space are also not out of bounds of the BRI, and this poses another challenge to India.

At stake in this broad context is the potential substance of a slowly-evolving US-India strategic partnership. It is emblematic of the differences between global America's and not-so-global India's foreign policies that any such partnership should indeed take considerable time to mature, if at all. This process began almost at the turn of this 21st century but a definitive stage was reached only by 2015, when the then US President Barack Obama visited India as the chief guest at its Republic Day celebrations. Shorn off the usual diplomatic gloss, the US-India strategic partnership is aimed at empowering

New Delhi in political, military and strategic terms for its own good in the world – absolutely within the ambit of America's global role, though. However, it is common sense that the 'challenge' of a rising China – America's potential global competitor and India's powerful northern neighbour – can produce a strategic bond between Washington and New Delhi. While such a US-India bond has, of course, been conceptualised, it has not materialised in reality.

It is widely expected, too, that America's global role under Trump will be largely determined by his equation with China, going forward. At the point of writing, Trump and Xi have already met and reached at least a tactical understanding to cooperate, as far as possible, on international crises of importance to each other. These crises do not directly

impinge on India's near-term interests. Nonetheless, India's place in Trump's global calculus, going forward, will depend almost entirely on his long-term view of China's role in world affairs. America had, at first, focused on India, essentially in its South Asian moorings (inclusive of Afghanistan). However, there are growing signs that India may become substantially relevant to the US in the Indian Ocean context, vis-à-vis China. Now, regardless of whether such a potential China factor in the US-India equation crystallises, Beijing looms larger than all others on India's radar, especially in the South Asian context.

Within the framework of a China-India equation or its absence as a vibrant reality in the first few months of 2017, these two countries are seeking South Asian partners, some of which are not averse to be friendly with both.



Ms Nisha Desai Biswal, United States Assistant Secretary of State for South and Central Asian Affairs, addressing an ISAS closed-door session in Singapore on 2 September 2016. ISAS Chairman and Singapore's Ambassador-at-Large, Ambassador Gopinath Pillai, chaired the session.



Bangladesh's former Foreign Secretary, Mr Shamsher M Chowdhury (left), initiated a discussion on the China-India competition in South Asia, at the ISAS Ambassadors' Lecture Series in Singapore on 15 June 2017. Dr Iftekhar Ahmed Chowdhury (second from left), Principal Research Fellow at ISAS, moderated the discussion. Others (from the far end of the table on the right side) are Peru's Ambassador to Singapore, Mr Manuel Talavera Espinar, and High Commissioners of Pakistan, Sri Lanka and Bangladesh to Singapore, Mr Nasrullah Khan, Mr Nimal Weeraratne and Mr Mustafizur Rahman, respectively.

For instance, Sri Lanka and Nepal are willing beneficiaries of India's 'South Asia Satellite' project of utilising the outer space as a technological platform to trigger economic benefits at the ground level. These two countries are also enthusiastic beneficiaries of China's BRI of connectivity and infrastructure projects. Such cooperation is not always one-sided. India and China also stand to benefit by making their technological talents and resources available to partners.

Flowing from this example is a stark challenge that India faces in dealing with its proximate north-western neighbour, Pakistan, which is pivotal to China's first major project under the BRI. In addition, Pakistan has rebuffed India's know-how-diplomacy that radiates from the South Asia satellite. Surely, Pakistan has its historical and strategic calculations in choosing China over India. However, India's latest concerns regarding this aspect centre on the China-Pakistan Economic Corridor (CPEC). The northern portion of this corridor passes through areas which Islamabad controls but India regards as its legitimate sovereign territory. As this is written, Beijing may even change the name of this corridor in order to meet

India's sensitivities about its unresolved issues with Pakistan (and also China). In essence, though, the CPEC is just one issue in China-India engagement.

At the baseline, these two countries are competing, despite China's higher comprehensive national strengths, for niche roles to shape and sustain a new global order. Besides, Beijing is passionate about 'One China' (which covers Arunachal Pradesh in India) and New Delhi is equally earnest about 'One India' (which covers certain areas currently controlled by Islamabad and Beijing). For India's Prime Minister Narendra Modi, a major strategic task is to explore how far Trump's America can be helpful (but not as a mediator) in managing, if not also resolving, these Sino-Indian differences. In this regard, Trump's own China challenge is no less crucial, going forward.

In a Joint Statement issued after Modi met Trump at the White House in Washington on 26 June 2017, they described the US and India as "democratic stalwarts in the Indo-Pacific region", a geopolitical and geo-economic theatre of direct interest to China and its "all-weather strategic partner", Pakistan. Indeed, Trump and

Modi "agreed that a close partnership between the United States and India is central to peace and stability in the [Indo-Pacific] region". Moreover, the two leaders agreed on a set of political principles which impinge on China's core interests and major concerns in the maritime domain. Additionally, the Joint Statement contains economic principles in relation to regional connectivity; these norms echo, even appear to endorse, India's objections to the governing principles of China's BRI. On a different plane, Trump and Modi, desirous of working "shoulder-to-shoulder against terrorism", a "global scourge", "called on Pakistan to ensure that its territory is not used to launch terrorist attacks on other countries". India is identified more explicitly than Afghanistan as the victim in this regard. Interestingly, however, the Trump-Modi meeting coincided with China's "shuttle diplomacy" between Pakistan and Afghanistan to help them resolve their differences. In all, a trilateral US-China-India calculus, with an unpredictable course, was emerging by mid-2017.

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The 'Modi Doctrine' UNVEILED

RAJEEV RANJAN CHATURVEDY

The proactive leadership of India's Prime Minister Narendra Modi has transformed the country's engagement with the world. Modi's outlook on global affairs retains the main thrust of India's approach to the world, yet there is a nuanced aim of linking India's foreign policy to domestic transformation under his leadership. While his policies are designed to attract foreign capital and technology, and seek foreign markets for Indian products, they are also geared towards regional stability, peace and prosperity. Indeed, India is believed to be witnessing the emergence of a 'Modi Doctrine'.

A fundamental feature of the 'Modi Doctrine' is 'India first'. India's choices and actions are, of course, based on the strengths of its national power. However, India's strategic intent is shaped mainly by realism, co-existence,

cooperation and partnership. Moreover, Modi's foreign policy does not fit a 'hard nationalist script' based on military might and expansionism, rather it is guided by a core value of '*Vaasudhaiva Kutumbakam*' (the entire world is our family). Focussed on India's development, Modi's foreign policy "is guided by the constant drive to reform and transform India, for security and prosperity of all Indians". In his inaugural address at the second Raisina Dialogue in New Delhi on 17 January 2017, Modi underlined that the economic and political rise of India "represents a regional and global opportunity of great significance. It is a force for peace, a factor for stability and an engine for regional and global prosperity."

A determined 'neighbourhood first' approach denotes the second

important feature of the 'Modi Doctrine', the key objective being a "thriving, well-connected and integrated neighbourhood". His vigorous engagement of neighbouring countries at the highest political level can be seen as an effort to build political connectivity. New Delhi is also actively engaging the Indian state governments on foreign policy matters and encouraging them to engage abroad in a meaningful way. The aim is to create "a seamless continuum between India's choices at home and its external engagements."

Countries which were kept at a distance deliberately in the past have now become important. Overcoming the hesitations of history is the third key feature of the doctrine. The simultaneous improvement in India's

relations with the Arab countries and Israel (not particularly preferred in the past) is a case in point.

On the wider international stage, India is shifting gear from being a 'rule-taker' to a 'rule-maker' – playing a leadership role is the fourth key feature of the 'Modi Doctrine'. This is being done in tune with India's national power and with willingness to share global and regional responsibilities on important global issues, all for better policy coordination with major powers and regional and global institutions. These issues are climate change, technological cooperation, pandemics, terrorism, skill development, trade and services agreements, energy security and many others.

The promotion of Indian values, culture and tradition – a matter of civilisational connect with the world – is the fifth feature of the 'Modi Doctrine'. Modi's visits to cultural sites in Japan, China, Mongolia, Sri Lanka and Bangladesh, among others, where ancient civilisational connections between India and these countries are still visible, are noteworthy. He has also talked extensively on shared values, traditions and heritage in an effort to strengthen these ancient ties. A remarkable example of India's soft power diplomacy is the success achieved in promoting

the celebration of the International Yoga Day (21 June) under the auspices of the United Nations.

Modi's other signature initiatives like the International Solar Alliance or his social media campaigns like #selfewithdaughter (to promote equality for girls and women) are also good examples of soft power campaigns. Similarly, India is working on technological innovations in health care, traditional medicine, satellites for education and other developmental cooperation, and sharing the knowledge with friendly countries and partners.

A dynamic engagement with the Indian Diaspora is the sixth key feature of the 'Modi Doctrine'. Enriching engagement with the Indian Diaspora, his government is trying to co-opt them for the overall development agenda of the country. The relevant rules are being simplified, and concerns are being addressed. This seems to have re-energised the non-resident Indian and the 'Persons of Indian Origin' community. Modi's interactions with the Indian community abroad, through public meetings and the social media, have led to a focussed engagement, which could be helpful in creating synergies for trade, investment, technology transfers and cultural exchanges, as well as in mobilising political support. Digital

diplomacy has become a very effective means of communication.

In his address at the second Raisina Dialogue, Modi clearly outlined the essential features of India's international engagement as follows: rebuilding connectivity in India's immediate and extended geographies; shaping relationships networked with India's economic priorities; making India a human resource power; building development partnerships and creating Indian narratives on global challenges; helping re-configure, re-invigorate and re-build global institutions and organisations; and spreading the benefits of India's civilisational legacies as a global good.



Panellists at an ISAS Discussion on 'India's Foreign Policy and the Modi Doctrine', in Singapore on 20 October 2016. Dr Vijay Chauthaiwale, In-Charge at the Foreign Affairs Department of India's ruling Bharatiya Janata Party, was the keynote speaker. Professor Subrata Kumar Mitra, Director and Visiting Research Professor at ISAS, moderated the event.

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The Buddhist LINK

SRIKANTH THALIYAKKATTIL

The Institute of South Asian Studies, Singapore, and the Regional Centre for Strategic Studies, Sri Lanka, organised a joint workshop titled 'China and South Asia' in Colombo on 5 and 6 December 2016. The following analysis of the Buddhist link between South Asia and China is based on the discussions during the workshop and on possible reasons for the renewed interest in emphasising the common Buddhist cultural heritage of China and the South Asian countries.

While Buddhism ceased to exist as a dominant religion in all South Asian countries except Sri Lanka and Bhutan, the cultural past of South Asia and its international relations have strong Buddhist influence. Buddhism is the only successful religion that originated in the South Asian subcontinent and spread afar. Chinese and South Asian Buddhist monks, inspired by the teachings of Gautama Buddha, endured long and difficult journeys between China and the South Asian subcontinent, transmitting knowledge in and about Chinese and the South Asian civilisations to one another. The earliest known educational institutions in South Asia attended by Chinese scholars and monks were almost all Buddhist religious institutions. Arguably, without Buddhist influence,

it would be hard to conceive of the creation of a common consciousness between South Asian and Chinese civilisations. This realisation was reflected in South Asian and Chinese scholars' emphasis on historical Buddhist linkages between their respective countries. Both South Asian and Chinese scholars emphasised the role of famous Buddhist monks such as Xuan Zang (玄奘/唐三藏, 602-664) and Fa Xian (法显, 334-420) in spreading Buddhism in China. By recording their journeys and translating Buddhist scriptures, both these monks provided a valuable historical understanding of the ancient South Asian region, as well as preserved knowledge about Buddhist scriptures for future generations.

Bangladeshi scholars consider Atish Dipankar Srijana, a scholarly Bangladeshi monk of the 11th century, one of the main examples of a historical connection between Bangladesh and China. Pakistan dates back its relationship with China more than 2,000 years ago to the Buddhist learning centres in the ancient educational hub of Taxila, which attracted many Chinese scholars and monks. It also recognises the centrality of Peshawar during the Kushan Empire (ca. Second Century

BCE – Third Century CE) as an ancient Buddhist learning centre. Nepal, as the birth place of Buddha, has attracted the attention of Buddhist scholars and monks since ancient times, and, in a significant way, influenced and contributed to the evolution of Tibetan Buddhism and Chinese Buddhist art and architecture. Sri Lanka plays an important role in keeping alive Buddhist culture and civilisation in the region. Academics from Afghanistan describe Afghanistan's pivotal role as a centre of Greco-Buddhist art and a centre of Buddhist study in the ancient times.

India's role as the birth place of Buddhism and the increasing significance of Bodh Gaya as a major centre of international Buddhist pilgrimage give India a central role in South Asia-China Buddhist connections. India is also currently promoting a Buddhist religious tourism circuit.

Chinese scholars refer to the increasing interest among Chinese citizens and the Chinese government in Buddhism. Buddhism forms a major part of China's cultural diplomacy. For instance, China hosted the first World Buddhist Forum in 2006 and continues to promote interactions between Buddhist



Group photo of the panellists from Afghanistan, Bangladesh, China, India, Nepal, Pakistan and Sri Lanka at the workshop on 'China and South Asia', organised by ISAS and the Regional Centre for Strategic Studies (RCSS), Colombo, in the Sri Lankan capital on 5 and 6 December 2016. RCSS Executive Director, Professor Imtiaz Ahmed (fifth from left in the front row), and ISAS Principal Research Fellow, Dr Iftekhar Ahmed Chowdhury (sixth from left in the front row), co-chaired the workshop. Other panellists from ISAS are Dr Deeparghya Mukherjee (first from right in the second row), Dr Srikanth Thaliyakkattil (second from right in the second row), and Mr P S Suryanarayana (fourth from left in the front row). Photo: By special arrangement.

communities across the world. One of the most prominent literary classics of China, "Journey to the West" (西游记), which depicts Xuan Zang's journey to the Indian subcontinent in search of Buddhist scriptures, is still the theme of many television dramas and movies in China.

In view of the small Buddhist population in the South Asian countries, the emphasis on Buddhist heritage by these countries may seem superficial. For instance, a meagre population of 1,492 people are registered as Buddhists in Pakistan; the Buddhist population constitutes only 0.7 per cent and 0.8 per cent of the total population

in Bangladesh and India respectively; Nepal Buddhists constitute about 9 to 10.3 per cent of the total population in the country; and Buddhism is almost non-existent as a practising religion in Afghanistan. Apart from Bhutan, which has an estimated population of 742,737, the only major Buddhist-majority country in South Asia is Sri Lanka, with 70 per cent of the population adhering to this faith. However, the rise of China and the desire of the South Asian countries to strengthen their relationships with China have led to the search for commonalities between China and South Asia; and Buddhism emerges as the most dominant and obvious candidate.

Though officially an atheist country, China still has the largest Buddhist population in the world. Buddhist sites in South Asia could form an important attraction for Chinese tourists and a significant source of revenue. The increasing consciousness in a shared Buddhist heritage could also strengthen a common Asian identity.

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Art for a BALANCED IMAGE

FAIZA SALEEM

Pakistan, at nearly 70, is a country in transition. Heading into the 2018 national elections, the people have enjoyed the longest period of democratic rule. The relative stability in the political arena is also marked by the success achieved in reducing terrorism across the country. Along with efforts to strengthen the economy, as well as the political institutions and investments in education and health, the time is ripe for Pakistan to take incremental steps towards rebuilding its image as a moderate, progressive and pluralist society.

Soft power is the ability of a nation to attract others through ideals such as democracy, culture, education and tourism, among others. Hard power, on the other hand, hinges on the military might of a nation. In Pakistan, soft power is often neglected in favour of hard power. Art is a soft-power resource that can help rebuild Pakistan's international image. It can draw attention to the ideas, values and creative talents of Pakistanis, as

opposed to the negative perceptions in the mass media.

Art is encapsulated in two broad categories – visual and performing. Visual arts are predominantly two-dimensional on canvas and walls, and also include truck art, architecture and decorative arts. Performing arts include dance, music and acting. Both forms draw from Pakistan's rich history dating back to the Indus Valley civilisation, as well as the diverse ethnicities and cultures that make up the country. We see the influence of Islam in the elaborate geometry on buildings and mosques, in folk music of Punjab and Sindh, in dances of the Pashtun and Baloch people, along with inspirations from the Sufi tradition. Today, as Pakistan transitions, so do its art forms. Artists are experimenting, breaking stereotypes and fusing traditional and western influences into modern forms of art.

In recent years, visual art has thrived in Pakistan and artists have cast

light on the immense talent and creative energy within the country. Maestros such as Sadequain, Gulgee and Jamil Naqsh helped develop the modern art movement and their works continue to draw worldwide recognition. Younger artists too are coming to the forefront. Imran Qureshi, for instance, is a globally renowned miniature artist and the leading ambassador of Pakistani art. This year, he has been honoured with the Medal of Arts Award by the United States' (US) State Department, making him the first Pakistani to receive this award. Female artists such as Ambreen Butt, Shahzia Sikander, Huma Mulji and Salima Hashmi have contributed equally to the promotion of Pakistani art.

Since the early 2000s, traditional truck art has gained international recognition. Its uniqueness derives from the fusion of modern elements with traditional and spiritual ones. Influenced by the socio-economic and political environment, it involves portraits of politicians and celebrities,

imagery of eagles and peacocks, along with intricate fabric and metal accessories. Artist Haider Ali's designs on vans and trucks are part of the permanent exhibition at the Glasgow Museum of Transport. They were also shown at the Smithsonian Institute in Washington DC.

Pakistan has also made great strides in performing arts. The older generation of musicians, including Nusrat Fateh Ali Khan, Abida Parveen and Mehdi Hassan, took Pakistani music to the international level. Today, younger artists are following their lead and introducing international audiences to Pakistani music. Most recently, the Sachal Studios Orchestra produced an innovative jazz album that reached the number one position in jazz charts in the US and the United Kingdom. At the same time, platforms such as 'Coke Studio' are pushing boundaries and bringing together diverse musical talents from across the country. Nearly half of the audience resides outside

Pakistan. Last year, 'Coke Studio for the Deaf' was introduced, allowing the audience to experience music through lights and vibrations.

Television, theatre and cinema hold immense potential for the positive portrayal of Pakistan's culture, values and traditions. Some television shows have developed a loyal fan base in the urban cities of India, and Pakistani actors regularly feature in Bollywood movies. This gives them immense exposure in a more developed and competitive industry, while promoting peace and stronger ties with India. Pakistani cinema has, recently, had a revival and the films produced are now increasingly accessible to international audiences. For instance, Pakistani filmmaker Sharmeen Obaid Chinoy has won two Oscars, one for a documentary, *Saving Face* (2012) and the other for a biographical film, *A Girl in the River: The Price of Forgiveness* (2016).

In sum, art, in all its forms, remains the most credible tool for projecting

Pakistan's image as a progressive country, at peace with itself and others. The state must recognise the economic, social and diplomatic value of art.

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Political Echoes OF THE PAST

TAISHA GRACE ANTONY

An analysis of India's contemporary political institutions, democratic system and foreign-policy mandate shows that the relevant processes in the country remain deeply grounded in its pre-modern political heritage. This is why there is a revival today of Kautilya in India. His ideas are in consonance with the Realist theory of state, and today's international system is also based on this theory. In many ways, the world today – with multiple competing states, uneven distribution of power and shifting alliances – is similar to the world that Kautilya operated in when he built the Mauryan Empire.

Kautilya's idea was not to construct order. In Kautilya's *Saptanga* theory, the seven elements of a state – ruler, minister, population, capital, treasury, military and ally – are all given equal emphasis, with no single element emphasised. The *Rajamandala*, which describes the circles of friendly and enemy states surrounding the king's (*raja*) state, prescribes that the wise king should endeavour to seek out allies from beyond the neighbours. This is in sharp contrast to Western thought, which has laid emphasis on hardware, troops and weaponry. Kautilyan thoughts, when read today, debunk the current Indian myths regarding a bygone golden age and also the prevailing notion of a civilising mission of the West.



Panellists posing after a discussion on Kautilya, India's ancient thinker on statecraft, following the launch of *Kautilya's Arthashastra: An Intellectual Portrait* (co-authored by Professor Subrata Kumar Mitra and Dr Michael Liebig), in Singapore on 2 March 2017. In the centre is Professor Subrata Kumar Mitra, Director and Visiting Research Professor at ISAS. He is flanked, from left, by Dr Iftekhar Ahmed Chowdhury, Principal Research Fellow at ISAS; Mr Vinod Rai, Visiting Senior Research Fellow at ISAS; Ambassador Jayant Prasad, Director General, Institute for Defence Studies and Analyses, New Delhi (India); and Dr Duvvuri Subbarao, Distinguished Visiting Fellow at ISAS. Photo: By special arrangement.

Kautilya's concept is not of sovereignty but of *Chakravartin*, that is, there is a central power to which others pay obeisance but the centre must understand and respect the autonomy of the peripheries. This is akin to the democratic federal system of governance seen across the world today. Kautilya notes how easy it was for the wielders of power to feather their own nest. Today, in the Indian context, demonetisation has become a symbol of the state's control over money supply and commitment to implement norms of financial integrity. The most important lesson from Kautilya is the idea of consent, that is, if the power over you does not embody your consent, that power is not legitimate. This is the core idea of democracy in India's indigenous political theory.

These interpretations of Kautilyan thought were raised during a panel discussion marking the launch of the book, *Kautilya's Arthashastra: An Intellectual Portrait*, co-authored by Professor Subrata K Mitra and Dr Michael Liebig. The book launch was held in Singapore on 2 March 2017.

"Kautilyan thought is implicitly present in the strategic thinking and behaviour patterns of Indian elites and the core concepts of Kautilya are part of the strategic culture of India."

Mitra & Liebig, 2017

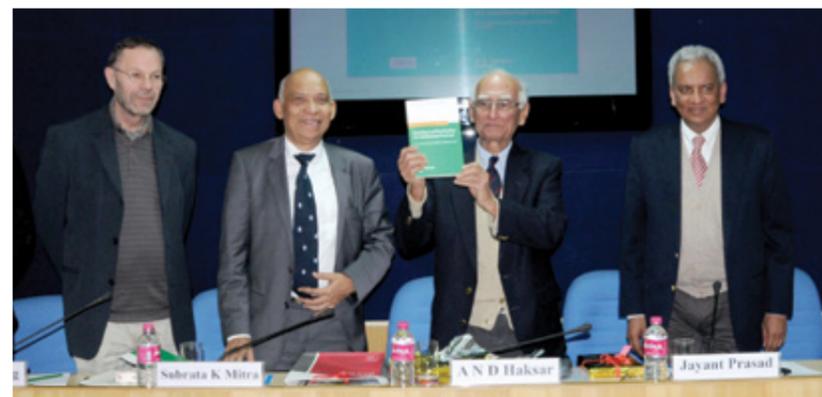
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Dr Duvvuri Subbarao, Distinguished Visiting Fellow at ISAS and former Governor of the Reserve Bank of India (left), presenting a copy of his book, *Who Moved My Interest Rate?*, to Singapore's Deputy Prime Minister and Coordinating Minister for Economic and Social Policies, Mr Tharman Shanmugaratnam, during his visit to ISAS on 12 December 2016. The book was launched by the Managing Director of the Monetary Authority of Singapore, Mr Ravi Menon, during the South Asian Diaspora Convention in Singapore on 19 July 2016. Photo: By special arrangement.



Dr Vijay Chauthaiwale (second from left), In-Charge, Foreign Affairs Department in India's ruling Bharatiya Janata Party, launching the book, *Modi and the World: Re (Constructing) Indian Foreign Policy*, edited by Dr Sinderpal Singh (third from left) formerly Senior Research Fellow at ISAS and now with the S Rajaratnam School of International Studies in Singapore. Others (from left) are Professor Subrata Kumar Mitra, Director and Visiting Research Professor at ISAS; chapter writers Mr Rajeev Ranjan Chaturvedy and Mr P S Suryanarayana (both from ISAS).



Mr A N D Haksar, Sanskrit scholar and a former Indian diplomat, launching the book, *Kautilya's Arthashastra: An Intellectual Portrait* (co-authored by Professor Subrata Kumar Mitra, ISAS Director and Visiting Research Professor, and Dr Michael Liebig), in New Delhi on 12 January 2017. Flanking Mr Haksar (from right) are Ambassador Jayant Prasad, Director General, Institute for Defence Studies and Analyses, New Delhi (India); Professor Subrata Kumar Mitra, and Dr Michael Liebig. Another book, *The Arthashastra in a Transcultural Perspective* by Dr Michael Liebig and Dr Saurabh Mishra (Editors) was also launched on the same occasion. Photo: By special arrangement.



Mr P S Suryanarayana, Editor (Current Affairs) at ISAS (right), presenting a copy of his book, *Smart Diplomacy: Exploring China-India Synergy*, to Singapore's Deputy Prime Minister and Coordinating Minister for Economic and Social Policies, Mr Tharman Shanmugaratnam, after the book launch in Singapore on 29 August 2016. In the centre is Ambassador Tommy Koh, Singapore's Ambassador-at-Large, who had written the Foreword to this book. Photo: By special arrangement.



ISAS Chairman and Singapore's Ambassador-at-Large, Ambassador Gopinath Pillai (left), launching the book, *Indian Muslims: Struggling for Equality of Citizenship* by Professor Riaz UI Hassan (right), Visiting Research Professor at ISAS, in Singapore on 5 December 2016. In the centre is ISAS Director and Visiting Research Professor, Professor Subrata Kumar Mitra.



Group photo during the visit to ISAS by Singapore's Deputy Prime Minister and Coordinating Minister for Economic and Social Policies, Mr Tharman Shanmugaratnam (seated fifth from left), on 12 December 2016. Flanking him are ISAS Chairman and Singapore's Ambassador-at-Large, Ambassador Gopinath Pillai (fourth from left); NUS Deputy President (Academic Affairs) and Provost, Professor Tan Eng Chye (fifth from right); and ISAS Director and Visiting Research Professor, Professor Subrata Kumar Mitra (fourth from right). *Photo: By special arrangement.*



A group photo of the participants in the Ninth India-Singapore Strategic Dialogue organised by ISAS, Ananta Aspen Centre and the Confederation of Indian Industry, in Singapore on 29 and 30 August 2016. *Photo: By special arrangement.*



Sri Lanka's High Commissioner to Singapore, Mr Nimal Weeraratne (left), at the ISAS Ambassadors' Lecture Series in Singapore on 12 April 2017. Dr Iftekhar Ahmed Chowdhury, Principal Research Fellow at ISAS, chaired the lecture.



Mr Shivshankar Menon, former National Security Advisor to the Prime Minister of India, delivering a public lecture on 'Security in the Asia Pacific' under ISAS Distinguished Visitor Programme in Singapore on 12 January 2017. *Photo: By special arrangement.*



Ambassador Shafqat Kakakhel (left), former United Nations Assistant Secretary General and former Pakistani diplomat, speaking on 'Climate Change Cooperation among South Asian States', in Singapore on 13 February 2017. Dr Iftekhar Ahmed Chowdhury, Principal Research Fellow at ISAS, moderated the session.



Dr Joe Thomas Karackattu (left), from the Indian Institute of Technology, Chennai (India), speaking on the India-China border issues, in Singapore on 15 December 2016. Dr Ronojoy Sen, Senior Research Fellow at ISAS, moderated the session.



The Third President of Seychelles, Mr James Alix Michel (second from left), former Foreign Minister of Australia, Professor Bob Carr (left), and the Distinguished Fellow at the Institute for Defence Studies and Analyses, New Delhi (India), Professor S D Muni (right), at a public plenary which was held as a sequel to an ISAS Workshop on 'Maritime Governance in South Asia', in Singapore on 30 November 2016. ISAS Chairman and Singapore's Ambassador-at-Large, Ambassador Gopinath Pillai (second from right), chaired the event.



Bangladesh's High Commissioner to Singapore, Mr Mustafizur Rahman, spoke on 'The Threat of Global Terror: Bangladesh Context', under ISAS' auspices in Singapore on 25 May 2017.



India's former Ambassador to Germany, Mr Gurjit Singh, speaking on 'Europe's Current Engagement with India', under ISAS' auspices in Singapore on 29 May 2017.

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

All photographs in this publication, except those with specific attributions, have been taken by Mr Muhammad Yusuf of ISAS.



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