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# **SOUTH ASIA MONITOR**



**EDITORS:  
MAJ GEN JAGATBIR SINGH, VSM(RETD)  
SAMRIDDHI ROY**

### **NOTE FROM HEAD CS3**

Dear All,

The continuing and deepening impact of the Covid-19 disaster on health, trade and commerce, the huge questions over the role of China in the spread of the virus across the world, leading to a global inquiry on it, the sudden death of the half-century-old US-China engagement, the huge disturbance in global relations and in multilateral institutions that threatens them to their demise, the unprecedented decoupling of the developed world from China and their consequent focus on India, the sharp deterioration in India-China relations and the bewilderingly untimely, mindless and unwise belligerence of China on Hong Kong and in South China Sea are altering the present world order, and also changing India in relation to it, in an unprecedented manner.

Meanwhile in Pakistan it's startling at one level, while entirely unsurprising at another. Just recently, the former head of Pakistan's Federal Board of Revenue said clearly that the country was bankrupt and "not a going concern". It's rather more than unusual for a country that is not at war, either with itself or anyone else, to run itself to the ground. Afghanistan yes, but Pakistan? That's strange, particularly since it's just 'won' itself a whole country after two decades of covert operations and backing a Taliban army of 60,000.. And that patronage continues, according to the new "Country reports on Terrorism" despite Pakistan's apparent economic decay. It's all rather perplexing. On the one hand, it's king, and on the other, a beggar. The economy is busted, but Islamabad seems to have access to other sources of funds. Its skidding economy is therefore only one part of the costs that Pakistan has paid for its 'Afghan adventure'. There's more, including institutional decay, and a rising radicalism, given a boost by the Taliban victory. A bankrupt state with a monstrous ego that sees itself as a 'regional power' is bad enough. What is worse is that it is spreading outwards into the rest of South Asia, some with intent, sometimes not. Either way, it's time to cry halt. And perhaps Islamabad needs to reconsider the question of trade with India. After all, a loss of face is better than the loss of a country.

Hence, such complexities can only be unboxed through navigating relational and security waves through systematic inquiry. Thus, the endeavour of South Asian Monitor is to unravel some of these issues through analytical articles and journals, written by informed academicians. I am sanguine that this Monitor will generate interest and help you in your future research projects.

**Maj Gen RPS Bhaduria, VSM (Retd)**  
**Head, Centre for Strategic Studies and Simulation (CS3)**  
**United Service Institution of India**

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## **ANALYSIS**

### **THE DISMAL STATE OF PAKISTAN'S ECONOMY**

**-Maj Gen Jagatbir Singh, VSM (Retd)**

Pakistan is a relatively small power undergoing internal and economic perils. It cannot match India's power potential and offer the same scope of political, strategic, and economic influence that India wields in its relations with major powers. Analysis of Pakistan's defence budget clearly shows that they are spending a far greater amount as a percentage of their GDP on Defence. External debt is a major problem for them and many industries are stressed. Pakistan is extremely dependent on agriculture which in turn is likely to suffer due to the impending shortage of water. Increasing debt repayments are likely to reduce the impact of any growth in Pakistan's economy substantially. Further, if National Security as defined by Pakistan's military remains a priority, the prospects of revival of economic growth look bleak. Pakistan has a nominal GDP per capita of \$1,543 in 2020-21 which ranks 154th in the world. Its GDP is \$294.32 billion at current exchange rate which is 42nd, with a GDP growth of 1.9 percent (18/19) and -0.4 percent (19/20) and estimated 3.94 percent (20/21). Its exports in FY 2020 were \$22.536 bn and imports were \$43.645 bn. Its US\$ CAD current account deficit in FY 2020 was -2.970 billion US\$ and its external debt in April 2021 was \$114 bn. Public debt was 81.1 percent of GDP (Sep 2020). 47 per cent of their current expenditure or \$19.35 billion goes into debt servicing that translates into Pakistan taking more loans and imposing more taxes and surcharges to meet its repay obligations, therefore, putting more debt on Pakistanis.

Despite slowing to 8.9 per cent in FY21 from 10.7 per cent in FY20, headline consumer price inflation remained elevated, mostly because of high food inflation, which is likely to disproportionately impact poorer households that spend a larger share of their income on food items compared to non-food items. With the policy rate being held at 7.0 per cent throughout FY21, real interest rates were negative, supporting the recovery. Inflation is projected to edge up in FY22 with expected domestic energy tariff hikes and higher oil and commodity prices before moderating in FY23. Inflation surged 9.2 per cent in October from the year before, according to government data. Food-price inflation is severely affecting Pakistan's poorest residents, who already normally spend more than half of their incomes on food. The cost of basic food items shot up in October by 17 per cent over last year as per government data. Pakistan's biggest food import is palm oil, which has jumped in price.

In terms of energy, Pakistan imports about 80 percent of its oil and diesel according to Muzzammil Aslam, a spokesman for the Finance Ministry. The cost of electricity in Pakistan is already twice as much as in India, China and Bangladesh. Unemployment has risen sharply, too, particularly among college graduates in cities. The number of people falling into poverty is up. “The economy is not well,” Mian Nasser Hyatt Maggo, the president of the Federation of Pakistan Chambers of Commerce & Industry, a Karachi-based industry group, said simply.

Defence allocations are around 19 percent of the current budget or \$8.5 bn or 4 percent of GDP. Pakistan refuses to be fully transparent about its military spending. Major acquisitions by the armed forces, spending on the public sector development programme (PSDP), expenditure on the nuclear programme and para-military forces, payments for military pensions, a newly set-up national security division and a few other military expenditures are not reflected in the budget. If these were to be added to it, Pakistan’s defence spending would be even higher – at around \$11bn. Their main dependence is on Agriculture and remittances from overseas, textiles and apparels is its biggest industry. Pakistan’s forex reserves in April 2021 were \$ 16.6 bn. There is no doubt that increasing debt is going to force them into becoming a satellite state of China. The problems of the economy have added urgency to Pakistan’s drive for a \$6 billion loan from the IMF Talks have gone on for weeks, stumbling over Pakistan’s insistence that the governor of the central bank, which sets interest rates, report to the Prime Minister, and the IMF insistence that the office remains autonomous. Pakistan entered the \$6bn, 39-month funding programme with the IMF in July 2019, but the funding stalled due to issues over the required reforms when the IMF said Pakistan was not carrying out its recommendations for structural reforms. A stamp of approval from the IMF would help ease the financial pain but also make it easier for Pakistan to approach the World Bank and Asian Development Bank as well as capital markets where it could sell bonds.

As per latest reports, the IMF said on 24 November that it had agreed with Pakistan on measures needed to revive the stalled \$6bn funding programme. “The Pakistani authorities and IMF staff have reached a staff-level agreement on policies and reforms needed to complete the sixth review.” “The agreement is subject to approval by the Executive Board, following the implementation of prior actions, notably on fiscal and institutional reforms,” the IMF said in a statement. It can potentially unlock a \$1 billion tranche of funds to Pakistan, which would bring the total disbursement under the programme so far to about \$3 billion. However, Pakistan needs to carry out certain actions at their end. These actions are; withdrawal of tax exemptions and subsidies, an increase in the petroleum levy, higher energy tariffs and an audit of some \$1.4bn in extra funds lent to Pakistan in April 2020 to help it weather the COVID-19 pandemic. Pakistan will ensure legislation is passed on central bank autonomy as agreed with the IMF, said Finance Adviser Shaukat Tarin, who is equivalent to the country’s finance minister who also pledged to take actions as agreed before the fund’s board meets to consider whether to approve the issue of

the latest tranche. Pakistan has been grappling with a historical currency devaluation, high inflation, a current account deficit and dwindling foreign reserves and the talks between the government and the IMF have only added to their economic woes. The Pakistan Central Bank has warned that a higher-than-expected primary deficit would likely worsen the inflation outlook and undermine economic recovery. It has also raised its benchmark interest rate by 150 basis points to 8.75 percent to counter inflationary pressures and preserve stability with growth. The bank also lifted the cash reserve requirement for commercial banks by one percentage point, the first such move in more than a decade, in another move to deal with accelerating inflation. As per their statement” SBP has decided to increase the average Cash Reserve Requirement (CRR), to be maintained during a period of two weeks by scheduled banks, from 5 percent to 6 percent and minimum CRR to be maintained each day from 3 percent to 4 percent”. While the World Bank and Asian Development Bank will continue lending project loans but keeping in view the capacity to implement projects, the disbursement becomes low. Further if credit rating agencies downgrade the country's ratings, generating funds through the issuance of international bonds will become expensive. Much of the near-term economic instability has been driven by a global commodity price boom. However, it is important to recognize that the inflationary storm engulfing Pakistan is far more significant than in other peer economies: From January 2020 to September 2021, food prices in Pakistan increased by almost 18 percent compared to almost 6 percent in India. Much of this disparity has to do with a lack of forward-looking agricultural policies in Pakistan and dysfunctional markets in key commodities like wheat, where the government intervenes across the value chain.

The World Bank has said that Pakistan is among the top ten countries that possess the largest external debt stocks and became eligible for the Debt Service Suspension Initiative (DSSI) in the aftermath of the COVID-19 pandemic. Citing International Debt Statistics in 2022, released by the World Bank in October, reported that there was a wide divergence in the rate at which external debt accumulated in individual DSSI-eligible countries, including the group's largest borrowers. The combined external debt stock of the 10 largest DSSI-eligible borrowers (Angola, Bangladesh, Ethiopia, Ghana, Kenya, Mongolia, Nigeria, Pakistan, Uzbekistan, and Zambia) was 509 billion dollars at end-2020, 12 per cent higher than the comparable figure at end-2019. A weak economy amongst others also deprives Pakistan of commensurate status in the Muslim world where Saudi Arabia and Turkey are higher in influence. Drastic measures will be needed to overcome this toxic combination of high inflation and low economic growth

*\*Major General Major General Jagatbir Singh was commissioned into 18 Cavalry in December 1981, a Regiment he has subsequently commanded. He has held various command, staff and instructional appointments and has served in varied terrains. Amongst his command assignments was conversion of an Armoured Brigade to an Arjun profile in the Desert Sector and command of an Armoured Division. He has been an instructor at the Indian Military Academy and served twice both as an Instructor and Senior Instructor and Head of Training Team in Defence Services Staff College. He has been writing articles on security related issues post retirement which have been published in various newspapers and magazines.*

## **ANALYSIS**

### **Zooming in on the Daesh Threat**

**-Samriddhi Roy**

The Daesh or Islamic State Khorasan (ISIS-K) is reported to have killed 346 civilians since late August. On 26 August a suicide bomb at Kabul's main airport killed 170 civilians and 13 US marines. Sky News has recorded a number of attacks by the ISIS K since then- seven between 18 September - 6 October that killed 18 people. On 8 October an ISIS-K suicide bomber targeted a Hazara mosque in the northern city of Kunduz, killing at least 43 people. Between 8-12 October, five attacks in four days around Jalalabad, an ISIS-K stronghold. 47 people were killed in the suicide attack carried out when prayers were underway in the courtyard of the mosque in Kandahar. Five further attacks have occurred since the 15 October mosque attack in Kandahar up to end October. 408 were killed by ISIS-K in Afghanistan since August 26, including 346 civilians as per the Sky News. Importantly the activity of the group has spread beyond its strong presence in Nangarhar and Kunar to Charikar, Kunduz, and Kandahar across the country.<sup>1</sup>

In turn the Taliban claim that more than 250 fighters affiliated with Daesh were arrested within the past month. "250 individuals affiliated with Daesh have been arrested. They were those who fled from the prisons," Taliban representative said. "Some of their plans were to carry out blasts but the plans failed, tens of their attacks were thwarted." The deputy minister of information and culture, Zabiullah Mujahid, downplayed the threat of Daesh, saying that the group would soon be suppressed. "We don't call Daesh a threat, but we call it a headache," Mujahid said. "It creates headaches in some places but is immediately taken out in every incident; (they) have been chased out and their sanctuaries found."<sup>2</sup> The Taliban tactics for targeting Daesh is harsh elimination to send a message of coercion which is leading some fighters to surrender but others are likely to continue with the attacks particularly on vulnerable minority ethnic Shia Hazara.

### **Ethnic and Sectarian Killings**

Afghanistan's Shia are vulnerable after the Taliban take over despite reassurance by the Islamic Emirate to the contrary. Four months before seizing Kabul, the Taliban had put out a propaganda video targeting the country's Shia minority, particularly its highly- persecuted Hazara community. Shia cleric Mawlawi Mahdi Mujahid, a rare Hazara Taliban member, urged his co-religionists to join the struggle against

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<sup>1</sup> <https://www.reuters.com/world/asia-pacific/what-is-islamic-state-afghanistan-2021-08-26/>

<sup>2</sup> <https://www.wionews.com/south-asia/first-target-is-to-destroy-pakistan-isis-k-blames-islamabad-for-afghanistan-chaos-426088>

“invaders led by America”.<sup>3</sup> There are reports by human rights groups who are keeping a watch on the situation in Afghanistan that in early October 2021, the Taliban and associated militias forcibly evicted hundreds of Hazara families from the southern Helmand province and the northern Balkh province. These followed earlier evictions from Daikundi, Uruzgan, and Kandahar provinces. Amnesty International reported that their investigation findings show that Islamic Emirate forces unlawfully killed 13 people in Daikundi province on August 30. According to Amnesty International, 11 of the victims were former members of security and defence forces and two of them, including a woman, were civilians. Revenge killings and the targeting of minority particularly the Hazara who are Shia were some of the worst fears that were expressed after Taliban took over. Amnesty said it has verified images and video evidence recorded following the incident and laid out events in a timeline, beginning with the Taliban taking control of Daykundi province on August 14.<sup>4</sup>

### **Building Criminal Networks**

The rise of crime in Afghanistan and particularly the urban centres such as the capital Kabul has raised concerns. There are a number of factors that may be the cause of such criminal acts. One is abject poverty that some people in the country have been thrown into in addition to melting away of the Afghan National Police after the Taliban took over the country on August 15th which has given boost to criminals. Some fighters aligned with the Taliban are also accused of taking to crime. After taking power in August, the Taliban thus now need to put in place a functioning state in Afghanistan.<sup>5</sup>

While security patrols are being undertaken by Taliban fighters who have poured into the capital, this alone is not likely to make a difference. They are also officials on the streets who are enforcing a strict interpretation of Sharia law. All instances of violations are now being tried in an Islamic Court. This is likely to lead to resentment in the normal citizens and protests can be anticipated in the days ahead.<sup>6</sup>

*\*Samridhi Roy is a Research Assistant at the Centre for Strategic Studies and Simulation (CS3), United Service Institute of India (USI), New Delhi. She holds a Bachelor's Degree in History from Jesus and Mary College, Delhi University and has completed her Master's in Conflict Analysis and Peace-building from Jamia Millia Islamia. She had previously worked as a Young Scholar at Vivekananda International Foundation, New Delhi and as a Research Intern at Institute of Peace and Conflict Studies, New Delhi. Her research interests are primarily to deconstruct and explore deep-rooted complexities and policy challenges facing the South Asian region, India's neighbourhood and China, Pakistani Politics, hard power and cultural diplomacy.*

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<sup>3</sup> <https://gandhara.rferl.org/a/afghanistan-exodus-taliban-repression-economy/31590988.html>

<sup>4</sup> <https://www.bbc.com/news/world-asia-58277463>

<sup>5</sup> <https://www.freepressjournal.in/world/afghans-packed-in-pick-up-trucks-take-dangerous-journey-to-flee-talibans-repression>

<sup>6</sup> [https://cco.ndu.edu/Portals/96/Documents/prism/prism\\_4-4/Confronting\\_the\\_threat\\_of\\_Corruption\\_corrected\\_II.pdf](https://cco.ndu.edu/Portals/96/Documents/prism/prism_4-4/Confronting_the_threat_of_Corruption_corrected_II.pdf)



## **NEIGHBOURHOOD WATCH**

*This section explores ongoing security issues and perspectives from India's neighbouring countries, including – Afghanistan, Sri Lanka, Pakistan, Nepal, Bangladesh, Myanmar, Bhutan and Maldives.*

### **Afghanistan**

#### **Mullah Haibatullah Appears in Public**

The Islamic Emirate or the Taliban has always believed in the mystic of its leadership. Mullah Haibatullah Akhundzada, the supreme leader however appeared on October 30 at a religious seminary in the southern province of Kandahar at Hakima seminary in PD 9 of Kandahar city. "Yesterday, (Mullah Haibatullah Akhundzada) came to Hakim seminary," said Shiekh Sayed Ahmad, head of the seminary. "He greeted around 700 to 800 students of the seminary." "When we saw him, all students and teachers of the seminary were crying and (everyone) was happy and we honor his coming," said Anas, a student of the seminary.

But for Mullah Mansour who led the group after announcement of the death of Mullah Omar almost two years after the actual event, top leaders have not appeared in public even within confined settings. Thus, Taliban's reclusive supreme leader, Haibatullah Akhundzada's rare public appearance in the southern city of Kandahar has been noticeable even though there have been no pictures or videos only a voice message that has been circulated. Akhundzada, known as the leader of the faithful or Amir ul Momineen, had not been seen in public even after the Taliban's August takeover of the country, giving rise to the speculation of his death. As the Islamist movement unveiled its interim government in September after U.S.-led forces withdrew, the mysterious Akhundzada retained the role he has held since 2016 of supreme leader – a role that is akin to that of the Iranian Supreme Leader.

### **Al Qaeda**

The Islamic Emirate denied claims by the former US peace envoy who voiced concerns over the presence of Al-Qaeda in Afghanistan. The US veteran diplomat, Zalmay Khalilzad, made the remarks in an interview with CBS. "The reports that I have seen indicate that (leader of Al-Qaeda) could be in Afghanistan or adjacent territory, I don't know whether the Taliban knows it or not," he said. US officials have also estimated that Al-Qaeda is capable of swiftly rebuilding its base in Afghanistan and orchestrating attacks on U.S. soil within the next one to three years. The Taliban, however, has reiterated it will not let Afghanistan become a threat to regional or global security once again. Deputy minister of information and culture Zabiullah Mujahid denied Khalilzad's remarks and said, "No, I don't see such a danger; someone like that does not exist here and we haven't received the

information on such a level,” he said. The cutting of ties between the Islamic Emirate and Al-Qaeda was one of the main factors in the talks between the US and the Taliban in Qatar. But experts remain sceptical about the Taliban's word.

## **Pakistan**

### **Islamabad reaches a truce with Pakistan’s Taliban**

Pakistan has announced a one-month cease-fire with the Tehrik-i-Taliban Pakistan (TTP). Between 2007 and 2014, the TTP, which is allied with but separate from the Afghan Taliban, was one of South Asia’s most active terror groups until Pakistani counterterrorism operations successfully undermined it.<sup>7</sup>

The TTP has recently ramped up attacks in Pakistan, especially since the Afghan Taliban’s takeover of Kabul. Recent talks were reportedly facilitated the Haqqani network, an Afghan Taliban faction<sup>8</sup>. (The Afghan Taliban denied there was “official” mediation.)<sup>9</sup> Pakistan has signed truces with the TTP in the past, all of which eventually collapsed. But there is reason for optimism this time around.<sup>10</sup> Despite its resurgence, the TTP still lacks the strength it enjoyed in earlier years, which limits its bargaining power. It has also tried to reinvent itself as a more moderate group that no longer attacks civilians, suggesting greater receptivity to a deal.<sup>11</sup> But the TTP remains ideologically committed to overthrowing the Pakistani state. To permanently give up its fight, it will expect a lot in return—certainly more than the release of some fighters from the plane, the concession so far.<sup>12</sup>

On 6 December, the protests in Gwadar, led by a Jamaat-i-Islami leader, Maulana Hidayatur Rehman continued for the 22nd day. The protest movement, now named “Gwadar Ko Huqooq Do Tehreek” or the “Gwadar Haq Dou Tehreek” (Give Rights to Gwadar Movement), presents 19 demands related to employment, availability of basic rights and facilities, and development projects.

### **The ongoing protests: Four major highlights**

First, the demands of the protesters: Dawn shares a list of demands and the progress made on it, as released by the director general of public relations of Baluchistan. From livelihood issues to drinking water to rights of protesters, the

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<sup>7</sup> <https://abcnews.go.com/International/wireStory/pakistan-announces-month-cease-fire-pakistani-taliban-81039137>

<sup>8</sup> <https://abcnews.go.com/International/wireStory/pakistan-announces-month-cease-fire-pakistani-taliban-81039137>

<sup>9</sup> <https://gandhara.rferl.org/a/pakistan-tehrik-e-taliban-talks/31544517.html>

<sup>10</sup> <https://www.nytimes.com/2021/11/09/world/asia/pakistan-taliban-cease-fire.html?smid=tw-share>

<sup>11</sup> <https://www.9dashline.com/article/the-pakistani-taliban-is-reinventing-itself>

<sup>12</sup> <https://www.usnews.com/news/world/articles/2021-11-08/pakistan-local-taliban-agree-on-a-complete-ceasefire-information-minister>

demands are wide-ranging. The main demand focuses on bringing an end to the “trawler mafia” or illegal trawlers. The rest of the demands include: non-interference in trade along the Iran border, freedom for fishermen to go to sea; removal of unnecessary check posts; closing down wine shops in Gwadar; a university in Gwadar; the education department's non-teaching staff positions to be filled; curbing the sale of fake medicines; waivers and subsidies on utility bills; releasing cars and boats the coastguard had seized; clean drinking water; preference to locals for jobs in development projects; implementation of an agreement with the Dar Bela affectees; compensation to Expressway affectees; withdraw cases filed against protest leaders and remove their names from Fourth Schedule; compensation for occurred from storms and illegal trawlers; replace DG GDA, DC Gwadar AC Pasni; quota for disabled people; and, an open Kulki point for transportation of oil and essentials.

Second, the inclusive protests. The ongoing protests witnessed the participation of women, mostly along the Makran division, wherein they said they were forced to take to the streets as the earning members of their families were out of jobs. The youth and children also participated in the protests and the Maulana called it a “historic rally.” An opinion in Dawn indicates that the participation from all age groups indicates that the problems affect everyone in Gwadar and is not limited to a particular group of people. Apart from the wide gender and age dynamics, the protesters also included people from outside Gwadar, namely, Turbat, Pasni, Buleda, Pishkan, Zamran, and Ormara.

Third, the media attention. Unlike previous protests in Gwadar, which did not receive necessary attention from the mainstream media, there has been constant coverage of the ongoing protests. The composition of the protesters could be one factor contributing to this. Further, social media attention has also taken the lead to make the people’s demands heard, by using hashtags #Gwadar and #GwadarProtests, and sharing videos and pictures of the protesting women and children.

Fourth, the rise of Maulana Hidayat. An opinion in The News on Sunday explains that several political experts are puzzled by the rise of a religious leader as the voice of the people. The author details that Maulana Hidayat hails from a fisherman’s family in Gwadar’s Surbundan area and therefore, has secured the support of fishermen alliances. Further, the author outlines that Maulana Hidayat’s previous demonstration and the subsequent inclusion of his name in the 4th Schedule has helped increase his support base.

#### **The outcomes**

According to the public relations official mentioned above, several demands have been met including the removal of unnecessary check posts, completion of inspection of medical stores, payment of compensation, and shutting down of wine

shops. To address the other demands, the respective committees and officials have been informed and necessary procedures have been initiated.

The demands framed in the ongoing protests, therefore, signal that there is an expansion in putting forward the grievances of the people and also in the group of people affected. Previously, the woes of the fishermen were at the forefront of the protests; however, now the call for education facilities, better cross-border trading facilities, and basic demand like that for clean water, indicate that everyone in Gwadar is unhappy with the developments in the region.

## **Nepal**

### **Next generation Nepali Congress**

Despite a myriad of distractions, and beyond all partisan rhetoric, the oldest democratic party of Nepal, the Nepali Congress (NC), steered through a very effective democratic exercise in the process of arriving at its 14th general convention which concluded early this week. It elected a new leadership in the seven-tiered party organisation—from the wards through the municipalities, Provincial Assembly constituencies, federal constituencies, districts and provinces to the federal level—created in congruence with the restructured federal state.

Barring a very few exceptions, these party executives were elected from closely contested elections, which is unquestionably a meaningful contribution to the party's internal democracy; but more generally, towards deepening republican democracy that is often touted to be a fledgling. The outcome of this democratic exercise shines even brighter if contrasted with the modus operandi employed by two other major political competitors of the NC, the UML and the Communist Party of Nepal (Maoist Centre), in "electing" their new national leadership through their respective national conventions being organised around the same time. Both these communist outfits essentially thwarted all scope of intra-party democratic competition to pick trusted henchmen of the party supremos, KP Sharma Oli and Pushpa Kamal Dahal, respectively. Its democratic credentials thus honed should provide a real competitive edge to the NC in the forthcoming local and parliamentary elections.<sup>13</sup>

### **Citadel of power**

No doubt, technically, the citadel of power in the NC remains with the establishment faction led by the prime minister and re-elected president of the party, Sher Bahadur Deuba. Out of the 14 central executives, including himself and one treasurer yet to

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<sup>13</sup> <https://kathmandupost.com/politics/2021/11/29/how-uml-convention-got-mired-in-oli-s-chutzpah-and-hubris>

be nominated, nine are his apparent supporters. Apart from the executives, among the 154 central committee members, according to Section 21, Clause 10 of the party statute, he will single-handedly nominate 33 members. However, he also has a political-moral obligation to nominate his opponents like his nearest rival in the presidential race Shekhar Koirala and other contestants to senior positions like the vice-president and general secretary who lost the elections by honourable margins. Even though a number of his close confidantes got severely beaten, Deuba still enjoys a very comfortable majority in the central committee.<sup>14</sup>

But in politics, numbers and the plan rule the roost. The 14th general convention of the NC has unequivocally endorsed the plan of transfer of power to the next, younger generation of the leadership. The electoral victory, to fill in both general secretary positions, contesting from anti-establishment panels, is unequivocal evidence that the party rank and file was desperate to see the transfer of power from what is known as the second generation of the NC leadership straight to the fourth generation.<sup>15</sup>

The victory of Thapa and Sharma, who garnered 64.56 percent and 42.37 percent respectively of the 4,682 ballots cast, also shows that the electorate defied the decrees of the "lords" of the party's factional divisions in the future interest of the organisation. More than 60 percent of the elected central executives across the panels are either fresh faces or have assumed new responsibilities. Equally important is the fact that they effectively displaced a number of self-proclaimed party heavyweights who essentially were responsible for the party's downfall in the immediate past.

This set of new leadership possesses particular character traits. Many of these young leaders started their active political careers after restoring democracy in 1990. Therefore, this generation did not suffer long years of incarceration, exile or repeated arrests meted out by the then Panchayat system under an absolute monarchy. The only large scale organised political revolt they participated in or experienced was the anti-monarchy, pro-republican movement of 2006-07. This phenomenon forces these leaders to bank more on their delivery than on the anecdotes of personal sacrifices and painful struggles.

Also, this undoubtedly is the generation that better understands the aspirations of the youths in general, which is more interested in their future than whining stories of the past, communicates more through social media than social revolt, and looks for pragmatic solutions to socio-economic problems dancing with trite political rhapsodies.

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<sup>14</sup> <https://www.nrb.org.np/contents/uploads/2021/12/Current-Macroeconomic-and-Financial-Situation-English-Based-on-Four-Months-data-of-2021.22.pdf>

<sup>15</sup> <https://kathmandupost.com/politics/2021/12/17/the-young-turks-of-congress>

The fact of the matter is that the rise of the youth leadership in the NC, as personified by Thapa and Sharma, serves only as a symbolism to change. To prove their mettle, as leaders of change befitting their elected responsibility, will be more challenging than the battle fought through the ballot. The "next generation" leadership that has emerged regardless of their function of affiliations must pass a three-stage litmus test. Their victory has, though partially, ratified the agenda of the "imperative of change" in the party put forth by them. But, as the first step, it now becomes their collective responsibility to adequately articulate that agenda of change in terms of calibration of the party's principles, policies and programmes.

### **Burning Problems**

Second, they must be able to end the pervasive sense of "disconnect" between the party's mainstay of business and the country's burning problems like rapidly declining economic indicators decaying education system, worsening unemployment scenario and depleting national prestige in the international arena.<sup>16</sup>

The new political leadership aspiring to climb higher cannot afford to be impervious and clueless like their predecessors towards the people's pressing problems.

Third, the selected pattern of the central leadership in the NC has dismantled the existing factionalism in the party and created new power centres. The most critical challenge for the NC will be to make it a party of interest to the next generation of Nepali youths who are hopelessly becoming disenchanted with the politics centred on the petty vested interests of a few influential players in the national party.

Therefore, change both in narratives and functionality of the leading democratic force like the NC is quintessential, and must be led by these change leaders. It can only happen with the realisation in these young leaders that they represent their cadre-supporters who voted for them and the more considerable popular will that is breathlessly waiting for the nation's politics to deliver the goods.

### **Bangladesh**

This week, Bangladeshi Prime Minister Sheikh Hasina is on a five-day visit to France, where she met with French President Emmanuel Macron. Of particular note was a joint statement endorsing the "free and open" vision of the Indo-Pacific region articulated by the members of the Quadrilateral Security Dialogue (Australia, India, Japan, and the United States)—and rejected by China.<sup>17</sup>

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<sup>16</sup> <https://www.nrb.org.np/contents/uploads/2021/12/Current-Macroeconomic-and-Financial-Situation-English-Based-on-Four-Months-data-of-2021.22.pdf>

<sup>17</sup> <https://www.elysee.fr/en/emmanuel-macron/2021/11/09/joint-statement-by-president-emmanuel-macron-and-prime-minister-sheikh-hasina>

France, a key Indo-Pacific player because of close partnerships with India and several territorial possessions in the Pacific Ocean, suffered a recent blow to its influence in the region when Australia jettisoned a French submarine deal in favor of a new package from the United Kingdom and the United States.

Macron had the opportunity to reassert French power in the region through his meeting with Hasina. Bangladesh, which has cordial ties with India but also hosts large Chinese infrastructure projects, is trying to balance its relations with India and China.<sup>18</sup> Chinese officials won't be pleased by Dhaka's endorsement of the Indo-Pacific policy—a sensitive issue for Beijing. In May, China's ambassador to Bangladesh warned Dhaka not to join the so-called Quad.<sup>19</sup>

## **Bhutan**

A MOU for a Three Step Roadmap for expediting the Bhutan China Boundary Negotiations between the Ministry of Foreign Affairs of China and Bhutan remained the hallmark of the month. There were muted reactions from India possibly expecting such a turn of events. India is primarily concerned of the dispute in the Western sector projection of the Chumbi Valley. Bhutan is on the verge of achieving herd immunity which has opened up scope for holding local elections in November and tourism may also begin shortly. Meanwhile His Majesty The King continued with the Royal Tours during the month, offering Dashain Tika.

## **Bhutan China Boundary Talks – Way Ahead**

Ministry of Foreign Affairs, Bhutan in a Press release on October 14, highlighted that a Memorandum of Understanding for a Three Step Roadmap for expediting the Bhutan China Boundary Negotiations was signed in a virtual signing ceremony. The Release stated, that Foreign Minister of Bhutan, Lyonpo TandiDorji and the Assistant Minister of Foreign Affairs of China, Wu Jianghao signed the Memorandum of Understanding between the Royal Government of Bhutan and the Government of the People's Republic of China.<sup>20</sup> The Memorandum of Understanding on the Three-Step Roadmap will provide a fresh impetus to the Boundary Talks said the Release. It is expected that the implementation of this Roadmap in a spirit of goodwill, understanding and accommodation will bring the boundary negotiations to a successful conclusion that is acceptable to both sides.

During the 10th Expert Group Meeting in Kunming in April this year, the two sides agreed on a Three-Step Roadmap that will build on the 1988 Guiding Principles and help to expedite the ongoing boundary negotiations. The Memorandum of

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<sup>18</sup> <https://theprint.in/diplomacy/were-part-of-chinas-bri-but-india-our-most-important-partner-bangladesh-foreign-advisor/627369/>

<sup>19</sup> <https://thediplomat.com/2021/05/chinas-warning-to-bangladesh-on-the-quad/>

<sup>20</sup> <https://www.mfa.gov.bt/?p=11456>

Understanding will be exchanged between the two sides through diplomatic channel. Bhutan's Ambassador to India, Maj Gen (Retd) Vetsop Namgyel and China's Ambassador to India Sun Weidong participated at the virtual meeting, as Bhutan and China don't have direct diplomatic relations, and liaise via their embassies in Delhi.

## **LINK FEST**

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The Seen and Unseen	Episode: The Most Dangerous Place: A History of the United States in South Asia.	Podcast	<a href="https://podcasts.apple.com/in/podcast/america-in-south-asia/id1190896090?i=1000423202193">https://podcasts.apple.com/in/podcast/america-in-south-asia/id1190896090?i=1000423202193</a>	





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Rao Tularam Marg, Opposite Signals Enclave, Anuj Vihar, Vasant Vihar, New Delhi, Delhi 110057



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