

SOUTH ASIA IN SEPTEMBER 2005

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Even as most heads of state from the region headed for New York to the Millennium Development Summit in mid September, significant developments took place in South Asia with implications for the future. Overall the trends are more positive than otherwise, but some issues will remain of concern in the coming months. The second round of composite dialogue was completed between India and Pakistan. The third round is expected to resume from January 2006. Indian economy grew by 8.1 percent in the first quarter exceeding expectations. Other regional economies too continue to do well, save Nepal. Ceasefire holds in Sri Lanka and another has been declared in Nepal to cover the festive season. Politics remain somewhat turbulent but stable. Monsoon has been normal in South Asia with promises of good crops. Yet, terrorism trends continue to be worrisome, particularly recent developments in Bangladesh.

Afghanistan elections went off smoothly and no matter what the results, the fact of its successful conduct is itself very positive. Depending on how results turn out, some turbulence is possible from the losers, where in the past defeat has usually required a face saving resort to counter violence. Poppy production thrives and will continue till alternate economic opportunities are available and state authority is strengthened. Incipient terror activities continue and the Taliban retains its effectiveness. The overall positive developments remain impressive

Bangladesh's years of political drift is undermining its claims to be the only 'moderate Islamic democratic state'. There are several positive elements in the country. Its economy continues to grow at a modest rate despite globalisation. Its human development indices are surprisingly strong compared to its economic state and women are generally more empowered than in many under developed countries. But, political violence in the name of Islam may yet undo these if not checked in time. Police are investigating the 17 August bomb

blasts and having some success. Predictably, however, the blame is being directed at India. This is likely to ensure that the principal causes remain unaddressed and that the violence may continue. The terrorists seek an Islamic state and rule by Shariat. They are even protesting holding the SAARC summit in mid November at Dhaka. Coming months will surely pose several challenges to itself and the region.

Several trends characterised the month in India. Foreign policy took a distinctly independent and nationalist turn with its vote in the IAEA against Iran siding with the EU and the US. In spite of opposition from the left and the right (BJP), the strategic community generally welcomed the move. This may well presage a change in Indian foreign policy to greater focus on national interests and away from vague generalisations on principles, which even in the past was seldom consistent. The BJP remains in disarray and will see leadership changes by the end of the year preceded by inner party squabbles. Will it be able to redefine itself and distance its policies from its right wing ideological base, the RSS? This will remain a question of major importance to the future of Indian democracy. Economic growth is entirely positive and shows a long term high trend that could approach China's growth rates only if some basic policy issues are addressed. This of course is hostage to left party pressures and the government has shown no ability to overcome it. This drift is likely for several months till a few major provincial elections can demonstrate a different trend. Till then populism is likely to win over pragmatism. Major bilateral military exercises are on the anvil even after the successful conclusion of the largest ever Malabar naval exercise with the US. A few big ticket military acquisitions too are on the cards with the French Scorpene submarine deal the most important. A mini arms race with Pakistan is very likely, whatever name is given to it. Economic growth is now slowly but surely translating in to military assets. Terrorism and insurgency continues across much of central

India and will surely affect long term prospects. No major policy or peace initiatives are yet discernible. Nevertheless, the overall prospects for India are as bright as the Sensex, which continues to grow exceeding all expectations. Foreign institutional investments are already nearing US \$ 9 billion for the year.

Prime Minister Manmohan Singh met with a group of the All Party Huriyat Council of Kashmir on 5 Sep in Delhi, an altogether positive development. Though no major understandings were reached, this may be seen as a step to bring the Kashmiri people in to the dialogue process. The momentum was not maintained, however, with President Musharraf raising again the UN resolutions issue at New York. The bilateral meeting over dinner held out high expectations but achieved little.

The festive season in Nepal has brought some good cheer with the Maoists declaring a three month ceasefire in early September. Violence is down and so is the economy with tourists shunning the country like never before. There are no visible prospects for peace and no signs of dialogue or negotiation to exploit the brief period of ceasefire. King's international position has weakened as was apparent when facing a near boycott in the UN, he cancelled his visit. One can only hope that the winter brings political dialogues and hope, even though there are few signs of it.

It has been a good month for Pakistan. Its economy is doing remarkably well and there is political stability of a sort with only incipient opposition to the government. Insurgency in Baluchistan appears to continue and may even

be growing. Taliban and Al Qaeda presence in Waziristan remains high, but both are under control. Musharraf had a very successful visit overall to New York except for the terrible faux pas over women's security and the rape issue. This has highlighted like nothing else could, as to where Pakistan really stands in human rights and the rule of law. Nevertheless US support to it remains near total and so does the flow of economic aid.

The major issue in Sri Lanka is the Presidential elections due in November. With the Prime Minister Mahinder Rajapakse and the leader of the opposition, Ranil Wikremasinghe the principal contestants, future policies in Sri Lanka will be determined by the results. Currently Ranil is in the lead and enjoys several advantages. But, given the fractious nature of the polity and ethnic divisions, nothing can be taken for granted. The role of the JVP and the Buddhist clergy will bear careful watch to discern likely future political developments. Meanwhile there is no agreement on Tsunami relief for the north. Incidents of violence are on the rise and the cease fire is tenuous and could well break down, though it too will possibly await the election results. Meanwhile the overall economic indicators are strong and are likely to remain buoyant.

Build up to the SAARC summit will occupy much of October in South Asia, as will several internal political developments. Terrorism in Bangladesh, elections in Bihar, political transition in Jammu & Kashmir, continuation of the cease fire in Nepal, politics in Pakistan and lead up to the Sri Lankan presidential elections. By all accounts an interesting period ahead.

COUNTRIES
& REGIONS

BANGLADESH: Blasts probe, Bilateral talks and Banking woes

Rukmani Gupta
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September 2005 witnessed continuing probes into the August 17 countrywide blasts; bilateral talks with India on issues ranging from the tri-nation gas pipeline to trade and CBMs; and the IMF and World Bank expressing their displeasure with reforms in Bangladesh.

Investigations into synchronized bomb blasts Probes following the August 17 blasts across the country have revealed that the Jama'atul Mujahideen Bangladesh (JMB) is a well developed and well funded organization. Bombs, two hundred detonators, militant training manuals and small arms were seized

from JMB chief Abdur Rehman's brother's two houses in Dhaka early this month. Following the raid, the BDR seized a large number of arms and ammunition in hilly Naikkhangchhari including eight AK 47s and four LMGs. In Mirpara in Natore, at the JMB's headquarters, a huge cache of explosives and bomb making material as well as books on jihad were found. Four militants were arrested during this operation. The police also held 22 suspects in connection with the blasts after identifying two printing presses in Dhaka where the leaflets found at bomb sites were printed.

Journalists reporting the progress of investigations were issued threats by the JMB that reiterated its intent to establish Islamic law in Bangladesh. The letters to journalists warned of execution should they write against the Jamat-e-Islami, Harkatul Jihad, Ahle Hadith, Jamiat-e-Ulamia Islam and the Muslim Mujahid Party. The letter also stated that under Islamic law envisioned by the JMB, Hindus would either have to convert to Islam or leave the country.

The use of mosques in Khulna as training grounds for militants was brought to light with the confessions of Masud bin Ishaque who was arrested in Khulna for involvement in the August 17 blasts. Retired lance corporal of the army Harun-ur-Rashid who is under arrest for his suspect involvement in the blasts alleged the involvement of over one hundred retired army personnel as trainers for the JMB. A quick inquiry by the military intelligence has found no evidence of these allegations. JMB's nexus with Islamic militant group abroad became evident as bank statements of Moulana Mosud (who was arrested at the Zia International airport for his involvement in the blasts) show that he had received over one crore takas from the UK and the UAE.

The JMB's blatant fanaticism and anti-Hindu message along with its links with militant organization in the Middle East and UK is a source of serious concern for countries in the region. As investigations continue and more information about the JMB is revealed, its organizational and financial strength seem to put into serious question the ability of law enforcers to effectively debilitate the organization.

Trade and Energy talks with India

Mani Shankar Aiyar, Indian Minister for Petroleum and Natural Gas, visited Dhaka on a two day official visit beginning September 5; he met Saifur Rahman, Bangladesh Finance Minister, and discussed the tri-nation pipeline and other trade related issues. Dhaka proposed setting up two separate bodies to work out the pipeline and trade issues. While Finance Minister Saifur Rahman was in favour of delinking the two issues, Adviser to the Energy Minister of Bangladesh, Mahmudur Rahman said that the issues of trade deficit, corridor to Nepal and Bhutan and the pipeline were all related and could not be discussed separately. Aiyar was in favour of discussing each issue separately and expressed the hope that the MoU on the pipeline would be signed soon.

As far as courtesy visits go, Aiyar's could definitely be deemed a success. However, so long as Bangladesh insists on laying down pre conditions to the construction of the pipeline, it is difficult to discern when concrete results will follow.

Water sharing with India

The Indo-Bangla Joint Rivers Commission met from September 19- 20. Although there was no breakthrough in the Teesta water sharing issue, India assured Bangladesh that its multibillion Rupees river linking project would not lead to diversion of water from the Ganges or the Brahmaputra. Both sides agreed to a joint inspection by their water ministers of the bordering areas affected by erosion of trans-boundary rivers. The 36th Joint Rivers Commission also resolved a review of the 'operational implementation' of the 1996 Ganges Water Sharing Treaty.

India expressed its willingness to go ahead with the Tipaimukh Hydrological Dam (THD) despite Bangladesh's concerns over the same. India did however agree to provide Bangladesh a detailed plan of the THD and take into account concerns expressed by Bangladesh after reviewing the plans.

Although bilateral talks over water sharing seem to be progressing between India and Bangladesh, disagreements over the ratio of

water sharing with regard to Teesta and Bangladesh's fears of the consequences of India's river linking project could hamper progress in the future.

BDR and BSF talks

Six-day director general level talks between the BDR and the BSF began in New Delhi on September 26. The talks are an extension of border post talks between the two sides in attempts to relieve tensions. This round focused on CBMs and discussing the question of fencing the border by the BSF along with other security issues.

At a time when the situation along the border is becoming tense with killings of innocent civilians being reported almost daily in the Bangladeshi press, the talks could help diffuse the tension and help in further dialogue. Allegations by Bangladesh that Indian nationals were behind the August 17 countrywide blasts do however present a serious hurdle to forward movement over security issues.

Bangladesh courts IMF and World Bank displeasure

The IMF reportedly threatened to stop funding if it continued to utilize supplier's credit. Bangladesh Finance Minister Saifur Rehman expressed his displeasure with what he termed

as attempts to take over the driving seat in the reform programme by World Bank and the IMF. On the heels of this report, the IMF was quick to reassure Bangladesh of continued support and lauded its overall macro-economic performance.

Complications arising out of the privatization of Rupali Bank may lead the World Bank to defer Development Support Credit (DSC) to Bangladesh. Privatization of Rupali Bank was a condition tagged by the WB and the IMF for releasing the Poverty Reduction Growth Facility and the DSC, which has not yet been met due to a High Court stay order. The World Bank is also unhappy over growing nepotism in the Anti Corruption Commission. The World Bank appraisal mission may overlook these conditions if it finds the government's efforts to vacate the stay order sincere.

At a time when Bangladesh is undertaking an important reform programme aimed at improving governance, it can ill afford to lose credit from international sources. As Bangladesh seeks to establish its credibility in the international economy, it will either have to meet the conditions laid down by the Bretton Woods institutions or risk economic slow down.

COUNTRIES & REGIONS

INDIA: Politics of Fragmentation

Smita

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Intra-party conflicts within BJP, heat of elections in Bihar, Government's action plan for curbing Naxalism, EU-India sixth summit, and India's vote against Iran at IAEA were the major issues in September 2005.

War in the Parivar

After the electoral defeat of May 2004, the Bhartiya Janata Party has gone through a crisis. As the Party prepared for its National Executive meeting in Chennai, dissonance within the Party over questions of ideology, leadership and politics have become clearly visible. Madan Lal Khurana, former Delhi Chief Minister and Delhi state BJP president questioned Advani's authority as being "dictatorial" that turned the BJP from a "family unit into a private limited company", accused him of diluting BJP

ideology, and expressed his inability to work under him. The crisis also brought the differences between Vajpayee and Advani out in the open and led to speculation that Khurana would opt to form a regional party. He was suspended for six years from the party but a compromise was reached later and the suspension withdrawn.

At the National Executive meeting in Chennai, Advani announced that he would "demit office", after the party's silver jubilee session ended at Mumbai in December 2005. This has set the stage for a fierce battle for leadership between 'moderates' fighting for functional autonomy and the Sangh 'fundamentalists' determined to hand the party over to Sudarshan. BJP's biggest challenge seems to be its second generation leaders, who have taken intra-party

discipline into their hands and the BJP's relations with RSS.

Bihar: Elections again

As the electoral process gets underway in Bihar for the second time this year, uncertainty envelops the entire exercise as the Supreme Court decides upon the validity of Governor Buta Singh's recommendation to dissolve the state assembly. Political parties however, have started campaigning in anticipation of the electoral battle lying ahead. The election would be held in four phases in November.

While the Rashtriya Janata Dal leader and Railway Minister Lalu Prasad woos Muslim and Dalit votes again, by asking for "one more chance", Lok Janshakti Party leader and Union Minister Ram Vilas Paswan readies to form a third front against the National Democratic Alliance (NDA) and RJD-Congress alliance. It is now clear that there would be a three-way contest in Bihar. For the Congress, the priority would be to ensure the survival of United Progressive Alliance (UPA) government in New Delhi; RJD's support is essential for this. Unlike the UPA, the NDA presents a cohesive picture of the Janata Dal (United) - Bhartiya Janata Party alliance. Ultimately, the outcome of the Bihar assembly elections may depend more on LJP's performance. With a three way contest ahead, the Bihar election may or may not deliver a decisive verdict, but a political drama can be expected in the process.

Curbing Naxalism: Two Track Response

The Union Government and the states affected by the Naxalite problem agreed on September 19, to make the inter-state joint task force functional to facilitate coordinated operations. The first meeting of the Standing Committee of Chief Ministers of Naxalite affected states, presided over by Home Minister Shivraj Patil attempted to tackle the enormous challenges posed by various Naxal and Maoist groups. Two key decisions were taken at the New Delhi conclave – first, to set up joint task forces to combat Naxalites and second, to enable states to utilize the special component plan for the development of Naxal affected districts.

Affected states have been asked to appoint a nodal officer to coordinate efforts against Naxalites, and the Union government would assist them in this task.

The scheme to modernize the police forces in states holds part of the key. However, no state can afford to approach Naxalism as a mere law and order problem. Meaningful welfare and development programmes must be undertaken, as a socio-political priority. In fact, it is important not just for the nine states officially categorized as "Naxalite affected" but also for others facing socio-economic unrest to take serious steps to meet the basic needs.

A deal with Europe

Tony Blair and Jose Manuel Barroso were in New Delhi during the second week of September, to participate in sixth EU - India Partnership Summit, where an ambitious Joint Action Plan was signed. The only such agreement signed by the EU the plan is a comprehensive cooperation agreement covering many fields. They also declared "zero tolerance" on terrorism, and recognized it as "the most serious threat to international peace and security." The Indian Prime Minister announced the purchase of 43 planes from the Airbus Industry of Europe, worth around \$ 2.2 billion.

India's Persian puzzle

India's vote against Iran at the IAEA is seen as a victory of the US-EU position and a shift in India's foreign policy. For all its pretensions to a permanent seat in United Nations Security Council, India has faced its first real test as rising power. India rejected assertions that it had voted against Iran at IAEA under US pressure, stating that the resolution it had supported was in Iran's interests and was the culmination of intense and high level consultations with Germany, France and Britain. Despite these assertions Manmohan Singh's government came under heavy fire at home. The BJP and the government's communist allies, lashed out at the decision, accusing Delhi of "surrendering" to American pressure.

Despite meetings with six presidents in three days and holding forth to an audience of over 160 heads of states at the United Nations' 60th General Assembly (UNGA), the focus of Manmohan Singh's visit to New York remained on his meetings with US President Bush and Pakistan President Pervez Musharraf. Apart from the ostensible reason of discussing the Indo-US nuclear deal and reviewing the progress made by respective parties in nurturing this deal, India's relations with its Western neighbours — Pakistan and Iran — were also on the anvil and demanded high diplomatic skills.

The aim of the UN summit was two fold. One, to monitor after five years the progress on meeting the Millennium Development Goals. Two, to consider restructuring the UN. On neither issue was the progress very satisfactory from a South Asian view. Though some progress has been made by South Asia, particularly Bangladesh, towards meeting the MDG much still remains and the world is not entirely supportive. Substantial changes to the UN structure is years ahead though peripheral improvements were made.

Manmohan Singh's talks with Bush came close on the heels of the Bush-Musharraf meeting. Active US participation in what is 'officially' a bilateral dialogue between India and the back-to-back meetings that Bush held with the sub-continental leaders before they had their one-off meet only accentuates the centrality of US' growing influence in the sub-continent. The build-up to the Singh-Musharraf meet had the usual trappings of an expectation of a major announcement that signalled the movement of the composite dialogue. High level meets between Indian envoy S K Lamba and Pakistan's National Security Advisor Tariq Aziz, statements made by Jehangir Karamat, Pakistan's ambassador to US, about a deal on Siachen or troop withdrawal in J&K only fuelled expectations. If the measured silence of the Indian delegation was any indication, this enthusiasm was unwarranted.

Musharraf's utterance of the K-word in his speech to the UNGA; the demand for troop withdrawal from Kupwara and Baramulla; and, Indian dissatisfaction over Pakistan's efforts to control terrorists only darkened the mood of the talks. The efforts of Condoleezza Rice, the US Secretary of State, in pursuing Musharraf's case with the Indians bore no fruit. Again, Rice's involvement is an indicator of the US playing the role of grievance addresser.

Many commentators have linked the demand for Indian troop withdrawal to the reduction in the 'flow of terror', and hence terrorist attacks in J&K. If enforced, this measure may serve as a dangerous precedent. The norm that the question of a troop pullout is an exclusively Indian prerogative, wherein foreign actors do not have a say will be breached. The terse joint-statement issued by Singh and Musharraf "reaffirmed" and "reiterated" older achievements like the 6 January 2004, Islamabad Declaration's mandate for a "composite dialogue". Despite their differences, the leaders expressed faith in each other's ability to carry the peace process forward. India's Foreign Minister, Natwar Singh's upcoming visit to Pakistan in October and the proposed visit by Manmohan Singh to Pakistan testify to the possibility that the peace process is likely to be able to withstand jolts and momentary lapses in progress. The multiple levels of engagements — secretarial, ministerial, advisor-level, heads of state, and people-to-people — are positive signs and reflect the "compositeness" of the dialogue.

While Singh was away in New York, a domestic controversy mushroomed up in India with the BJP taking exception to the fact that Singh broke time-tested norms by discussing domestic politics (Vajpayee's negative remarks about the Indo-US deal) with a foreign leader. In fact, domestic politics has been a bugbear to both Singh and Bush. Although Singh claimed to have the support of the Indian Parliament over the India-US nuclear deal, the deal drew severe dissension from both the Left and the Right in India. On the other hand, Bush has to pass this deal through Congress and may face stiff

resistance on Capitol Hill. India's position vis-à-vis Iran came under scrutiny with the US seeking Indian support for a stricter stand against Iran. India sought a greater role for "multilateral" efforts and intensive diplomacy to address the Iran crisis. India's deliberations with Iran and the EU-3 could have created a perception of "leverage" that India may or may not be capable of exercising over Iran. Moreover, the steps India takes in securing the future of the IPI pipeline in the face of US opposition was and will remain another crucial test even after the UN Meet.

As mentioned earlier, although Manmohan Singh met a host of leaders, adequate attention was not focused on this aspect by either the media or analysts. Singh met the Presidents of Brazil and South Africa as part of the IBSA Forum (India, Brazil and South Africa Dialogue Forum) to strengthen the South-South dialogue and multilateralism. He met Russian President Vladimir Putin to widen the scope of strategic

cooperation with Russia and renew engagement in trade and economics. Singh also met President Hu Jintao of China. In what was their fourth meeting this year, stability in Asia, increase in trade and other areas of cooperation were discussed. Thus, Singh's diplomatic efforts was not constrained nor limited to the US and Pakistan. Natwar Singh stayed back even after Singh's left for New Delhi after the UNGA to handle the complexities of the ensuing Iran crisis and further talks with EU leaders, and an active engagement with Kasuri signified the execution of meticulous diplomatic legwork.

Whether these actions are part of India's concerted attempts to pursue a modus vivendi that is multilateral in nature to address global concerns or an exercise of realpolitik is still an open-ended question and the jury may well be out on whether the Manmohan Singh-led Indian delegation walked the diplomatic tightrope without flailing.

COUNTRIES & REGIONS

INDIA: Manomohan Singh's Visit to France

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India and France agreed to strengthen their ties when Manmohan Singh and Jacques Chirac met at the Elysee Palace on 12 September 2005. This is an important step that New Delhi has taken to further the 'strategic partnership' with France.

India's main concern has been to expand cooperation in the fields of trade and investment, defense, space, civilian nuclear energy, advanced science and technology, educational cooperation, cultural and civilizational ties, fight against terrorism, economic, social and environmentally sustainable development, managing globalization and fight against pandemics. During his visit, Singh focused on foreign investment and attempted to convince companies such as EDAS, Dassault Aviation, Alcatel, Alstom, Air Liquide, Accor, Areva, Saint-Generale, Thales, Total, Valeo and Sonafi Aventis to invest in India. He asked French industrialists to take a fresh look at India which would grow at 8-10% in coming years. France affirmed that India was one of its top five investment destinations. It also planned to

undertake 20 promotional measures to increase Indo-French commercial investment.

Both countries supported a "regime change" in nuclear technology, trade and transfer. France assured that it will India to work with other Nuclear Suppliers Group (NSG) members to ensure India's requirements of nuclear fuel and technology. Both agreed on the need to develop international cooperation for peaceful use of nuclear energy. France appreciated India's commitment to prevent WMD proliferation. A "framework agreement on defense cooperation" was formulated wherein a \$ 3 billion deal for six Scorpene submarines and a \$ 2.4 billion deal for 43 Airbus were announced. India succeeded in bargaining with Thales, DCN and Armaris, the constructors of the Scorpenes, to reduce the price of the submarines and planes.

India now looks forward to the February 20-21, 2006 visit of the French President. This visit would reflect the reconfiguration of the global balance of power and India's emergence as a major power.

NEPAL: International Opprobrium Mounts*KS Manjunath*

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The three-month unilateral ceasefire announced by the Maoists; the King's decision not to attend the United Nations 60th Session; unrelenting agitations by civil society and political parties; a cornered King's political concession to hold municipal elections in April 2006 and parliamentary elections within two years; and, the renewed focus on Nepal by the international community, especially the UN, were the threads that characterized the tapestry that is Nepal's politics in September.

On 4 September, the Maoists announced a ceasefire, halting all "offensive operations" for a period of three months. However, the Maoists unambiguously stated their intention only to engage with the political parties and refused to hold parleys with the palace-appointed government. The leader of the Maoists, Prachanda, attached a rider to this ceasefire, declaring that his forces were in a state of "active defence" and would break the ceasefire if the military stepped up its offensive. Further, he categorically stated that, "It is the responsibility of the major political forces to provide a political solution." Thus, the onus is on political parties to make the next move towards a rapprochement and provide an impetus to their joint aim of lifting the yoke of King Gyanendra's rule. Baburam Bhattarai, the reinstated Maoist leader favours an engagement with the political parties and this move by the Maoists bears his hallmark. Nepal's National Human Rights Commission's (NHRC) plea to the government to reciprocate to the ceasefire was ignored. Instead, the Chief of the Royal Nepalese Army (RNA), General Pyar Jung Thapa, upped the ante by terming the ceasefire a "drama" and alleged that the Maoists were against human rights and civilization. Nevertheless, the NHRC decided to consult with parties to convert this opportunity into a long-lasting peace.

As civil society groups decided to monitor the ceasefire and invited the UN to broker peace, UN Secretary-General Kofi Annan hailed the

ceasefire as an opportunity for forging an "inclusive" peace process. This is an important development for Nepal since the World Bank decided to cut about \$150m in aid to Nepal due to the slow pace of "agreed reforms".

As world leaders made a beeline for the UN General Assembly in September, the King's decision to stay away from the Meet, and send Foreign Minister Ram Nath Pandey instead raised eyebrows in Nepal and around the world. Cabinet vice-chairman Dr Tulsi Giri stated that the alleged decision by US President Bush not to invite King Gyanendra to a reception for the visiting dignitaries provoked this response. Nepal-US relations have reached a nadir with the US deciding to continue its arms embargo in September. Similarly, the US has refused to recognise the Maoists as a legitimate political entity. A South Asia Bureau official from the US State Department, Donald Camp, made remarks to this effect in Washington on 20 September.

Pandey's mandate at the UN was to "highlight the concerns of small, underdeveloped and landlocked countries." He announced the Nepal King's decision to conduct municipal elections in April 2006 and parliamentary elections in two years and presented it as evidence of the King's "unflinching and total" commitment to democracy. At the same time, he stressed that, "one-size-fits-all model does not apply for peoples with different historical, socio-cultural and economic backgrounds". The Chief Election Commissioner (CEC) of Nepal, Keshav Raj Rajbhandari declared that municipal elections would be held even if political parties boycotted the process.

UN concern and involvement in Nepal has been on the rise, with increasing numbers of incidents involving crackdown on civil society groups, journalists and students. International condemnation of these events has been severe. At the politico-legal level, the tussle between constitutional bodies like the Supreme Court and the Royal Commission for Corruption

Control (RCCC) over detentions, investigations, etc. spiralled. Apart from the flurry of reports received by the UN from civil and political parties to intervene, in-house agencies such as the United Nations Office of the High Commissioner for Human Rights (OHCHR) in Nepal have been vocal about the deteriorating

human rights situation in Nepal. This has led to the deputation of Manfred Nowak, the UN Special Rapporteur on Torture, to investigate the matter. The UN is also closely working with India and the US to tackle the problems in Nepal.

COUNTRIES
& REGIONS

PAKISTAN: Musharraf's Visit to the US

Seema Sridhar

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President Musharraf's high profile visit to New York last week was enmeshed more in controversies than substantive results. The media hype surrounding his visit to New York for the United Nations summit on the occasion of the UN's 60th anniversary focused attention on his faux pas in diplomacy. However, his visit did pursue the agenda of bettering bilateral relations with countries and communities, hitherto estranged from Pakistan. There were high expectations from his talks with Manmohan Singh, which did not yield substantive results.

The much awaited meeting between Musharraf and Manmohan Singh was luke warm with both sides remaining firm on their respective stands. Musharraf insisted on troop withdrawal by India from Kashmir while India voiced its genuine concerns over continued cross border infiltration and terrorism from Pakistan. Disagreements over the definition of 'terrorism' proved to be a holdup during the talks. Musharraf's reference to the U.N resolutions evinced a response from his Indian counterpart that stated the difficulty in forward movement so long as Pakistan insisted on the U.N resolutions. Musharraf's equation of Kashmir with Palestine and both of these being 'ripe for resolution' at his Columbia University address created a great deal of disquiet in India for his remarks were made knowing very well strong Indian resentment to such a comparison.

The silver lining is that both leaders have publicly reinstated their commitment to keep the process moving forward and have agreed to meet again. Though major issues remain unsolved, it is definitely heartening to know that these have not barred progress on other fronts.

The upcoming talks between defence ministries on co-operation in civil aviation and communication secretaries on the Lahore-Amritsar bus service shows that the commitment to enhance people to people contacts still remains. A 58 year old issue such as Kashmir cannot be solved in one go. However, deadlocks such as the one in New York that set the process back should be avoided.

Musharraf's address to the Jewish community was path breaking and it's motives and implications need concerted study to decipher the direction of Pakistan's foreign policy. The tactical move on the part of Pakistan needs to be analysed in the changed context of Indo-U.S relations and Pakistan seeking a similar nuclear deal on nuclear energy co-operation with the U.S as India has attained. Ties with Israel have generated much controversy within Pakistan as they are seen as backtracking from support to the Palestinian cause. It could bring more divisiveness in the country among a huge section of the populace who already perceive Musharraf as a betrayer of the cause of Afghanistan, Kashmir and now Palestine.

The question of Iran's nuclear programme was taken up at the World Summit and Pakistan took the stand that it was against use of force against Iran. However, Pakistan made it clear that it was against a nuclear Iran. The U.S has stepped up its pressure on both India and Pakistan to reconsider their decision on going ahead with the Iran-Pakistan-India pipeline. Absolving Pakistan of any responsibility for nuclear proliferation by declaring that whatever proliferation took place was the action of an individual, with reference to Dr A.Q.Khan's case

evinced the already loud and concerted efforts being made to prove Pakistan as a 'responsible' nuclear state. This is geared at smoothening the way within the international community for clinching the nuclear deal if it actually comes through.

Democracy promotion has purportedly been the mainstay of U.S foreign policy and it came to test when President Bush did not raise the question of Musharraf's uniform during their talks. Musharraf is to continue in both capacities, of the Army Chief and the President until the domestic and international environment necessitates him to do so. He even denied Benazir Bhutto and Nawaz Sharif the right to return to Pakistan. He said that their political parties could take part in 2007 general elections as there was no restriction on them. Pakistan's maneuvers to maintain a democratic persona despite its existing military regime was seconded by the host country which did not raise it as an issue. The U.S has supported Pakistan's offer to put up a fence on Pakistan-Afghanistan border for preventing incursions, and has backed Pakistan on what it thinks is a good idea to be implemented.

On the economic front, Pakistan tried to boost its image as an investor friendly market and Musharraf addressed the US Chamber of Commerce and the US-Pakistan Business Council where he referred to American investments as contributors to governmental efforts in Pakistan to combat terrorism and extremism. He met a gathering of representatives of major American companies and corporations, and negotiations on the bilateral investment treaty (BIT) were held with positive outcomes paving the way for signing of

the treaty in the near future. Pakistan sought zero rate duty from the US on products to be manufactured in the proposed Qualified Industrial Zones (QIZ) to be built on the Pakistan-Afghanistan border. The talks for BIT began in February 2004 when US Trade Representative Bob Zoellick visited Pakistan and met Commerce Minister Humayun Akhtar Khan. This is supposed to be a precursor to the Free Trade Agreement which is to be signed eventually and the BIT would become part of a future FTA with the U.S. This is a welcome move as American investment in Pakistan would increase and it could foster stability, economic growth and development.

Musharraf's claim that all the UNDP millennium goals had been achieved and Pakistan was better off than many developed countries has drawn flak from many quarters. Pakistan ranks 135 in the Human Development Index Report and skirting serious developmental issues that need studied attention does not help Pakistan's quest to be taken seriously. Musharraf's remarks on rape victims in Pakistan has been a shameful reminder of the status of women's access to redressal against violence in Pakistan. It has drawn international attention and condemnation to the antipathy to women's issues in Pakistan. Musharraf's bungle at an international forum one and half years after he coined the term 'enlightened moderation' has exposed the condition of women in a society which can neither be called 'enlightened' nor 'moderate'. His claims of being misquoted and misinterpreted notwithstanding, the serious damage done to Pakistan's image abroad as far as human rights and development are concerned will take some time to be undone.

COUNTRIES
& REGIONS

SRILANKA: The Quagmire Continues

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The present political situation in Sri Lanka can well be an indication of difficult times ahead. The pre poll alliance between the Sri Lanka Freedom Part (SLFP) presidential candidate Mahinda Rajapakse and the Janatha Vimukti Perumana (JVP) is a reminder that beyond the façade of peace, the ground realities remain the same. The past month saw Sri Lankan President Chandrika Kumaratunga going on a diplomatic

offensive against the LTTE at the United Nations General Assembly, the squabble over the venue for the proposed talks to review the Ceasefire Agreement (CFA), the meeting of the Co-Chairs of the Tokyo Donor Conference in New York, the extension of the emergency imposed in the wake of Foreign Minister Lakshman Kadirgamar's assassination and the controversy over Norway's perceived

partisanship towards the LTTE. The Tamil National Resurgence Event was celebrated in the North and the East which also witnessed an increased army deployment.

The Election Jamboree

Presidential Elections will be held on November 17 after Supreme Court's intervention. Prime Minister Rajapakse's formal agreement with the JVP on September 8 caused a storm over conditions set forth by the latter. The JVP's twelve-point proposal to support Rajapakse includes the suspension and replacement of the Post-Tsunami Management Operational Structure (P-TOMS); review of the UNP initiated ceasefire agreement (CFA); and the abolition of the executive presidential system. The JVP also wants new negotiations to be truly representative of the north and east. It seeks restoration of law, democracy and human rights in these regions, and wants the Norwegian role as a facilitator to be reconsidered and all economic policies of privatization to be shelved.

The alliance with the JVP did not find favour with Kumaratunga and led to rifts with Rajapakse as she supports federalism as a possible solution to end the ethnic conflict in Sri Lanka. Signals from SLFP have been ambiguous as Kumaratunga has contradictorily stated that the alliance is unconstitutional and void without the party's official backing and that she fully backed Rajapakse's victory in the elections. The demand for discontinuing the P-TOMS and abolishing the Presidential system has caused worry. JVP had earlier walked out of the ruling coalition on the issue of collaborating with the LTTE through the P-TOMS for disbursement in the north and east areas.

The agreement with the JVP is already being predicted as the end of the tentative and threatened CFA. It is a throwback to the fifties nationalist agenda of the SLFP which brought it to power. It strengthened the hold of the extremist and chauvinistic Sinhala domination over Sri Lankan polity which ultimately led to a widening and entrenchment of ethnic fissures. The call for a stronger unitary state means that the possibility of Tamil aspirations for autonomy beyond LTTE's demand for interim self governing authority will not be accommodated. The Presidential system has

long been considered a safeguard measure for the minorities in Sri Lanka. The issue of its abolition reflects upon the vulnerabilities of the constitutional system which has been subsumed into interest based politics. While Rajapakse has resorted to nationalist rhetoric, the United National Party which has fielded Ranil Wickremesinghe as its Presidential candidate has stuck to economic development and democracy as its objectives. He has promised a "permanent resolution" of the ethnic conflict "through a political solution based on a united Sri Lanka."

A Diplomatic Offensive

Sri Lanka took its crusade against the LTTE further as Jayantha Dhanapala; the head of the Peace Secretariat spent a week in Washington pressing the International community for pressurising the LTTE to return to talks. Following this Chandrika Kumaratunga speaking at the High Level Plenary meeting of the U.N. General Assembly on September 15 called for meaningful and effective international efforts against the LTTE's overseas activities. The LTTE received a setback with the European Union announcing an immediate travel ban on the organisation. An official ban on the LTTE in the future is likely. This will also restrain fund raising and propaganda activities of the Tigers in the European Union.

The Peace Process

The LTTE rejected Norway's suggestion of the Bandaranaike International Airport as a possible venue for the round of talks to review the CFA citing safety reasons. A meeting of Co-Chairs of the Tokyo Donor Conference (U.S, Japan, European Union, Britain and Norway) was held in New York on September 19 to discuss the worsening security situation in Sri Lanka. While the Sri Lankan government's restraint in wake of Kadirgamar's assassination was commended, the LTTE was criticised for rejecting the International Airport as a possible venue.

Norway's credibility came under question for its alleged pro LTTE postures. There were speculations over the United Nations being called upon to replace the incumbent official mediators. The U.N. special envoy Lakhdar Brahimi visited Sri Lanka on September 4 after a request from Kumaratunga, to help in reviving the peace process. He clearly stated that the

U.N. would not be taking over in any time in the future and expressed satisfaction with Norway's role.

Emergency and Increased Military Deployment in the north and east

The state of emergency imposed after Kadirgamar's assassination was extended by a month by the Sri Lankan Parliament on September 21. This gives immense power to the police and security forces to search, detain and arrest suspects. The move was opposed by the LTTE as it had led to increased harassment of Tamils in north and east. The military has deployed its forces at 18 police stations in

Jaffna. For the first time since the signing of the CFA, arbitrary operations of cordon and search have been conducted in this region. The Jaffna Tamil Resurgence Convention was conducted on September 30 in Jaffna. This was to inform the international community of the legitimate political aspirations of the Tamil people which are embodied in the Vavuniya Declaration that speaks of the Tamil people's goal for homeland, nationalism and autonomy. Though an annual event, the timing of the resurgence convention is significant in the message it sends across to the future Sri Lankan President of the determination of the Tamil people to fight for a separate homeland.

MAJOR ISSUES
IN SOUTH ASIA

TERRORISM: 'Calm Before the Storm'

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With winter approaching fast, one can only speculate as to what the unusual drop in terrorist activities in the Kashmir valley holds for India. While welcoming the relative quiet, security forces engaged in counter-insurgency operations knowing fully well that a decline in violence does not necessarily translate to their having the upper hand. The recovery of large weapons and explosives caches has been a moral victory for the forces, albeit somewhat dampened by the significant discovery of ration supplies, which could only mean that the militants have been attempting to gear up for the impending winter. Added to this is the fact that there have been continued attempts by militants from the LeT, JeM and Hizbul Mujahideen to infiltrate into the valley through the Uri sector or Rajouri and Poonch district. There have reportedly been 72 foiled infiltration bids and 107 militants killed while trying to cross over into India in 2005. Evidence suggests that the Pakistan army has been responsible for pushing terrorists into the Valley and that its forces have been providing logistical support as well as instructions to militants. In light of this, it seems unlikely that New Delhi will cooperate with Islamabad's demand for a troop reduction in the valley, with Prime Minister Manmohan Singh reiterating India's commitment to not back down in the face of terrorist threats.

In what can be regarded as a long overdue statement, Prime Minister Tony Blair recognized that India has been a victim of terrorism for several decades and that violence in Kashmir has been nothing short of terrorist "atrocities" designed to target and hurt innocent people. In a significant move forward, India, Britain and the EU agreed to cooperate and work together, towards an international consensus of "zero tolerance" to fighting terror. Looking Eastwards, India and China signed a MoU, stating that they would "...cooperate with each other in controlling and containing terrorism". While these agreements cannot be considered a revolutionary move forward, they provide New Delhi with a solid platform when engaging with the international community and assuring that violent and destructive acts of terrorism on Indian soil are given the due recognition.

Nepal and Sri Lanka have both availed of the ceasefire declared by the Maoists and the LTTE, respectively, with neither country witnessing gross acts of violence. Though incidents of abductions continued unabated, there was a significant drop in clashes between the RNA and the Maoists, indicating that the 3-month ceasefire could well be moving forward. Further south, the Sri Lankan government and the LTTE upheld the CFA, despite sections of

the international community, particularly the EU and UN Secretary General, Kofi Annan, brandishing the group as a terrorist organization. The month ahead should see both

countries continuing on the peace path, with a possibility of a breakdown in Nepal resulting from renewed military action against the Maoists.