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NOTE FROM HEAD CS3

Dear All, In this edition of the South Asia Monitor, we have focused on the Transformation of the G-20 group in the analysis section. We have taken recent developments in Pakistan regarding former Prime Minister of Pakistan Imran Khan for neighbourhood watch. In the case of Afghanistan, we have included the importance of strategic autonomy. We illustrated that India is Sri Lanka's most significant friend in times of crisis. Finally, we talked about developments in China and Bhutan relations.

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Analysis

The Transformation of G-20 by Manav Saini

G-20 is an international forum comprising 19 countries and European Union. Following the Asian financial crisis, the G20 was established in 1999 as a platform for Finance Ministers and Central Bank Governors to address global economic and financial concerns. Later, the G20 was elevated to the level of Heads of State/Government and recognised as the premier forum for international economic cooperation. Since 2011, the G20 Summit has been held yearly, with a rotating Presidency. The G20 primarily concentrated on broad macroeconomic policy, but it has subsequently broadened its scope to include trade, climate change, sustainable development, energy, environment, climate change, anti-corruption, and other issues which will be discussed in this paper¹.

- 1. First G-20 Summit- It took place in Washington DC, USA, on 14-15 November 2008. It was held after the 2008 financial crisis. It started with a vital decision of refraining from implementing new trade barriers and investments for 12 months. The provision was extended after every meeting. The outcome of the summit primarily focused on making financial and banking structures more resilient to crisis. The Plan included ensuring that credit rating agencies meet the highest standards and avoid conflicts of interest, ensuring that firms maintain adequate capital, setting out strengthened capital requirements for banks' structured credit and securitisation activities and developing enhanced capital requirements for banks' structured credit².
- 2. Second G-20 Summit- It took place in London, UK, on 2 April 2009. This summit focused on improving finance and employment aftermath of the 2008 financial crisis. G-20 members agreed on ways to restore confidence, growth and jobs. Improve financial supervision and regulation. Support and reform international financial institutions in order to overcome this crisis and prevent future crises as well. Encourage global trade and investment and oppose protectionism³.
- **3. Third G-20 Summit-** It took place in Pittsburgh, USA, on 24-25 September 2009. This meeting agreed on tougher financial rules, forcing banks to keep a larger share of their revenues to create capital. These policies aided in reducing the financial risk presented by high-risk private sector activity to governments and taxpayers⁴.
- **4. Fourth G-20 Summit-** It took place in Toronto, Canada, on 26-27 June 2010. The majority of countries were beginning to recover from the worldwide financial crisis. The Summit focused on the substantial solution to tackle high unemployment rates in many economies,

¹ G20_Background_Brief_06-03-2023.pdf

About G20, https://www.g20.org/en/about-g20/#how-g20-works.

³ G20 Brief for website - 27.10 1 1 .pdf (mea.gov.in)

About G20, https://www.g20.org/en/about-g20/#how-g20-works.

as well as reducing the impact of the financial crisis. The G20 adopted directives to reduce sovereign debt, and advanced industrial States pledged a reduction in their budget deficits and external borrowings.⁵

- **5. Fifth G-20 Summit-** It took place in Seoul, South Korea, on 11-12 November 2010. Members agreed on the reform of financial stakes and voting rights in the International Monetary Fund (IMF) as well as stronger bank rules (Basel III Norms)⁶.
- **6. Sixth G-20 Summit-** It took place in Cannes, France, on 3-4 November 2011. Reforms in the International monetary system were implemented at this summit. G20 leaders also decided to create the Agricultural Market Information System, an inter-agency portal designed to improve food market transparency and boost international policy cooperation during times of crisis⁷.
- **7. Seventh G-20 Summit-** It took place in Los Cabos, México, on 18-19 June 2012. The summit focused on combating young unemployment and generating quality jobs with social security coverage and a fair wage. It also emphasised the importance of the development agenda, agriculture, and green growth⁸.
- **8. Eighth G-20 Summit-** It took place in Saint Petersburg, Russia, on 5–6 September 2013. In this summit, significant progress was achieved in combatting tax evasion and avoidance. The G20 agreed on automatic tax information exchange and the Action Plan on Base Erosion and Profit Shifting (BEPS). This was meant to aid in the development of a regulatory policy to supervise the operations of multinational corporations engaged in tax evasion by minimising earnings and moving profits outside of the nations where the activities generating those profits are done⁹.
- **9. Ninth G-20 Summit-** It took place in Brisbane, Australia, on 15-16 November 2014. The Finance Ministers and Central Bank Governors endorsed the Common Reporting Standard for the Automatic Exchange of Tax Information. Members agreed to support the 'Brisbane 25 by 25' target, which intended to reduce the gender gap in the labour market by 25% by 2025. Members also agreed to improve energy collaboration and strengthen energy markets¹⁰.
- **10. Tenth G-20 Summit-** It took place in Antalya. Türkiye on 15-16 November 2015. For the first time, the G20 considered migration and refugee movement. They also decided to pursue more financial sector reforms and support the global climate pact. The Leaders also produced a G20 Statement on Counter-Terrorism¹¹.
- **11. Eleventh G-20 Summit-** It took place in Hangzhou, China, on 4-5 September 2016. The Summit considered the relationship between long-term growth and societal well-being. During China's presidency in 2016, the digital economy was included on the G20 agenda

⁵ G20_Background_Brief_06-03-2023.pdf

⁶ G20 Brief for website - 27.10 1 1 .pdf (mea.gov.in)

¹ <u>Ibid.</u>

⁸ Ibid.

⁹ I<u>bid.</u>

G20 Background Brief 06-03-2023.pdf

¹¹ G20_Background_Brief_06-03-2023.pdf

for the first time as a major engine of development and growth. G20 Leaders also approved the 'G20 Action Plan on the 2030 Agenda for Sustainable Development,' which has become the guiding document for the G20's efforts on sustainable development¹².

- **12. Twelfth G-20 Summit-** It took place in Hamburg, Germany, on 7- 8 July 2017. The summit primarily focused on fighting terrorism via Financial Action Task Force. It emphasised energy security as the driving concept for energy system reform and urged multilateral development banks (MDBs) to support universal access to affordable and clean energy. Other issues focused on women's improvement and crises such as migration and refugee crises¹³.
- **13. Thirteenth G-20 Summit-** It took place in Buenos Aires, Argentina, between 30 November- 1 December 2018. The issues include empowering women, fighting corruption, strengthening our financial governance, creating a strong and sustainable financial system, fairness of the global tax system, trade and investment, climate action, flexible, cleaner energy systems, Fourth Industrial Revolution, Health, Youth, Infrastructure for development; and Sustainable food security¹⁴.
- **14. Fourteenth G-20 Summit-** It took place in Osaka, Japan, on 28-29 June 2019. Issues addressed at the summit were trade and Investment; Steel Excess Capacity; Digitalization; Data Free Flow with Trust; G20/OECD Framework on Base Erosion and Profit Sharing; Quality Infrastructure Investment, Climate Change, Energy, Environment, Displacement, and Migration¹⁵.
- **15. Fifteenth G-20 Summit-** It took place in Riyadh, Saudi Arabia, on 21-22 November 2020. Members focused on problems faced by the COVID-19 pandemic and to develop a worldwide response. Following that, the Leaders issued a statement declaring their resolve to fight the outbreak, defend the global economy, resolve international trade disruptions, and boost global collaboration to mitigate the pandemic's effect¹⁶.
- **16. Sixteenth G-20 Summit-** It took place in Rome, Italy, on 30-31 October 2021. Recovery from the pandemic and global health governance; Economic recovery and resilience; Climate Change, and Sustainable Development and Food Security were the four primary topic areas addressed¹⁷.
- **17. Seventeenth G-20 Summit-** It took place in Bali, Indonesia, on 15 16 November 2022. It focused on namely global health architecture, the sustainable energy transition, and digital transformation to secure a sustainable future while driving digital innovation. To achieve this aim, it highlighted the need for further reforms in global taxation, cooperation in fighting corruption, deeper infrastructure financing, and more democratic and representative international cooperation ¹⁸.

14 G20 Background Brief 06-03-2023.pdf

¹² About G20, https://www.g20.org/en/about-g20/#how-g20-works.

¹³ Ibid.

¹⁵ Ibid.

¹⁶ G20 Brief for website - 27.10 1 1 .pdf (mea.gov.in)

¹⁷ Ibid.

The 2022 G-20 Summit (europa.eu)

18. Eighteenth G-20 Summit- It will take place in New Delhi, India, on 9-10 September 2022. The themes of this summit are Green Development, Climate Finance & LiFE, Accelerated, Inclusive & Resilient Growth, Accelerating progress on Sustainable Development Goals, Technological Transformation & Digital Public Infrastructure, Multilateral Institutions for the 21st Century and Women-led development¹⁹.

It can be seen that the G-20 summit transformed from a financial security group to a more holistic security and sustainability group in the last 14 years.

NEWS

1. Imran Khan and Pakistan – Survival of the Fittest by Brigadier Pawan Bhardwaj

Pakistan is facing multiple crises; the brink of payment default; soaring inflation; people skipping meals to get by; millions on the brink of famine; climate change battering with heatwaves and floods. There is so much to do, but Imran Khan stands out as a threat to the current government, the Pakistan military and all things that it proudly stands for. Pakistan's military appears to be openly divided about Imran Khan (IK), so are the courts, so are lawyers, and so are people. Khan is leading a 3-front riot in Pakistan – Politics, Military and social media.

Khan's political party, Pakistan Tehreek-e-Insaf (PTI), broke the unwritten contract between dynastic political parties; Pakistan Muslim League-Nawaz (PML-N), Pakistan People's Party (PPP), and the military. The political parties historically enjoy a symbiotic relationship with the military that has allowed the two entities to enjoy the financial benefits of being in office. In exchange, the military gains autonomy and an unrestricted budget to pursue whatever it deems significant. If and when the political parties become 'too corrupt', the military steps in as the only institution 'capable of protecting and preserving' Pakistan's interests either replaces the party, the leader or the constitution, not necessarily in that order. The symbiotic relationship has had its share of stressful times, but the ouster of IK and PTI is entirely different. The PTI enjoys national support in three Pakistani provinces (Punjab, Khyber Pakhtunkhwa, and Gilgit-Baltistan), support from the Pakistani middle class and its youth, much different from the regional support that the dynastic political parties hold – a sure indicator of the election win if elections were to be held soon.

IK has complicated the issue by making the politico-military nexus 'known'. Questioning the nomination of the head of the Election Commission of Pakistan (ECP), Sikandar Sultan Raja, as a military prop. ECP's decision to delay assembly elections (Punjab and KPK) to the second half of the year substantiates IK's claim. Reinforcing this view is PML-N

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¹⁹ https://pib.gov.in/PressReleaselframePage.aspx?PRID=1882356

leadership remarks – 'if Mr Khan goes to jail... it will be much easier for his opponents, especially the PML-N, to manage the election in Punjab.'

Khan demands elections that would almost certainly topple the unpopular ruling coalition. Khan's supporters have repeatedly clashed with Pakistani security forces - unprecedented in Pakistan's tumultuous history. Media savvy ex-cricketer quips- 'the Rangers had come to abduct me, not arrest me - It's been exciting times here'. In mid-March, Khan's supporters clashed with the police for nearly 24 hours, pelting them with stones and beating them with sticks as the forces responded with tear gas shells – which IK dutifully displayed during his press conference. As the fighting raged, Khan went onto Twitter saying, 'If something happens — if I'm jailed or if they kill me — it's up to you to carry on fighting'. Once cocky, the establishment is a worried one now. Pakistan's interior minister, Rana Sanaullah, refers to supporters as an 'armed gang', spreading lies about security forces. The defence minister, Khwaja Asif, calls this 'cult call' as scandalous and stretching it a bit too far.

IK alleges that his removal from power in April 2022 was due to his interference in the selection of the next Army chief. Very interestingly, IK has successfully leveraged this position and even stoked divisions within the Pakistani military as an institution, gaining the support of many retired military officers and junior personnel. The military reacted by cancelling the pensions of five retired army officers involved in the PTI's anti-army campaign. Not resting, the military is investigating 150 ex-servicemen, including generals, for crossing the military's redlines. Usual Pakistan Military 'subtleness' was laid to rest when DG ISI 'would up Imran Project' in October 2022, angrily disclosing IK's ambition to seek military acquiescence and target Bajwa in public, both concurrently!

Widely believed, there are three easy options for the ubiquitous nexus - Military intervenes and takes over governance, force Khan into imprisonment, or remove the problem of Khan altogether.

- Pakistan Army has lost the backing of a large and influential section of its supporters, especially in the heartland of Punjab. IK supporters now range from military families, exservicemen community, judges, lawyers, journalists, net savvy influencers, in fact, the elite of Punjab. The fear of the army is just about disappeared Baluchis, Sindhis, and Pashtuns could be targeted; how will the army target its Punjabis in the heartland? With a divided Army and split judiciary, a military coup is not a good choice.
- IK is calling the bluff of his opponents, giving interviews and mentioning 'they will have me killed or jailed' to anyone who will listen to him. Obviously, the world is listening after an apparent attempt on his life in November when a gunman shot him in the leg. The government denies the claims and says they're made to psyche up Khan's supporters. Unfortunately for the establishment, crude, non-political remarks continue to fuel the fire. Sanaullah believes IK has brought the nation's politics to a point where 'only one of us can exist' and justifies 'will go to a point' if the government's existence is being threatened and 'will not bother whether a move is democratic or not'. He claims no normalcy or political stability in the country so long as the PTI party chief 'exists'.

IK has successfully employed social media to undermine his opponents' politico-military nexus - his consistent message to the Pakistani people that he alone can eliminate the practice of bribery and break the back of 'Dahshatgardi aur uske peeche vardi'. A nationwide survey of 2000 respondents by Gallup Pakistan in February 2023 has proclaimed IK as the most popular leader in the country, with a 61% positive rating, across all four provinces of Pakistan. 29% from Punjab, 28% from Sindh and 14% from KPK make him the highest among all politicians.

IK imbroglio is coincidently timed with steroidal Tehrik-e-Taliban Pakistan (TTP). TTP war against the Pakistani government stems from allegedly lesser Islamic standards, forcing the request to Afghan Taliban to rein in the outlawed Pakistani Taliban outfit. IK rubs in the insult by reiterating Pakistan's creation to fight external forces in Afghanistan, but the country is now itself struggling to keep its cities safe. The situation is expected to get even worse as the country fights for basic amenities.

The parleys will continue; Pakistani analysts say they're not optimistic of a breakthrough anytime soon, but of course, there is a fourth option – have elections and let people decide. In another survey by Gallup, 53% of the people agreed to leave their current party and vote for the new one formed by honest political members and technocrats, so is there a new coalition, headhunting and reinterpretation of the political parties in Pakistan – an interesting future beacons.

Is Pakistan mature enough to take a decision?

2. India - Afghanistan Relations: Another Lesson from Strategic Autonomy by Brigadier Pawan Bhardwaj

Prime Minister Modi's recent remarks that "India is a country which has always played a constructive role on the world stage. Our offer of development aid and our development model are not based on give and take" may not be easy for non-Indians to understand. The concept of 'giving without taking' is alien to the Machiavellian world that believes in repurposing everything with power, whether it is soft, hard or smart. This very Indian philosophy is the mainstay of India's strategic autonomy that the world is increasingly accepting and agreeing to.

India has been playing a key role in capacity building and providing technical and economic cooperation to various countries through its Indian Technical and Economic Cooperation (ITEC) platform, which has been operational since 1964. The platform is an institutionalised capacity-building mechanism for the international audience and has trained over 200,000 officials from 160+ countries in both the civilian and defense sectors, providing an exchange of good practices without malice. The ITEC programs are committed to sharing India's development experience with the world, whether in-person or on-campus, online - eITEC, or even onsite capacity-building assignments. India is ready to be a Vishwaguru to all who are willing to receive.

In the same spirit, the Indian Institute of Management, Kozhikode (IIM-K) recently conducted an online course titled 'Immersing with Indian Thoughts, an India Immersion Program,' which saw the attendance of 18 Afghan nationals, including Taliban officials. The course provided updates on economics and leadership skills to the participants, reflecting India's way of empowering governance with good practices, even though there is no formal acceptance of the Taliban government. India has continued to develop Afghanistan for the Afghanis in its own way, be it the Dar ul Aman (Parliament Building), 218 km Delaram- Zaranj Highway, or the Afghan-India Friendship Dam, despite coming under physical attacks.

During the 2022 earthquakes, India provided 40,000 MT of wheat to Afghanistan via the overland route from Attari to Jalalabad. India also dispatched 50 tons of medicines, 500,000 doses of COVID vaccine, winter clothing, and 28 tons of disaster relief assistance. When Pakistan baulked over the utilisation of its land route, fearing a loss of face due to its negligible participation, India utilised the Chabahar port to ship 75,000 MTs of wheat to Afghanistan. Recently, in partnership with the United Nations World Food Programme (UNWFP), India agreed to deliver 20,000 MT of wheat to Afghan people through the Chabahar Port. The Taliban welcomed this humanitarian assistance, stating that "such humanitarian steps boost trust between the two countries, which will lead to mutual positive relations."

However, many countries and their influencers may not be pleased with India's humanitarian assistance, given that New Delhi does not recognise the Taliban regime in Kabul. India's assistance in Afghanistan is a continual effort, unlike the ebbs faced by countries that foster international relations and support purely based on national interests.

The world wonders why India is engaging or not with the Taliban regime in Afghanistan. They routinely quote India's budget for 2023, which allocated Rs. 200 crores in aid to Afghanistan but fail to realise that the 2022 budget also allocated Rs. 200 crores for projects related to Afghanistan. There is no change in India's policy, except that it is now being boldly publicised. Pakistan will obviously presume it is being circumvented, and the Taliban's acquiescence of the TTP is adding to tensions.

Prioritising the welfare of the people of Afghanistan over political considerations has been widely appreciated in the international community. It has been seen as a principled and humane approach, which sets India apart from other countries that have taken a more pragmatic or self-interested approach to Afghanistan. Indian NSA, during the 5th NSA meet on Afghanistan in Moscow in February, highlighted India's commitment to the people of Afghanistan and stressed on the well-being and humanitarian needs of the Afghan people as the foremost priority. These initiatives seek to promote regional cooperation and connectivity, which are seen as essential for the long-term stability and prosperity of Afghanistan.

India's approach to Afghanistan reflects its broader worldview of Vasudhaiva Kutumbakam (the world is one family), which emphasises the unity and interconnectedness of all people and nations. India's efforts to promote peace, stability, and development in Afghanistan are driven by a sense of responsibility towards its neighbours and the larger international community.

India's approach towards Afghanistan is a reflection of its values, principles, and interests. It is a people-centric approach which prioritises the welfare and well-being of the Afghan people. While India's engagement with the Taliban regime may raise eyebrows, it is important to recognise that India's policy towards Afghanistan has been consistent and unwavering. It is a policy that is guided by a long-term vision of regional stability, peace, and prosperity.

So, how does the world deal with a country which does not take a side, defends its decisions, considers the world as one and is people centric? At a time of political and economic strife in several South Asian countries, India has had a stable, functioning government, making it of significant important.

The consensus will be – gulp it.

3. India is Sri Lanka's biggest friend in times of crisis, says Sri Lanka PM by Dr Madhukar Shyam

Sri Lankan Prime Minister Dinesh Gunawardena praised India as the island nation's biggest friend during the crisis, citing its assistance in helping Sri Lanka overcome its economic struggles. He encouraged Indian companies to invest more in Sri Lanka and highlighted the benefits of Indian investments, citing Sri Lanka Ashok Leyland as an example. The Indian High Commissioner to Sri Lanka, Gopal Baglay, echoed Gunawardena's sentiments and emphasised the importance of building solid people-to-people and business-to-business ties between the two countries. India was Sri Lanka's largest investor and export destination in 2021 and is the largest source of tourism for the country. In the past year, India has significantly assisted Sri Lanka's economy, including a USD 4 billion aid package and assurances for an IMF bailout. The IMF bailout has been put on hold as Sri Lanka negotiates with its major creditors, including China, Japan, and India.²⁰

4. China and Bhutan agreed to expedite Border dispute negotiations by Manav Saini

China has increased its efforts in recent years to build diplomatic connections with Bhutan and to accelerate discussions to find a border settlement. According to a joint statement

²⁰ <u>https://www.business-standard.com/article/international/india-is-sri-lanka-s-biggest-friend-in-time-of-crisis-says-sri-lanka-pm-123020800461_1.html</u>

issued by both countries during the 11th Expert Group Meeting (EGM) on the China-Bhutan boundary Issues, held in China's Kunming city from 10 – 13 January 2023, both nations agreed to expedite negotiations to solve border disputes. In a joint MOU, both nations agreed to implement three steps roadmap to expedite and solve border disputes. The MOU resulted in the Chinese government donating a batch of supplies to Bhutan, which was appreciated by the Bhutanese government. China has already solved its border disputes with 12 other nations in recent years²¹. The Bhutanese embassy in India did not comment on the China-Bhutan roadmap of negotiation and called the negotiation sensitive to comment on.

Beijing blamed India's concern for the Doklam plateau as a reason for stalled border negotiations in the past between China and Bhutan. Further, China widened its territorial claim in 2020, bringing the Sakteng region of Bhutan into the dispute²². Jianli Yang, a Chinese dissent living in the US, writes in the Diplomat that China is pressuring its size and wealth in border negotiations with small nations. He added that negotiations would benefit China as China has already strengthened its presence in Doklam and faced little opposition from Bhutan in doing so.

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²¹ <u>china: China, Bhutan agree to expedite negotiations to resolve border dispute - The Economic Times</u> (indiatimes.com)

²² Bhutan-China Border Negotiations in Context – The Diplomat

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