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POLITICAL ARCADE IN PAKISTAN

Pakistan National Security Committee (NSC) on 14 April 2023 sent out a statement that read - "The meeting agreed to launch an all-out comprehensive operation with the entire nation and the government, which will rid the country of the menace of terrorism with renewed vigour and determination." It is an upgrade on the previous NSC communique in January 2023 'reiterated its resolve to have "zero tolerance" for terrorism in the country'. Some resolve – some tolerance. Pakistan has always known that terrorism has diligently and consistently come back to roost. This ubiquitous tool of national policy will continue to haunt Pakistan in many manners.

Since beginning of 2023, Pakistan has seen 220 terrorist incidents, losing 92 civilians, 313 security personnel and 254 terrorists¹. The terrorists are clearly targeting security personnel and civilians seem to be those unfortunate in the wrong place at wrong time. This distasteful analysis indicated the ire is towards the security forces and not the bystanders and civilian population. It is the angst of those who have an axe to grind against the security forces. This paper does not glorify the terrorists, but indicates almost a gang war scenario between the Pakistan grown terrorist vs their handlers. Previous decade data indicates equally gruesome interpretation - Pakistan has averaged at 649 incidents, 714 civilian deaths, 309 security forces and 963 terrorists killed. The year completion is six months away and Pakistan is a slave to its actions.

As if TTP and Baluchi issue weren't enough on their own, there are alliances between the two which will create new scenarios². Traditionally partial to Pashtun-dominated regions of Pakistan, the TTP has successfully collaborated with several Balochistan-based militant groups. Over last year at least four ethnic Baloch groups have joined TTP – call it the Perfect Storm³. TTP created a Wilayat in Balochistan, signifying its presence, now controlling 70% of Balochistan province. Socio-economic disparities and political grievances of Balochis now run parallel with the TTP attempt to establish Islamic Caliphate in Pakistan. Balochistan, a mineral-rich region that borders Afghanistan and Iran, is already troubled by a decades-old ethnic Baloch insurgency.

And then there is Imran Khan (IK). Though the Islamabad Anti-Terrorism Court (ATC) has extended the bail of Pakistan Tehreek-e-Insaf (PTI) Chairman till 26 July 2023⁴ pertaining to violence outside the Federal Judicial Complex and the Islamabad High Court. The

¹ <https://www.satp.org/datasheet-terrorist-attack/fatalities/pakistan>, accessed on 20 July 2023.

² Abdullah Khan, 'TTP's Expansion in Balochistan: An Alarming Threat to Pakistan's National Security', 14 June 2023, <https://www.picss.net/militant-groups/ttps-expansion-in-balochistan-an-alarming-threat-to-pakistans-national-security/>, accessed on 21 July 2023.

³ Credits to 'The *Perfect Storm*' - a 2000 American biographical disaster drama film.

⁴ <https://www.ndtv.com/world-news/pak-ex-pm-imran-khans-bail-in-3-cases-extended-till-july-26-report-4222482>, accessed on 20 July 2023.

establishment (Government and Pakistan Army -PA) continues multidirectional approaches to keep him out. It is really tough to become an Ex PM in Pakistan. Civil Judge Quadratullah issued notices to IK and his wife Bushra Bibi in illegal marriage case⁵. The petitioner claimed that Bushra Bibi divorced her former husband in November 2017 and married IK in January 2018, despite her 'iddat' period (130-day waiting period after the dissolution of a woman's marriage through divorce, death, or any other form of separation from her husband, during which the woman remains unmarried) and is against Sharia and Muslim norms. It is an irony that IK married Bushra Bibi in support of a "prediction" that he would become the prime minister of Pakistan, claims Cleric Mufti Muhammad Saeed who conducted the marriage.

There is economy too. Finance Minister Ishaq Dar said Pakistan's forex reserves, tethering at \$9.6-9.7 billion on 07 July 2023, increased to \$11.6-11.7 billion after the Saudi deposit \$2bn into Pakistan's central bank on 11 July 2023. The United Arab Emirates also deposited \$1bn on same day into the central bank. Earlier China had also given a \$2 billion loan. With Pakistan having met the 'pass percentage', IMF approved a \$3bn bailout programme for Pakistan on 12 July 2023⁶ – some management of resources here – 'Just in Time Concept' continue to do well in Pakistan. This is an interim first aid to the Pakistan economic injury. There is a huge 'to do' list to overcome the economic crisis. Pakistan is forced to undertake numerous steps demanded by the IMF since its mission arrived in Pakistan in February 2023. It includes revising 2023-24 budget and raising its policy rate to 22%. Pakistan has been told to raise more than 385 billion Pakistani rupees (\$1.34bn) in new taxation. The adjustments birthed high inflation of 38% (highest in Asia). Pakistan still struggles to clear a 3.6 trillion Pakistani rupees (\$12.58bn) debt in energy sector.

Of course there is Afghanistan and Taliban, who do not accede to Pakistan game at all. Pakistani Defence Minister Khawaja Asif tweeted⁷ on 15 July 2023, rebuking Taliban for violating crucial obligations agreed upon in Doha - "neglecting its duties" and not abiding by its commitment to prevent the use of Afghan soil for terrorist activities. This "twittle" (twitter battle) emanates after the attack in Balochistan's Zhob and Sui districts, killing 12 security personnel. Newly formed Tehreek-e-Jihad Pakistan (TJP) claimed responsibility for the assault, ready to release pictures and videos of its fighters who took part. COAS Munir had warned Taliban a day earlier. Taliban in its defence does not agree⁸ that it signed any pact of such nature with Pakistan. Taliban stressed that Doha Peace Agreement was an

⁵ <https://timesofindia.indiatimes.com/world/pakistan/bushra-bibi-married-imran-khan-during-iddat-period-nikkah-registrar/articleshow/99451888.cms?from=mdr>, accessed on 21 July 2023.

⁶ <https://www.aljazeera.com/news/2023/7/14/will-pakistans-imf-agreement-save-its-economy>, accessed on 21 July 2023.

⁷ <https://tribune.com.pk/story/2426360/defence-minister-rebukes-afghanistan-for-violating-doha-pact>, accessed on 21 July 2023.

⁸ Farhatullah Babar (@FarhatullahB), 16 July 2023, <https://t.co/JyRLhagdfJ> (<https://twitter.com/FarhatullahB/status/1680582439360688129?s=03>), accessed on 21 July 2023.

agreement between the US and the Taliban which addressed four issues; reducing violence, withdrawing foreign troops, starting intra-Afghan negotiations, and guaranteeing Afghanistan won't again become a refuge for terrorists, there is no Pakistan.

Pakistan Government will complete its tenure on 12 August 2023, but it intends to hand over reigns to an interim government on 08 August to ensure a wait period of 90 days instead of regular 60 days before next elections. The ruling party aka Muslim League (N) is seeking additional time so that barred Nawaz Sharif becomes eligible for the fray. In 2018, the Pakistan Supreme Court had barred Nawaz for a lifetime. A recently-passed law by Shehbaz's (Nawaz's younger brother) government limits the parliamentarian's disqualification period to five years. Anecdotally, the five year ban finished in July 2023.

The dispensation has taken control of the situation and prioritising its tasks well in the country – elections over everything else.

WORLD WARMS UP TO AFGHANISTAN - THE TALIBAN IS AN UNFORTUNATE REALITY

The Islamic Emirate Afghanistan as Taliban calls itself, has been in power for almost two years now. The international community is understanding a need to maintain open channels of communication to express concerns, engage in dialogue, and seek opportunities for positive change. Sanctions and other diplomatic measures will be employed when necessary, but they should be carefully calibrated to avoid unintended negative consequences on the general population. There may be indicators of Taliban trying to woo the global community, albeit in their own manner. After all they cannot completely roll back their vision of the Islamic Emirates.

Massimo Introvigne, an Italian sociologist was offered a trip to Bamiyan by a specialised tour operator, who mentioned that the site is receiving a lot of visitors. Bamiyan is a historically and culturally significant area in Afghanistan, known for its ancient Buddhist relics, including the famous Bamiyan Buddha statues that were unfortunately destroyed by the Taliban in 2001. Since then, the international community has been concerned about the preservation of the region's cultural heritage and potential for tourism. Is there a Taliban attempt to promote the cultural significance of Bamiyan to attract tourists interested in history and archaeology? They could emphasize the remaining historical sites. A way to showcase the country's rich heritage.

Massimo writing for 'Bitter Wind'⁹, opines that he refused, since he did not want to benefit Taliban by his visit. It is fair logic, for the catastrophic damage the Taliban did to the site,

⁹Massimo Introvigne, 'How the Taliban Make Money Out of the Buddhas they Destroyed', 21 July 2023, <https://bitterwinter.org/how-the-taliban-make-money-out-of-the-buddhas-they-destroyed/>, accessed on 23 July 2023.

but is it a reasonable logic, when the tourism has potential to develop the local infrastructure and improve the living conditions. The respected sociologist may have inadvertently suggested a regime change till he decides to tour the site. Not a sound reason. Like analysis in previous issues, communication is a better format rather than influence. This piece thus argues that a reasonable way to communicate with Taliban has to established, that will improve the lives of the Afghans.

Understanding the humanitarian crisis, the European Union ¹⁰ has announced humanitarian aid of 7.6 million euros to tackle the alarming levels of food insecurity and economic crisis. It will be implemented in six provinces of the country; Badakhshan, Dykundi, Ghor, Jawzjan, Samangan, and Takhar. 'Afghan Aid' a British humanitarian and development organisation will utilise these funds to alleviate the Afghanis crisis.

Amid the changing circumstances in Afghanistan, India, continued the tradition of providing ICCR scholarships and financial aid to empower Afghan students in pursuing their academic aspirations. The cancellation of existing Afghan visas, including student visas, following the Taliban's takeover in August 2021, complicated the situation. MEA had to cancel the existing visas¹¹ due to reports that passports of some Afghan nationals have been misplaced. This was a genuine security concern and bulk cancellation of all visas was good decision. Genuine students were impacted, since they could not peruse their studies in India.

To uphold commitment to education and cultural exchange, India continued to support Afghan students. E-visa program, is being expanded and streamlined to facilitate smoother visa processing. Engaging with students through online platforms and social media campaigns offers educational support and encouragement. Some online students have yet to receive their results and the institutes may be advised by the government to keep the communication channels open and provide results in time. The vishwaguru will have to stretch resources to accommodate pupils.

India has always maintained that a humanitarian crisis should remain the most prime concern. Attempts to persuade governments into a friendly disposition, is never a good option to the citizens of the ill-fated country. Pragmatic engagements on immediate concerns while simultaneously advocating for broader human rights and democratic reforms will and should remain the cornerstone of engagement in Afghanistan.

The Taliban's attempt to maintain their core beliefs while projecting sincerity poses significant challenges, as their actions will be closely observed by both the Afghan

¹⁰ EU announces humanitarian aid of 7.6 million euros for Afghanistan, 21 Jul 2023, <https://newsonair.gov.in/Main-News-Details.aspx?id=464636>, accessed on 22 July 2023.

¹¹ Quratulain Rehbar, 'Afghan students feel abandoned as India restricts visas', 8 June 2023, <https://www.aljazeera.com/news/2023/6/8/afghan-students-feel-abandoned-as-india-restricts-visas>, accessed on 21 July 2023.

population and the international community. Navigating the delicate balance between their ideology and the desire for credibility requires addressing intricate political, social, and cultural complexities.

However, such efforts may face skepticism from the international community, given the Taliban's history and ideological stance. The sincerity they claim might be met with doubt and scrutiny. Thus, the global community must closely monitor the situation, holding the Taliban accountable for their actions and critically analyzing their governance policies. Only through rigorous scrutiny and oversight can the world assess the legitimacy of their projected sincerity and commitment to change.

BANGLADESH STRATEGIC DIALOGUE: CHARTING A VISION FOR NATIONAL SECURITY AND DEVELOPMENT

To mark the 50 years of the 1971 liberation war that led to the formation of an independent country Bangladesh, both the countries engaged in “India-Bangladesh Strategic Dialogue” 2023 in New Delhi from 22nd June onwards¹². The event is jointly organized by the Ananta Aspen Centre in New Delhi and the Centre for Policy Dialogue (CPD)¹³. Both nations are working hard to strengthen their partnerships in all areas, including security, trade, transportation, and connectivity, culture, people-to-people links, energy, collaborative development of common resources, and defence.

H.E. Sheikh Hasina, Prime Minister of the Government of the People’s Republic of Bangladesh, paid a State Visit to India from 05 to 08 September 2022. Political and security cooperation, defence, border control, commerce and connectivity, water resources, electricity and energy, development cooperation, cultural and people-to-people linkages were all discussed by the two Prime Ministers. They also pledged to work together in new areas like the environment, climate change, cyber security, ICT, space technology, green energy, and the blue economy¹⁴. During discussion with his Bangladeshi counterpart, Prime Minister Narendra Modi stated that the bilateral

¹² Dipanjay Roy Chaudhury, “India, Bangladesh need to accelerate economic and digital connectivity to optimize bilateral ties,” *The Economic Times*, June 25, 2023, <https://economictimes.indiatimes.com/news/defence/india-bangladesh-need-to-accelerate-economic-and-digital-connectivity-to-optimize-bilateral-ties/articleshow/101258075.cms>.

(Accessed on 15 July 2023)

¹³ The Daily Star, “CPD's Indo-Bangla strategic dialogue in Delhi from tomorrow,” *The Daily Star*, June 21, 2023, <https://www.thedailystar.net/business/news/cpds-indo-bangla-strategic-dialogue-delhi-tomorrow-3352246>. (Accessed on 18 July 2023)

¹⁴ “India – Bangladesh Joint Statement during the State Visit of Prime Minister of Bangladesh to India,” Ministry of Foreign Affairs, September 07, 2022, <http://www.mofa.gov.bd/site/page/7cdf7839-fb04-4dbc-a6e6-fb48d8c729ba>.

(Accessed on 18 July 2023)

relationship between the two nations was in its golden period ('Sonali Adhyay') and there is always something new to aspire for and should be the continuous goal in both countries.

Subsequently, the High Commissioner of Bangladesh to India highlighted the importance of “collective prosperity and mutual benefits.”¹⁵ It is an opportunity to discuss how the Indo-Bangladesh bilateral relationship can be reframed and reimagined in a way that meets the aspirations of both countries and their people, at a time when the two countries are at a critical crossroads and are approaching national elections in 2024¹⁶. Indian relations with Bangladesh are significant because they are key to 'Neighbourhood First' policy and have become increasingly pertinent to 'Act East' Policy.

Though India's biggest trade and developmental partner, which accounts for US\$13.83 Billion during 2022¹⁷, there are some trade barriers between both the nation, including non-tariff and para-tariff restrictions¹⁸. Despite lofty connectivity ambitions, a typical truck transiting the border waits 138 hours to collect 55 signatures¹⁹. Both the countries are cooperating in areas of trade and infrastructure i.e., India has extended 3 Lines of Credits (LOC) to Bangladesh in the last 8 years amounting to US\$ 8 billion for development of infrastructure in various sectors including roads, railways, shipping, and ports²⁰. India and Bangladesh are friends who have witnessed significant development in their relationship and who are capable of far more. The essential transportation infrastructure

¹⁵ Dipanjay Roy Chaudhury, “India, Bangladesh need to accelerate economic and digital connectivity to optimize bilateral ties,” *The Economic Times*, June 25, 2023, <https://economictimes.indiatimes.com/news/defence/india-bangladesh-need-to-accelerate-economic-and-digital-connectivity-to-optimize-bilateral-ties/articleshow/101258075.cms>.

(Accessed on 18 July 2023)

¹⁶ The Business Standard, “Bangladesh-India Strategic Dialogue begins in Delhi Thursday,” *The Business Standard*, June 21, 2023, <https://www.tbsnews.net/bangladesh/bangladesh-india-strategic-dialogue-begins-delhi-thursday-653838>. (Accessed on 19 July 2023)

¹⁷ “India Exports to Bangladesh,” *Trading Economics*, July, 2023, <https://tradingeconomics.com/india/exports/bangladesh#:~:text=India%20Exports%20to%20Bangladesh%20was,updated%20on%20July%20of%202023> (Accessed on 19 July 2023)

¹⁸ The Financial Express, “Reducing Bangladesh's trade gap with India,” *The Financial Express*, October 21, 2022, <https://thefinancialexpress.com.bd/editorial/reducing-bangladeshs-trade-gap-with-india-1666279118>. (Accessed on 18 July 2023)

¹⁹ Dipanjay Roy Chaudhury, “India, Bangladesh need to accelerate economic and digital connectivity to optimize bilateral ties,” *The Economic Times*, June 25, 2023, <https://economictimes.indiatimes.com/news/defence/india-bangladesh-need-to-accelerate-economic-and-digital-connectivity-to-optimize-bilateral-ties/articleshow/101258075.cms>.

(Accessed on 18 July 2023)

²⁰ “India- Bangladesh Relations,” Ministry of External Affairs, November 22, 2023, https://mea.gov.in/Portal/ForeignRelation/India_Bangladesh_bilateral_brief.pdf. (Accessed on 18 July 2023)

must come first, followed by a motor vehicle agreement (digitalization of documentation) ensuring unfettered flow of commodities over the border. India's Ministry of External Affairs, the EU Delegation to India, and leading think tank Asian Confluence jointly organized the India – EU Connectivity Conference in Meghalaya on 01 – 02 June to explore connectivity investments and identify concrete projects in India's North Eastern States and with India's neighbours Nepal, Bhutan and Bangladesh. This will certainly be a milestone in the relations between India and its neighbouring countries. The next edition of this dialogue will be scheduled at Dhaka in 2024 to discover furthermore areas of cooperation²¹.

Bangladesh and BRICS. In a meeting between Bangladeshi Prime Minister Sheikh Hasina and South African President Matamela Cyril Ramaphosa in June 2023, Bangladesh officially expressed its interest in getting membership in the BRICS²² which will be further discussed in 15th Summit at South Africa in August 2023. BRICS nations have partnered to advance their common interests on the world stage, despite having a combined population of over 3 billion people and a collective GDP of over US\$27 trillion.²³ Bangladesh on joining BRICS can diversify its avenues of development and bilateral relations. Also, it will reduce Dhaka's dependency on the US dollar, stressing the importance of conducting trade in local currencies. Last April, Bangladesh released its Indo-Pacific vision, which outlines Bangladesh's major aim in its overseas endeavours — expand its economic boundaries and strengthening infrastructure development to support and complement those economic goals. By establishing partnerships on this international platform, BRICS can serve as a station for the country to achieve these goals. If Bangladesh becomes a BRICS member, India and Bangladesh can cooperate on more areas and improve the relations. It may also introduce new dynamics and considerations into the bilateral relations, leading to re-evaluation of priorities, cooperation frameworks, and engagement strategies²⁴. In 2022, on the side-lines of the Manama Dialogue,

²¹ Dipanjay Roy Chaudhury, "India, Bangladesh need to accelerate economic and digital connectivity to optimize bilateral ties," *The Economic Times*, June 25, 2023, <https://economictimes.indiatimes.com/news/defence/india-bangladesh-need-to-accelerate-economic-and-digital-connectivity-to-optimize-bilateral-ties/articleshow/101258075.cms>.

(Accessed on 18 July 2023)

²² Sadia Aktar Korobi, "How far the Membership to BRICS will be fruitful for Bangladesh?" *The Geopolitics*, June 29, 2023, <https://thegeopolitics.com/how-far-the-membership-to-brics-will-be-fruitful-for-bangladesh/>. (Accessed on 18 July 2023)

²³ Business Desk, "BRICS membership to help widen trade horizon of Bangladesh", July 05, 2019, <https://www.bangladeshpost.net/posts/brics-membership-to-help-widen-trade-horizon-of-bangladesh-115428#:~:text=In%20June%202023%2C%20Bangladesh%20made,BRICS%20members hip%20in%20the%20future>.

²⁴ Huma Siddiqui, "Bangladesh to join BRICS: Move to diversify foreign relations and currency: Expert," *Financial Express*, June 18, 2023, <https://www.financialexpress.com/business/defence-bangladesh-to-join-brics-move-to-diversify-foreign-relations-and-currency-expert-3130575/>. (Accessed on 18 July 2023)

Bangladesh, and the Gulf Cooperation Council (GCC) signed a memorandum of understanding²⁵ in Bahrain. Hence, to meet its expanding energy demands, and BRICS can serve as a bridge. Saudi Arabia is planning investment of \$3 billion²⁶ in Bangladesh. The most significant benefit of Bangladesh joining BRICS would be an expansion of its trade and investment frontiers.

Bangladesh will have to find new export opportunities and BRICS as a bloc can be advantageous. In 2022, Bangladesh's exports to the BRICS countries had a worth of \$18.5 billion, while its imports from the same countries amounted to \$19.2 billion. Joining BRICS would provide Bangladesh with a greater connection to these markets. It could lead to an overall expansion of trade between Bangladesh and other BRICS countries.²⁷

BHUTAN'S SUCCESS IN BALANCING CULTURAL WITH MODERNISATION

Bhutan, a small Buddhist nation long isolated in the Himalayas between China and India, navigates the path to internal modernity and global integration by adhering to the principles of Gross National Happiness, cultural and environmental preservation, economic equity and sustainability, and clean and transparent governance. Most Bhutanese are aware of the argument that Bhutan's survival as an independent nation is contingent on its distinct cultural character. In the lack of military or economic might, Bhutan's sovereignty is based on its cultural tradition, which distinguishes Bhutan from other states amid a globalized society. As one of the pillars of Gross National Happiness, culture is seen as Bhutan's shield against the negative and disruptive consequences of modernity and globalization.²⁸ One of the National Key Result Areas (NKRA) established for strengthening the country's identity and sovereignty is the preservation and promotion of

²⁵ Dhakar Tribune, "Bangladesh, Gulf Cooperation Council sign MoU on priority areas," *Dhakar Tribune*, Novemeber 18, 2023, <https://www.dhakatribune.com/bangladesh/2022/11/19/bangladesh-gulf-cooperation-council-sign-mou-on-priority-areas>.

²⁶ Shehab Sumon, "Saudi Arabia, Bangladesh sign cooperation deals, form joint business council," *Arab News*, March 11, 2023, <https://arab.news/2sgpw>

²⁷ Bangladesh Post, "BRICS membership to help widen trade horizon of Bangladesh," *Bangladesh Post*, July 05, 2023, <https://www.bangladeshpost.net/posts/brics-membership-to-help-widen-trade-horizon-of-bangladesh-115428#:~:text=In%20June%202023%2C%20Bangladesh%20made,BRICS%20members hip%20in%20the%20future>. (Accessed on 18 July 2023)

²⁸ Karma Phuntsho, "The cultural construction of Bhutan: An unfinished story," *The Druk Journal*, <http://drukjournal.bt/the-cultural-construction-of-bhutan-an-unfinished-story/>. (accessed on July 23, 2023)

culture and tradition.²⁹ Intangible parts of culture and tradition include knowledge, skills, attitudes, beliefs, music, oral traditions, and festivals, and physical culture, which includes dzongs, temples, arts, antiques, antiquities, indigenous food, and sports.

Prior to the current school system, Bhutan's main educational system was more religious and classical in nature. Religion, religious rituals, and associated concepts were highlighted. This ancient monastery contributed to safeguard the kingdom's literary traditions, legacy, and, most significantly, Lord Buddha's everlasting religion as it had come to be perceived and practiced in this region of the globe. Bhutanese culture and legacy are still alive and well and may best be preserved via traditional and classical study³⁰. The advent of modern education led to globally upliftment of the Bhutanese people, as their culture grew much more polished, allowing them to shed the stigma of savagery. There was a decade of fast social development in Bhutan, growing foreign participation, and a struggling educational system.

The formal introduction of television and the Internet in 2001, as well as the transition from monarchy to democratic monarchy in 2008, caused 'massive anxiety about cultural change and loss'³¹. Understandably, cultural conservationists were concerned about the prolific development in the usage of the English language and its accessibility through both electronic and print media. It was feared that it might jeopardize the use of Dzongkha and other local languages. However, there was a broader concern that the expansion of the English language skewed conceptions of what it meant to be a contributing member of society - economically, socially, or politically. Education in Bhutan is free and compulsory from ages 6-16³² which inculcated gender parity in schools from the early stages of development. To reflect a balance between the modern country and Bhutanese culture, their education system reflected moral ethics, discipline and loyalty for Bhutanese culture and society with appreciation for a rural based lifestyle and dignity of labour. To make the

²⁹ Damchoe Pem, "Preservation and promotion of culture to be reinforced," *The Bhutanese*, December 1, 2019, <https://thebhutanese.bt/preservation-and-promotion-of-culture-to-be-reinforced/>. (accessed on July 23, 2023)

³⁰ Ratna Paul, "The Growth and Development of Modern Education in Bhutan" (PhD diss., University of North Bengal, 2017), 289-296. https://ir.nbu.ac.in/bitstream/123456789/2777/19/19_chapter%2010.pdf. (accessed on July 23, 2023)

³¹ David Johnson, "Politics, culture, and the modernisation of education in Bhutan," *Education in South Asia and the Indian Ocean Islands (2017)* <https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwjPhfLEpqSAAxVb1zgGHcPtABAQFnoECBQQAQ&url=https%3A%2F%2Ffora.ox.ac.uk%2Fobjects%2Fuuid%3Aa3bad9fe-0483-4f9a-acfe-b40946c0c223%2Ffiles%2Frg732d933m&usq=AOvVaw2icEEFP59djSs4IYWvTPCY&opi=89978449>. (accessed on July 24, 2023)

³² Matthew J. Schuelka, "Inclusive Education in Bhutan: A Small State with Alternative Priorities." *Current Issues in Comparative Education* 15, no. 1 (2012): 145-156 <https://files.eric.ed.gov/fulltext/EJ1000220.pdf> (accessed on July 24, 2023)

education system more inclusive, Bhutan Government and Ministry of Health and Education opened the platform for student with physical disabilities making it as 'Wholesome Education.'³³

To address the challenges of cultural preservation and promotion and achieve the NKRA, the government has identified several strategies, including preserving age-old traditional festivals and highland traditions and culture, supporting important historical community-managed lhakhangs, making Dzongkha more user-friendly, and promoting Dzongkha computing³⁴. Since the 1950s, India and Bhutan have had special ties, particularly the demonstration of soft power. The rich legacy of Bhutan, evident in its political ideals and culture, underpins India's relations with the Himalayan state. During his two official visits to Bhutan, Indian Prime Minister Narendra Modi emphasized the long history of cultural and spiritual links between India and Bhutan³⁵. To facilitate skill-based employment opportunities for Bhutanese youth, the two governments have signed four MOU³⁶ on the enhancement of Academic exchanges and STEM cooperation, which offer Bhutanese students admissions and scholarships to MTech programs at Indian premier universities such as IITs.

In Bhutan, amid this trend of cultural fusion, which is further aggravated by the forces of globalisation, a new awareness of cultural diversity is emerging which signals a new direction for Bhutan's conversations on culture. The situation augments well for a new approach that speaks about Bhutan's cultures rather than a single culture. The rich cultural and linguistic diversity generated by Bhutan's geographic segregation and isolation is a national asset. Bhutan advocates for policies and initiatives to create cultural diversity that all Bhutanese may actively participate by using contemporary facilities and technology.

INDIA-MALDIVES: STRENGTHENING BILATERAL RELATIONS

Geographic proximity, historical and cultural links, and common ideals drive the India-Maldives bilateral partnership. Prime Minister Modi emphasized that the Maldives holds an important place in Indian hearts and in India's "Neighbourhood First" policy³⁷. Maldives is

³³ Ibid.

³⁴ Damchoe Pem, "Preservation and promotion of culture to be reinforced," *The Bhutanese*, December 1, 2019, <https://thebhutanese.bt/preservation-and-promotion-of-culture-to-be-reinforced/> (accessed on July 23, 2023)

³⁵ Shivani Sharma, "Realising 'Bharat to Bhutan' Vision: Exploring New and Evolving Areas of Diplomatic Ties between India and Bhutan", *The Diplomatist*, August 31, 2020, <https://diplomatist.com/2020/08/31/realising-bharat-to-bhutan-vision-exploring-new-and-evolving-areas-of-diplomatic-ties-between-india-and-bhutan/> (accessed on July 24, 2023)

³⁶ Ibid.

³⁷ "India-Maldives Joint Statement during the Official Visit of President of Maldives to India," Press Information Bureau, August 02, 2022,

critical to India's outlook for the Indian Ocean and its neighbouring nations because of its strategic location in the Indian Ocean. Maldives, for its part, benefits from India's economic aid and net security support. The friendly relationship lasted during the Maldives' first democratic administration, which was elected in 2008. However, when Abdulla Yameen took office in 2013, ties between India and the Maldives deteriorated due to his dismissing approach on democracy, closeness to China, and anti-India rhetoric used to incite nationalist sentiments.

Ibrahim Solih, President since 2018, tried to strengthen the relationship by instituting an 'India First' strategy. The strategy prioritized India for economic and defense cooperation, and shares Indian concerns over Chinese investments and activity in the Maldives³⁸. MoUs have been signed and development projects are underway. The cooperation largely includes the sectors of roads and land reclamation; agriculture; sanitation and health; airport development; education; transportation; housing and community development; defence; and maritime security³⁹.

On 11 July 2023, New Delhi and Maldives concluded 9 MoUs under Phase II of the High Impact Community Development Projects Scheme⁴⁰. In 2021, India and the Maldives concluded an \$4.5 million grant deal for community development projects in the Indian Ocean archipelago, which is viewed as a crucial pillar of New Delhi's Neighbourhood First strategy⁴¹.

- During the visit of Former External Affairs Minister of India late Mrs Sushma Swaraj in March 2019, a MoU on HICDPs was signed, and a total grant of USD 5.6 million was announced for these projects. The projects have a high degree of community impact and engagement in the areas of livelihood and income creation, health,

<https://pib.gov.in/PressReleaselframePage.aspx?PRID=1847627>. (Accessed on 19 July 2023)

³⁸ Aditya Gowdara Shivamurthy, "Understanding the 'India Out' Campaign in Maldives," *Observer Research Foundation, Occasional Paper No. 371* (October 2022), <https://www.orfonline.org/research/understanding-the-india-out-campaign-in-maldives/>. (Accessed on 19 July 2023)

³⁹ Indian Diplomacy (@IndianDiplomacy), "India-Maldives | A Multi-dimensional relationship," Tweet, August 01, 2022, <https://twitter.com/IndianDiplomacy/status/1554046157248073728> (Accessed on 19 July 2023)

⁴⁰ Dipanjay Roy Chaudhury, "India, Maldives conclude 9 MoUs to strengthen President Solih's position," *The Economic Times*, July 12, 2023, <https://economictimes.indiatimes.com/news/india/india-maldives-conclude-9-mous-to-strengthen-president-solihs-position/articleshow/101684082.cms>. (Accessed on 19 July 2023)

⁴¹ Hindustan Times, "India, Maldives sign \$4.5 mn agreement for community development projects," *Hindustan Times*, July 24, 2021, <https://www.hindustantimes.com/india-news/india-maldives-sign-4-5-mn-agreement-for-community-development-projects-101627067111382.html> (Accessed on 20 July 2023)

education, women and child empowerment, sports, sustainable development, and so on. HICDPs are an integral component of India and the Maldives' dynamic development relationship. These initiatives are motivated by the requirements of the island populations⁴².

- Smaller, high-impact community development initiatives are an important aspect of India's partnership with the Maldives, and an extra MVR 70 million will be executed by local councils⁴³ and contribute to the economic growth and social welfare. MoUs on development of a Volley Court, Mental Health Unit, School Digitalization Project, upgrading Hospitals and schools and preserving culture were also signed⁴⁴. MoU on the Utheemu Palace Roof Preservation and Development of Palace Surroundings Project will promote the Maldivian culture⁴⁵. Establishment of Geydhoshu Mas Plant in M. Dhiggaru is a priority project which will address the current shortage of processing capacity in the Tuna market⁴⁶. School Digitalization Project in Th. Vilufushi will enable children to receive a modern, 21st century, education to prepare them for the future.⁴⁷ Upgrading F Nilandhoo Hospital is an essential government initiative that would alleviate the stress of traveling to Male for dialysis needs.

Maldives as the 'Heart of Indian Ocean' has strategic responsibility. Irrespective of ongoing 'India-out campaign' in Maldives which will continue to exaggerate and exacerbate simmering anti-India sentiments, Indian efforts and partnerships will hopefully not go in vain. India must not only oppose the covert nature of Chinese rivalry, but also consider how to cope with anti-India emotions and opposition in the event of a change of guard in 2023.

⁴² High Commission of India Male, Maldives, "Press Release - Fish Processing Projects signing of MoUs - 04 DEC 2019" July 24, 2023, <https://eoi.gov.in/eoisearch/MyPrint.php?9328?001/0011n> (Accessed on 20 July 2023)

⁴³ Ibid.

⁴⁴ Ibid.

⁴⁵ Devdiscourse, "Jaishankar, Maldivian counterpart Abdulla Shahid ink agreements," *Devdiscourse*, July 11, 2023, <https://www.devdiscourse.com/article/international/2519083-jaishankar-maldivian-counterpart-abdulla-shahid-ink-agreements>.

⁴⁶ <https://twitter.com/MoFAMv/status/1678694167457988609>

⁴⁷ Dipanjay Roy Chaudhury, "India, Maldives conclude 9 MoUs to strengthen President Solih's position," *The Economic Times*, July 12, 2023, <https://economictimes.indiatimes.com/news/india/india-maldives-conclude-9-mous-to-strengthen-president-solihs-position/articleshow/101684082.cms>. (Accessed on 20 July 2023)

NEPAL'S DECISION DILEMMAS

Prime Minister Mr. Pushpa Kamal Dahal 'Prachanda' visited India from 31 May to 02 June 2023. It was an important decision for Nepal, since it promoted reliance on India. Wide ranging bilateral relations and cooperation⁴⁸, included trade and transit; hydropower, power transmission lines; cross-border railways, road bridges, petroleum pipelines; irrigation, river training, inundation and flood control; agriculture; culture and civil aviation. Remote ground breaking ceremony by the two prime ministers, indicated India's resolve to her promises to Nepal. The projects will improve transit and security on the border, petroleum pipelines will save NPR 2 billion for Nepal and electricity transmission.

Nepal's electricity can be sold in India only with the availability of effective and reliable infrastructure. Even though Nepal is connected to India through other transmission lines, there was a lack of high capacity transmission lines. This 50:50 partnership of transmission line will provide a good economic value to Nepal. In his typical style Prime Minister Modi tweeted⁴⁹ -"9 years ago, I had talked about the 'HIT' friendship between India-Nepal relations - Highways, I-ways, and Trans-ways. Our partnership has bloomed since and we want to make our partnership a 'Superhit', which is what these projects will achieve." India intends to increase the quantum of hydropower import from Nepal to 10,000 MW in the next 10 years.

Cross-border payments MOU between National Clearing House Limited Nepal (NCHL) and National Payment Company India Limited (NPCIL) by integration between UPI of India and NPI of Nepal⁵⁰ will establish a financial connectivity, ease of fund transfers and merchant payments by users like students, pilgrims and tourists. Nepal had adopted the Indian made unified payment interface in 2022. India had offered its CoWin and UPI⁵¹ to many countries across the world – ProBono, a unique offer unheard till then – a true transformational overture.

India is also pledged to increase the capacity of GP Koirala Institute of Health Sciences. This Institute is envisaged as one of the successful examples of Nepal-India co-operation. Constructed in 1994, with Indian assistance of NPR Rs.109.7 million it is the biggest hospital-cum-medical college outside the Kathmandu Valley. It is accredited by National Medical Commission (NMC) (erstwhile Medical Council of India/MCI). The Indian

⁴⁸ <https://in.nepalembassy.gov.np/wp-content/uploads/2023/06/Press-Release-on-Rt.-Hon.-Prime-Ministers-Visit-to-India-.pdf>, accessed on 21 July 2023.

⁴⁹ <https://twitter.com/narendramodi/status/1664246289155121155>, accessed on 22 July 2023.

⁵⁰ <https://nchl.com.np/news/182>, accessed on 22 July 2023.

⁵¹ <https://economictimes.indiatimes.com/news/india/nepal-adopts-indias-upi-for-digital-transactions/articleshow/90417277.cms>, accessed on 23 July 2023.

government is also provided NPR Rs.16 million per annum to hire⁵² Indian faculty from reputed institutes for introducing super- specialty courses and or any other programme specifically for promoting ties and exchanges with India. In 2014, constructed a college block increasing capacity of the hospital. Indian promise of constructing Nepal Institute of Technology in Sudurpaschim province is yet another effort to build technical capacity in Nepal.

In an address to a business summit jointly organised by Federation of Nepalese Chambers of Commerce and Industry (FNCCI) and Confederation of Indian Industry (CII), Prime Minister Prachanda urged Indian businessmen to invest in Nepal. The current government is keen to move forward through the joint efforts with the private sector. India's Commerce and Industry Minister Piyush Goyal⁵³ mentioned common history, deep cultural affinity and strong friendship a major binding factor will bolster trade. He emphasised this shared affinity a better relationship bond over political or economic reasons.

Nepal President Ram Chandra Paudel also flew to All India Institute of Medical Sciences (AIIMS), New Delhi for treatment earlier on 19 April after he complained of shortness of breath. The reliance on the Indian medical system and easy accessibility is yet another benefit of proximity of two nations. It bodes well with the citizens.

Chinese continue to seduce Nepal in their own way. The usual trait of creating tangible assets and infrastructures is seen across the country, including the Pokhara Airport. It was inaugurated on 01 January 2023 and received its first international flight on 21 June 2023. Interestingly, it was a Sichuan Airlines A319 from Chengdu, China carrying athletes to participate in Nepal China Dragon Boat Race Festival at Phewa Lake in Pokhara. The new infrastructure has obviously not evinced much interest amongst the international airlines, but instead has brewed up a controversy. Chinese Ambassador to Nepal Chen Song mentioned that the airport was built under Belt and Roads Initiative (BRI) and foolishly added – ‘planned and constructed with the assistance of the Chinese government by Chinese engineers⁵⁴’. Probably he wasn’t briefed by his staff that embassy had already made a statement congratulating Nepali Government and Nepali people – “This is the flagship project of China-Nepal BRI cooperation”. He should have known that proud Nepalese are not very fond of BRI tag. Even Prachanda expressed concerns over such slight remarks. This airport does not harbour good feelings amongst the Nepalese. In January 2023, Nepali Yeti Airlines twin-engine ATR 72 plane crashed, during a landing killing all 72 people on board. China's Exim Bank loaned \$215.96 million to the airport which translates to \$3.2 million in annual interest. Civil Aviation Authority of Nepal

⁵² https://www.business-standard.com/article/news-ians/indian-financial-aid-for-nepal-health-institute-114031100905_1.html, accessed on 23 July 2023.

⁵³ <https://fncci.org/news/detail.php?i=3547>, accessed on 23 July 2023.

⁵⁴ <https://www.wionews.com/south-asia/chinese-built-pokhara-airport-receives-first-intl-flight-six-months-after-inauguration-606831>, accessed on 23 July 2023.

(CAAN)⁵⁵ has calculated a necessity of at least 100 daily domestic and 500 weekly international flights and an income in excess of \$19 million to sustain the airport. Nepal will have to be careful of the debt trap and present itself with safer alternatives if developments.

There is positive vibe to the Indo-Nepal relations but Prachanda will have to dodge the domestic criticism. Nepal understands that Indian purchase of Nepal hydropower makes a good economic sense, but visit to Mahakaleshwar temple in Ujjain is being considered hypocritical and attempt to appease the Hindus in India.

Politics has never been easy.

EMBRACING THE INDIAN RUPEE: SRI LANKA'S READINESS TO INTRODUCE CURRENCY INTEGRATION

Sri Lankan President Ranil Wickremesinghe's July visit is crucial. This would be his first visit to India since being elected as the President of the cash-strapped country last year following the ousting of former President Gotabaya Rajapaksa in a people's movement in July⁵⁶. While addressing the Indian CEO Forum, he remarked the enhanced use of Indian Rupee in Srilankan Economy amidst unprecedented economic and political turmoil in the island nation⁵⁷. For over a year, Sri Lanka is grappling with a severe economic crisis and a currency crunch. Due to the shortage of Dollars, Sri Lanka has agreed to use Indian rupee (INR) for international trade. Reserve Bank of India allowed the Indian rupee trade settlement to be used in all international transactions instead of dollars and other major currencies. The mechanism would allow all exports and imports to be priced and invoiced in Indian rupee, while the market will settle the exchange rate between trade partners.⁵⁸

Traders from both countries can make over 50 percent saving in transaction costs by using INR since dollar based US account transaction charges are higher. When commerce is conducted in INR, Sri Lankan importers do not have to designate margins for

⁵⁵ <https://www.wionews.com/south-asia/chinese-built-pokhara-airport-yet-to-receive-any-international-flights-report-591964>, accessed on 23 July 2023.

⁵⁶ The Hindu, "Sri Lanka not averse to using Indian rupee as common currency: President Wickremesinghe", *The Hindu*, July 15, 2023, <https://www.thehindu.com/news/international/sri-lanka-not-averse-to-using-indian-rupee-as-common-currency-president-wickremesinghe/article67083314.ece> (accessed on 15 July 2023)

⁵⁷ Ibid.

⁵⁸ Umang Sharma, "Sri Lanka, Russia to use Indian rupee for international trade, more countries in talks," *First Post*, December 19, 2022, <https://www.firstpost.com/world/sri-lanka-russia-to-use-indian-rupee-for-international-trade-more-countries-in-talks-11833771.html> (accessed on 15 July 2023)

exchange rate swings. Same-day settlements have a specific benefit in INR trade since the traders have quicker access to the money, which were previously unavailable under the Asian Clearing Union (ACU) process⁵⁹.

A Sri Lankan bank (Bank of Ceylon) has created special rupee "vostro" accounts, an inter-bank and inter-country accounts in India to promote commerce in the Indian rupee, lending support to the Reserve Bank of India's (RBI) endeavors to gradually internationalize the Indian rupee⁶⁰. Vostro accounts⁶¹ are opened with Indian Bank and State Bank of India. These accounts expand on the structure outlined by the RBI in July for promoting overseas trading in Indian rupees. Sri Lanka will be able to purchase goods from India without worrying about its decreasing dollar supply owing to the Vostro account in local currency.⁶² The Vostro accounts would also assist Sri Lanka in using rupee credit lines offered by India and would contribute to the stabilization of the Colombo economy. Giving greater flexibility to Vostro facility, the Indian central bank last November clarified that the rupee balances lying in the accounts can be hedged so that foreign companies can minimise their losses from foreign exchange fluctuations.

Sri Lankans can now physically hold INR equivalent to USD 10,000 (₹8,26,823). This also implies that Sri Lankans and Indians can conduct international transactions in Indian rupees rather than US dollars. Indian tourists are already using INR in Nepal and Bhutan, making Sri Lanka the third country where INR can be freely utilized. India accounted for 17 percent of the tourist to Sri Lanka as the single largest source market and hence, Sri Lanka is looking at the possibility of adopting the RuPay card and RuPay mechanism for easy transactions⁶³. It might be a possible for Sri Lanka to adopt UPI-BHIM settlement system.

⁵⁹ Nishel Fernando, "Both Lankan and Indian traders saving over 50% in transaction costs by using INR," *Daily Mirror*, March 31, 2023, https://www.dailymirror.lk/breaking_news/Both-Lankan-and-Indian-traders-saving-over-50-in-transaction-costs-by-using-INR/108-256872 (accessed on 15 July 2023)

⁶⁰ Mohammed Kudrati, "Explained: Sri Lanka Using the Indian Rupee For International Trade," *Boom*, December 23, 2022, <https://www.boomlive.in/explainers/sri-lanka-russia-indian-rupee-rbi-vostro-account-explained-meaning-inr-international-trade-india-20546> (accessed on 17 July 2023)

⁶¹ Sugata Ghosh & Atmadip Ray, "Indian Bank to hold special rupee vostro A/cs of Sri Lanka banks," *The Economic Times*, January 08, 2023, <https://economictimes.indiatimes.com/news/economy/foreign-trade/indian-bank-to-hold-vostro-a/cs-of-3-sri-lankan-banks/articleshow/96836303.cms> (accessed on 17 July 2023)

⁶² Umang Sharma, "Indian Bank to hold special Rupee Vostro accounts of 3 Sri Lanka banks," *First Post*, January 09, 2023, <https://www.firstpost.com/world/indian-bank-to-hold-special-rupee-vostro-accounts-of-3-sri-lanka-banks-11955742.html>. (accessed on 15 July 2023)

⁶³ Nishel Fernando, "SL exploring ways to adopt India's cross-border digital payment systems to attract more of their tourists," *Daily Mirror*, February 06, 2023, https://www.dailymirror.lk/breaking_news/SL-exploring-ways-to-adopt-Indias-cross-border-

In India's neighbourhood, Bhutan became the first country to adopt such model after Singapore.

After India stated its intention to make the rupee go global, other countries such as Myanmar, Bangladesh and Russia explored the opportunity. Last month, Russia became the first country to begin settlement of foreign trade in rupee, giving up dollar and euro all together⁶⁴. As a result, about 35 nations have expressed interest in better understanding the rupee trade mechanism. They include neighbours such as Bangladesh, Nepal and Myanmar which are grappling with a shortage of dollar reserves.

Cautious optimism is required. Between 1959 and 1966, the Gulf rupee, issued by the RBI, was legal money in nations such as Kuwait, Bahrain, Qatar, the United Arab Emirates (then the Trucial States), and even Malaysia, before being gradually superseded by local currencies. This means that the Indian rupee would have to travel a greater distance across uncharted terrain before being recognised as an international currency. This is also true for its trading partners.

[digital-payment-systems-to-attract-more-of-their-tourists/108-253599](#) (accessed on 15 July 2023)

⁶⁴ Ibid.

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