

South Asia

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ORF



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South Asia: A 2014 review and early projections

Wilson John

Political transitions and a looming threat of terrorism dominated much of South Asia in 2014. While democratic impulses held ground in India, Afghanistan and to a great extent in Sri Lanka, similar sentiments became noticeably feeble in Pakistan and Bangladesh, and Maldives. In much of the region, the year signalled the withering away of old political order and the emergence of a new reality burdened by extraordinary public expectations and failure of established political parties to meet them. Economic and social crises in many parts made the challenge even more acute. So did a worsening security situation across the subcontinent.

Political flux

It was in India where politics made the most dramatic turnaround. The dynastic Congress-led alliance was routed by a new-comer to New Delhi's politics — Narendra Damodardas Modi. His sudden rise on the political firmament was matched only by the dramatic victory he achieved for his party, Bharatiya Janata Party (BJP). Like an expert surfer, he rode a high wave of expectations from voters, mostly young, who were increasingly restless about the incumbent regime's failures on many fronts. Modi was not only the chosen leader of the BJP but also a long-standing member of hard-line rightwing group, Rashtriya Swayamsevak Sangh (RSS). These two allegiances can have considerable influence on Prime Minister Modi's domestic political and foreign policy outreach, especially in the immediate neighbourhood.

This became abundantly clear from the very first day of Prime Minister Modi's tenure. He invited the top leadership from neighbouring countries, including Pakistan Prime Minister Nawaz Sharif, to his swearing-in ceremony in New Delhi. The fact that almost every one, barring Bangladesh Prime Minister Sheikh

Hasina, turned up at Raisina Hill showed how things had changed overnight in India's capital. Modi's first foreign visit to Nepal and other top level exchanges with Bangladesh, Sri Lanka, Bhutan and Afghanistan set the tone of India's diplomatic engagement with its neighbourhood.

With Pakistan, the tone assumed a different character. After Islamabad, and Rawalpindi, ignored New Delhi's persistent plea to rein in terrorist groups targeting India, the warm handshake with Nawaz Sharif at Raisina Hill quickly turned to a cold shrug in Kathmandu when Modi and Sharif crossed each other at the SAARC Summit later in the year. With the cross-border firings increasing, the rhetoric in New Delhi became hard and explicit — tit-for-tat. Ceasefire violations by Pakistan were met with equally fierce response from India. The hardening of positions on both sides became clear when New Delhi called off the scheduled Foreign Secretary-level talks after Pakistan's envoy to New Delhi refused to cancel his meeting with some separatist leaders from Jammu and Kashmir. The stand-off between New Delhi and Islamabad will have far reaching consequences for the region in the months ahead.

Visible impact in Afghanistan

The most visible impact of this situation will perhaps be evident in Afghanistan where equally dramatic events unfolded during the year. The most significant was the presidential elections and the disquieting controversy over who actually won the electoral contest — Ashraf Ghani or Abdullah Abdullah, the two main contestants for the presidential palace vacated by Hamid Karzai. It took hectic backroom dealings over several weeks to form a government of national unity with Ghani as the President and Abdullah as the CEO, a patchwork solution which is more knotty than the problem itself. It was the least expected of the stumbling blocks in the multiple transitions in Afghanistan which began in fact with the Afghan national forces taking charge of security in early 2014. The process concluded with a formal withdrawal by NATO forces in December.

Like the political transition, too many questions bedevil the security situation. It was not clear, for instance, how the security forces would sustain their operational capability without a generous aid and assistance from the international community. Although some of the anxieties were laid at rest with the US administration revising their troop commitment from a probable zero-presence to a 15000-strong or near about, force, principally tasked with counter-insurgency and training missions. The signing of Bilateral Security Agreement (BSA) and the Status of Forces Agreement (SOFA) with the US in November raised hopes about a prolonged engagement with the international community. All these could mean a short-term reinforcement for a force which has to be battle not only a blooming insurgency but also a recalcitrant, militarily-strong neighbour in Pakistan.

These tenuous transitions have had considerable influence on how the Taliban insurgency regained a faster traction in the south and eastern parts of the country, and across Durand Line in Pakistan's tribal areas. The Taliban attacks against the security forces and others saw a spike with Kabul witnessing at least 11 major and minor attacks. With the Taliban consolidating its position in much of the eastern and southern border provinces, the new government is faced with the almost impossible task of living with an insurgent force which wants to undo the nebulous political process which it has been entrusted by the voters to protect.

The year also witnessed the Taliban leadership refusing to be drawn into another round of dialogue particularly when it was known that the foreign forces would be leaving the country by the year-end. The Taliban viewed the new President and his government as ``foreign`` agents and remained unwilling to attempt a rapprochement. President Ghani's call for truce was replied with a series of attacks in Kabul and against security forces. There was no sight of a breakthrough as the year ended although a new mediator in the form of China appeared on the horizon.

Several factors were in play, besides the NATO withdrawal, in helping the Taliban's renewed offensive to capture Kabul. Two of these merit

closer scrutiny here. The first was Pakistan and its continued patronage of the Taliban leadership and its military offensive. Second was the military support the insurgent group drew from the Haqqani Network and al Qaeda. Both these factors were evident during the year in how the Pakistan Army moved the Haqqani leadership and the Taliban commanders to safer grounds when it began a limited military operation against Tehrik-e-Taliban Pakistan (TTP) stronghold in north Waziristan in June after the brazen attack on Karachi airport. The army turned it into an all-out offensive after the December attack on an army-run public school in Peshawar by TTP.

The manner in which 135 and more school children were butchered by five TTP gunmen shook Pakistan, and forced its leadership to take action. It was not the first major attack in Pakistan but one of the many which killed roughly 2400 persons, over 1700 of them civilians, in 2014 alone. The Peshawar attack underlined not only the alarming fact that terrorist groups were strong and brazen enough to take on the powerful Pakistan Army but also that the state was unable to galvanise its might and influence to counter the threat from these groups. The threat to the state of Pakistan from terrorist groups, which were once patronised by the military, became grave and immediate.

Statements & posturing

But much of this realisation was confined to statements and posturing. The civilian leadership was quick to shift the colossal failure of protecting the lives of the citizens and made a hue and cry about making no distinction between a good and bad Taliban. But a clarity about who all were terrorists eluded both the civilian and military leadership; the military wanted to keep terrorist groups like the Haqqani Network and Lashkar-e-Tayyeba (LeT) protected as an insurance against India and Afghanistan.

The civilian leadership had their own debts to pay to the extremist groups like Lashkar-e-Jhangvi (LeJ) which were closely aligned with the Taliban as well as al Qaeda. The outcome of this refusal to give up the traditional duplicitous policy in dealing with terrorism

would leave Pakistan even more unstable with equally serious consequences for the region as a whole.

For Pakistan, the year also brought a political re-balancing with the army making sure that Nawaz Sharif lost much of his clout and swagger. The army had decided to cut him to size once Sharif refused to heed its advice to go slow on prosecuting the former Army chief and President, Pervez Musharraf. The army's instruments were Sharif's political opponent, Imran Khan and a Canadian-Pakistan cleric, Tahir Qadri. Both Khan and Qadri were allowed to lay siege on Islamabad on the pretext of demanding Sharif's ouster for political corruption.

The protests were allowed to drag on for weeks before Sharif and his party succumbed, giving in to the Generals. Sharif saved his seat but left the democratic process, which saw hopes of renewed revival after the 2013 elections, damaged. From a boisterous return to power in 2013, Sharif became a lame-duck premier in just over a year. The Army was back in power in Islamabad with Sharif and his government conveniently placed as fall guys.

Sirisena defection in Sri Lanka

In Sri Lanka, authoritarian rule of Mahinda Rajapaksa came under a serious threat from within as the presidential elections were announced for January 2015, two years in advance. The first major leader to defect from the Rajapaksa government was Maithripala Sirisena who, as the election results came out, ousted Mahinda Rajapaksa and became the President.

Sirisena's defection triggered a series of other exits indicating the extent of dissent within the government against Rajapaksa and his family's stranglehold over the country. Although the new President has promised to turn back the clock, and restore democratic norms which had come under serious threat from Rajapaksa's rule characterised by authoritarianism and nepotism. This process of revival is fraught with considerable challenges and much will depend on Sirisena's acumen and commitment as the leader of the island nation.

Vendetta politics in Bangladesh?

Democratic process remained at even greater peril in Bangladesh where the two mainstream political parties refused to come to any agreement and chose to express their resentment through violence and street protests. The politics of vendetta was played to the galleries by the ruling party. War commissions and executions have left the society deeply divided.

Political instability has given the radical forces a foot-hold in the country, exposing its people to allurements of global jihad. Terrorist groups like ISIS and al Qaeda made attempts to find recruits and support among the people, especially the young, disheartened by the ceaseless tug-of-war between Sheikh Hasina and Khaled Zia. The religious right-wing parties like Jamat-e-Islami, despite setbacks, consolidated their hold their traditional support base, making Bangladesh even more open to jihadist forces.

Revival of jihadist forces

Political volatility in three Muslim countries — Afghanistan, Pakistan and Bangladesh -- have made the region vulnerable to global terrorism. The revival of Taliban, al Qaeda and several terrorist groups in Pakistan, and Afghanistan, in the recent past had already made the threat of al Qaeda and Islamic State of Iraq and Syria (ISIS) in the region a reality. The al Qaeda's decision to set up a new branch, al Qaeda in the Indian Subcontinent, in September should be viewed against this backdrop. The first serious attack carried out by the new branch at the Karachi naval dockyard in September itself showed the magnitude of threats such global jihadist groups could pose to the sub-continent in the days ahead.

The dramatic growth of ISIS in West Asia found willing recruiters from Pakistan, India, Bangladesh, Afghanistan and Maldives, raising the spectre of the subcontinent becoming a battleground for supremacy among these groups.

Besides India, where a dozen or so youngsters reportedly joined ISIS in Syria, triggering a

serious concern, Bangladesh and Maldives have been targeted with some success by these transnational terrorist groups. The possibility of some of them returning home and igniting a fresh round of terrorist violence remained a concern in India. In the neighbouring Bangladesh, the government has so far been quick and successful also, to effectively counter the recruitment drive and propaganda by these groups.

But the reports of extremist groups gaining traction among the urban youth remain a serious worry. The concern is even greater in Maldives which saw at least 200 young men joining ISIS or al Qaeda in Syria. Maldives for some time had been going the radical path and the influence of groups like ISIS among the youth.

It is Afghanistan and Pakistan which remained high on the agenda of the terrorist networks like al Qaeda. The al Qaeda leadership, reported to be somewhere in Afghan-Pakistan border areas, remained more or less intact during the year with the current leader, Ayman al-Zawahari, issuing periodic threats and statements. The al Qaeda has infact consolidated its position in the region with the help of the Haqqani Network and TTP and remains a potent threat not only to Pakistan and Afghanistan but the entire region and beyond.

The emergence of ISIS in West Asia has made the matters worse for Afghanistan and Pakistan. Some of the terrorist groups, targeting the Pakistani state, were quick to ally with ISIS; in fact TTP even sent a team to fight in Syria. Although there were fewer Afghans and Pakistanis fighting either with ISIS or al Qaeda, in comparison to European recruits, the possibility of their number increasing was evident during the year.

The larger threat is not the number of recruits but the possibility that ISIS and al Qaeda could engage in a bitter and bloody battle for supremacy in `Khorasan`--a historic region comprising Afghanistan, Turkmenistan and Iran which al Qaeda and ISIS would like to claim as part of their Caliphate ambitions. In fact, al Qaeda has a `Khorasan group` fighting

ISIS and the Syrian Army which the US considers a greater threat than ISIS.

In conclusion, it can be stated that while threats to the region have multiplied in 2014, the capacity of the states have been undermined by widespread political instability in the region.

Positive developments

In the midst of doom and gloom, there were significant positive developments in the region. First and foremost was the greater urgency many countries exhibited in finding ways to build economic bridges with each other and across the region. There was a greater understanding of the need for cooperation not only at the bilateral but also at the regional level.

Countries found innovative means to create trilateral, and even quadrilateral, cooperative arrangements which could help undo historical reservations. The year saw considerable effort being invested in settling old and contentious problems in a relatively congenial atmosphere. Besides some notable breakthroughs in trading power across the borders, the counter-terrorism cooperation between different countries in the region was unprecedented. India's effort to reach out to its immediate neighbourhood underscored the urgency of such moves. Much of the success of these initiatives will, however, depend on how India moves ahead to consolidate these early gains in the year ahead.

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Afghanistan

Coping with transitions

Aryaman Bhatnagar

2014 was Afghanistan's year of transitions. Not only was there a new leader in Kabul for the first time since 2001, but the US and NATO officially brought their 13-year combat mission in the country to an end.

Apart from the political and security transitions, Afghanistan is also bracing itself for an economic transition. It is feared that the US-led military drawdown would lead to a reduction in international aid. Although, the international community has pledged US \$16 billion in assistance for the next four years at the London Summit held in December, future uncertainties are expected to make it difficult for this commitment to be met.

A World Bank report published in October 2014 labelled Afghanistan as the worst investment-destination in Asia. As a September report claimed, even the revenue from the nation's resource extraction industries has reduced significantly over the past five years. In the absence of viable economic opportunities, opium-cultivation continues to thrive, with 2014 witnessing a seven percent increase in cultivation as compared to the previous year.

In the midst of all these transitions, the Taliban remains a major security headache for Kabul. As the Taliban continues to make inroads into key districts and provinces, concerns remain about the ability of the Afghan National Security Forces (ANSF) to deal with the security challenges by itself.

Afghanistan, thus, is confronted with a number of challenges, but does not have the luxury of time or resources on its side to deal with them. It requires sustained international support and a strong leadership to navigate past these challenges. How far would it be successful in doing so remains to be seen.

Disputed polls, contentious results

The most significant political development in Afghanistan in 2014 was the change of leadership in Kabul. Ashraf Ghani was elected as the new President in September. However, this was not a smooth political transition and allegations of widespread fraud marred the entire electoral process. The political stalemate between the two leading candidates could ultimately be resolved only through backchannel negotiations.

The start to the elections, however, had been good. The first round of elections held on 5 April saw an extremely high voter turnout of seven million. This was a remarkable achievement given the repeated statements issued by the Taliban warning people against voting. Although Abdullah Abdullah had emerged as the leading candidate after the first round, his failure to win a clear majority necessitated a second round of elections, against the second-leading candidate Ashraf Ghani.

The problems started soon after the completion of voting in the second round held on 14 June. Dr Abdullah's team alleged fraud to the tune of two million fraudulent votes and accused Dr Ghani of using State machinery to rig the elections in his favour. Abdullah Abdullah subsequently rejected the preliminary results announced by the election commission on 7 July, which showed Dr Ghani in the lead with 56.44 percent of the votes. Although Dr Abdullah ignored his supporters' calls – who took to the streets in protest – to form a "parallel government", he declared himself as the actual winner of the elections.

The situation, which threatened to spiral out of control required the intervention of the US Secretary of State John Kerry, who was able to broker a deal between the two. As per this deal, both agreed to an audit of all votes cast and to form a government of national unity (GNU) under the victor. However, despite this agreement, differences between the two sides

– about both the audit methodology and the nature of power-sharing – persisted. The audit process was halted on a number of occasions and Mr Kerry was forced to make another emergency intervention.



Secretary of State John Kerry with the two candidates

It was only on 20 September that the two finally reached an understanding, breaking the deadlock allowing Ashraf Ghani to be sworn in as the new President on 29 September, nearly six months after the first round of voting took place. According to the four-page agreement, Ashraf Ghani was recognised as the President and Abdullah Abdullah as the chief executive (CEO). Although the CEO was granted a host of powers and authority, the position was clearly subordinate to that of the President. The agreement also granted a degree of parity when it came to the allocation of key ministerial portfolios among their supporters.

However, the agreement has no constitutional backing at the moment and in case of any violation there is no legal backing for any of the two leaders to fall back upon. Thus the durability of the arrangement, as well as the smooth functioning of the government, is contingent on the level of trust and cooperation between the two. Afghanistan's



President Ashraf Ghani being sworn in

However, the agreement has no constitutional backing at the moment and in case of any violation there is no legal backing for any of the two leaders to fall back upon. Thus the durability of the arrangement, as well as the smooth functioning of the government, is contingent on the level of trust and cooperation between the two. Afghanistan's doomed history of power-sharing arrangements and the months of bitter campaigning have naturally raised concerns about the prospects of the new government. The fact that the cabinet was formed only in January 2015, almost 106 days after the formation of the GNU, highlights just how difficult it is likely to be for the two leaders to agree on critical issues.

Persistent insurgency

Despite their various differences, the new President and the CEO have acknowledged the need to find a political solution to the Taliban insurgency. In fact, President Ghani, during his inaugural ceremony itself, called upon the insurgents to join the peace process. This is consistent with the effort of his predecessor, Hamid Karzai.

During his last few months in office, Mr Karzai sought to achieve a breakthrough in the peace talks with the Taliban. In February, the Afghan High Peace Council (HPC) and a Taliban-delegation led by their former Finance Minister Agha Jan Mutassim had held secret talks in Dubai. Mr Karzai, in the same month, had also facilitated the release of 88 prisoners from the Bagram Prison, a move that was heavily

criticised both within Afghanistan and by the US.

In the process, even the US government facilitated the release of five senior Taliban members, said to be close to the group's leader, Mullah Omar, from Guantanamo Bay in June in exchange for Bowe Bergdahl, the US soldier held captive since 2009. It was hoped that this exchange would have a positive impact on the peace talks.



Sergeant Bowe Bergdahl

However, all these efforts were unable to produce any significant results. The failure of the peace process was acknowledged by both the HPC in a testimony to the Afghan Parliament in September and by Mr Karzai himself during his farewell speech. Numerous public statements issued by the Taliban this year further highlight the obstacles for the peace talks.

The Taliban has denounced the elections as a "fake process" and the new government as the "new American employees in Kabul". The Taliban has reportedly already rejected peace overtures from the new government and is likely to use its criticism of the Ghani-Abdullah government as American puppets as a pretext to avoid direct talks with it, just as it had with the Karzai-led government.

Besides such public statements, the existing military balance also does not bode well for the Afghan government. The Taliban continues to

remain resilient and has made significant inroads into southern and eastern Afghanistan in recent months. Year-2014 was always expected to be a turbulent and violent year for the country, and the Taliban confirmed those fears by intensifying their activities, especially in the last few months leading up to the military drawdown. A number of high profile attacks this year against NATO bases, foreign missions, Kabul International Airports and urban centres populated by the civilian masses were a clear reminder of the security threat posed by the Taliban.

Deadliest for civilians

Year-2014, in fact, was the deadliest year for non-combatants in Afghanistan, with civilian casualties as high as 3,188. The National Directorate of Security also claimed that urban centres were being deliberately targeted on an increasing basis by the Taliban, with a 68 percent increase in the attacks on Kabul and other major cities. A number of Afghan government officials also claimed that 2014 was among the worst for the Afghan National Security Forces (ANSF), with the casualty rate among the ANSF personnel as high as 2500.



Afghan security personnel near the Serena hotel during the attack in Kabul

The increasing security threat posed by the Taliban has been recognised by the US as well. It has agreed to leave behind an additional 1,000 US soldiers, when it withdraws fully in 2015, and has also expanded the scope of the special operations by allowing the residual

force to target the Taliban insurgency, in addition to the remnants of al Qaeda.

However, the completion of NATO's combat mission in Afghanistan on 31 December 2014 does increase the challenges before the new government. As the foreign forces shift to assume a secondary and supporting role, the ANSF's capacity to deal with an extremely resilient and militarily potent insurgency remains to be seen. The situation is further complicated by recent reports of the 'Islamic State' (IS) seeking to expand its influence and recruit volunteers in south and east Afghanistan.

New approach?

There was a marked difference in the approach of Mr Karzai and his successor to Pakistan and the US, arguably the two most important countries as far as Afghanistan's future is concerned. Mr Karzai had adopted a more confrontational approach to both countries. A constant criticism of the two was a common feature of his final months in power. Even in his farewell speech in September, President Karzai accused the US of pursuing its own agenda in Afghanistan to the detriment of the country's stability, and urged Pakistan to stop its interference in Afghanistan's internal affairs.



President Ashraf Ghani (R) and President Obama

The Afghanistan-Pakistan relations during the first half of 2014 were hostile on account of the increasing border skirmishes. Afghanistan lodged a formal complaint in May by summoning Pakistan's Ambassador to Afghanistan and subsequently pulled out of a

security meeting with Pakistan in June. Besides these border clashes, Pakistan's support for the Afghan Taliban also did much to increase bilateral tensions.

The Afghan Ministry of Defence published a report in August accusing Pakistan of paying a monthly stipend of 30,000 Pakistani rupees to the Afghan insurgents while the HPC also blamed the existence of safe havens in Pakistan as the main factor behind the failure of the peace talks. The ISI was also accused of being responsible for the attacks on the Serena Hotel in Kabul in March and the Indian Consulate in Herat in May. Even the Punjab Taliban's declaration in September of waging war only in Afghanistan was seen as a sign of Pakistani culpability.

With the US, the main sticking point was Mr Karzai's refusal to sign the Bilateral Security Agreement (BSA). This was despite repeated warnings by NATO and US government officials, including US President Barack Obama, that failure to sign the BSA could lead to a complete withdrawal of foreign troops by 2015. Besides differences over the BSA, the tendency of the Afghan government to blame the US for the country's persisting instability did much to increase the bilateral trust deficit.

Tentative steps, forward

It is no surprise then that Mr Karzai's final few months in office coincided with a sharp downturn in Afghanistan's relations with both the US and Afghanistan. His successor, however, has already taken some positive, albeit, tentative steps in mending these ties.



After the signing of the BSA

For instance, within days of assuming office, the new government signed the BSA and Status of Forces Agreement (SOFA) with NATO. While the impact of the residual force for Afghanistan's stability remains to be seen, the swift nature of the decision taken by President Ghani could set a precedent and mark the beginning of a possible new, and better, phase in US-Afghanistan relations. Already there are signs that the US may be willing to play a larger role in Afghanistan than envisaged earlier. While this is largely on account of the deteriorating security in Afghanistan country and the rise of IS, the importance of the leadership change in Kabul should not be overlooked.

Similarly, Afghanistan-Pakistan relations have also seen a noticeable improvement since October. There have been a number of high-level exchanges. Pakistan's National Security Advisor Sartaz Aziz and the Chief of Army Staff, Gen Raheel Sharif, visited Kabul while President Ghani visited Pakistan in November, where he took the unprecedented step of visiting Rawalpindi. During these exchanges the two countries pledged to improve bilateral relations, increase trade and collaborate on jointly tackling terror in the region.



President Ashraf Ghani (R) with General Raheel Sharif

In December, there was a trilateral meeting among the ISAF Commander General John F Campbell, Gen Sharif and Afghan Army Chief Sher Muhammad Karimi in Rawalpindi, when both South Asian neighbours agreed to cooperate on intelligence-sharing and the need

for coordinated attacks. The fact that the ANSF launched raids in eastern Afghanistan against the alleged Tehreek-i-Taliban Pakistan hideouts can also be seen as President Ghani's attempts to increase the bilateral trust.

China for first outing

The importance of encouraging Pakistan to play a constructive role vis-à-vis Afghanistan is most definitely one of the most critical foreign policy objectives of President Ghani. The fact that he chose China for his first official visit abroad in October underlined this fact. It is largely felt that China is the only country that can use its ties with Pakistan as a leverage to compel Rawalpindi to either bring the Taliban to the negotiating table or target the militants. Recent media reports suggesting that China had invited a Taliban delegation to Beijing further highlights the role China can play in ensuring stability in the country.



President Ashraf Ghani (L) and President Xi Jinping

Besides the Pakistan factor, Afghanistan is also keen to increase the bilateral engagement with China. This visit was, thus, positive in this respect. The two countries signed four agreements concerning trade and commercial relations, bilateral economic ties, humanitarian aid and travel permits for public servants. China also pledged support of USD 327 million in aid to Afghanistan through 2017.

Engagement with India

As both New Delhi and Kabul witnessed elections and a change of leadership at the Centre, it was hardly a surprise that this bilateral relation got relatively less attention and priority from both sides. As compared to the previous two years or so, which had seen a numerous high-level exchanges and agreements between the two countries, the level of India-Afghanistan engagement was less. This was particularly the case with the second half of the year, where the protracted political transition in Kabul pushed this bilateral equation to the background. Despite this there were a number of developments that were crucial to the India-Afghanistan ties and which will be important for the future as well.

Mr Karzai had invested significantly in the India-Afghanistan relations and the country's first strategic agreement was also signed with New Delhi in 2011. One of the largest bilateral donor-nation to Afghanistan, India's assistance was seen as being crucial for the country's reconstruction and stability. With the expected dwindling of international aid post-2014, Mr Karzai was keen that India continues to maintain its high level of engagement with Afghanistan. In the 18 months since the latter half of 2012 and 2013, he had undertaken as many as three visits to India.

Year-2014 began with that momentum being maintained. In February, Salman Khurshid, then India's External Affairs Minister in the UPA-led government, visited Kandahar. During this day-long visit, Mr Khurshid reiterated India's support to Afghanistan and, in particular, its support to Mr Karzai in his standoff with the US over the signing of the BSA. However, the main purpose of his visit was to inaugurate, jointly with Mr Karzai, the Afghan National Agricultural Sciences and Technology University. This university, which is part of India's capacity building efforts in Afghanistan, was promised by then Indian Prime Minister Manmohan Singh during his visit to Kabul in 2011.

Mr Khurshid, during this visit, also promised the provision of helicopters to the ANSF. An increase in the supply of military equipment to the ANSF had been Mr Karzai's incessant

request from India for the last two years. Although India had been reluctant in adhering to all of his requests on this front, Mr Karzai claimed that India's "response has been good". Moreover, in April, reports suggesting that India had reached an agreement with Russia to pay for the arms and ammunitions it supplied to Afghanistan further highlighted India's resolve to continue its assistance to Afghanistan.

Mr Karzai sought to maintain his ties with India despite the change of leadership in New Delhi. He visited New Delhi during the inaugural ceremony of the new Indian Prime Minister Narendra Modi in May, along with the other leaders of the SAARC countries. The two leaders were able to meet separately during which they discussed ways to enhance bilateral cooperation.

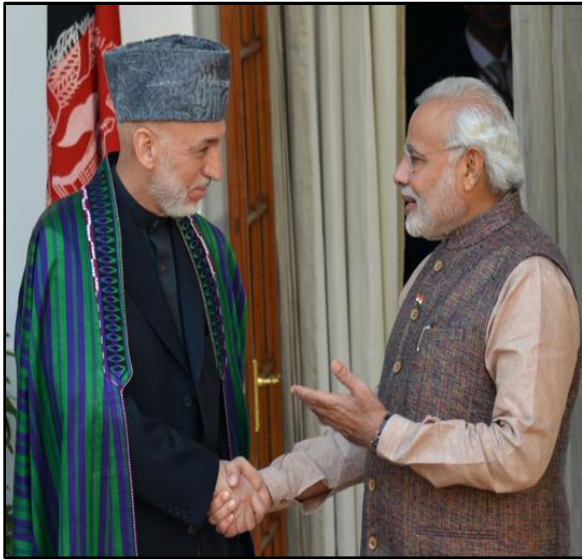


Attack on the Indian consulate in Herat

Mr Modi assured his Afghan counterpart of continued Indian assistance and development to Afghanistan and, at the same time, acknowledged Kabul's efforts and assistance in repelling the attacks on the Indian consulate in Herat, only a few days earlier. The new government in July also liberalised the visa scheme for Afghan nationals. As per this policy, Afghan nationals can stay in India for up to two years, and Afghans under the age of 12 and above 65 years are exempt from police reporting.

September saw India's final high-level exchange with Mr Karzai. Sushma Swaraj, the

External Affairs Minister in the Modi government, visited Kabul to meet Mr Karzai.



Former President Hamid Karzai (L) with Prime Minister Narendra Modi

During this meeting, she once again reiterated India's commitment to stay the course in Afghanistan and pledged to speed up India's development projects in the country. The two also discussed the necessity of increasing bilateral trade and enhancing security cooperation.

Complete lull

It was the last three months that saw a complete lull in India-Afghanistan relations. As already noted above, President Ghani's few months in office have already highlighted his most immediate foreign policy priorities. Mending relations with the US and more importantly with Pakistan, and encouraging China to increase its involvement in Afghanistan are more pressing concerns for Kabul at present.

This was further attested in President Ghani's speech at the "Hearts of Asia" conference in Beijing in November, where he categorised the different countries important for Afghanistan into five different 'circles' in descending order. While Pakistan and China were in the 'first circle' by the virtue of being neighbouring countries, India was placed in the 'fourth circle' along with other Asian countries. President

Ghani's overtures to China and attempts to court Pakistan have naturally caused much anxiety in India.

Such concerns were further intensified on account of reports surfacing, within the first month of President Ghani's rule, about the decision of the new government in Kabul to put Mr Karzai's request for military equipment from India on hold. Mr Daoud Sultanzoy, a foreign policy advisor, to President Ghani claimed that the new government was re-examining Afghanistan's defence needs and request from New Delhi will be sought "if India can play continued role" in this sphere. This change in approach, along with a push for greater engagement with China, has been interpreted by many in India as Afghanistan's attempt to reduce India's involvement in the country as a way of pacifying Pakistan.

It is difficult to not see the rationale in this approach. It is largely consistent with the policy adopted by Mr Karzai as well during his first years in power. Given the ideological, ethnic and cultural ties, the long porous border and Rawalpindi's working relationship with Afghan insurgents, Pakistan remains a more influential country, in comparison to India, as far as Afghanistan's stability is concerned. Thus engaging Pakistan and stabilising that bilateral equation gains greater priority over engaging India.

This should, however, not imply that India is not important for Afghanistan or that this factor is not recognised by the new regime. The success of India's development assistance has been widely hailed and given the dwindling international aid post-2014, Kabul is unlikely to ignore or marginalise India in the long run. Already, 2015 has got off to a positive start with the two countries signing an MoU to enhance cooperation in the textile sector with India committing to develop this field in Afghanistan. Even Mr Karzai during his visit to New Delhi in November stressed that India should not read too much into the fact that President Ghani visited Pakistan and China before India. He gave assurances that India is an important country for Afghanistan, which will continue to remain critical and this was recognised by President Ghani as well.

Critical year ahead

Year-2015 is going to be a critical year for Afghanistan. The nation will continue to face a number of challenges that it has been confronted with for years – an economy that is years away from being self-sufficient, an armed force ripe with flaws battling a resilient and strong insurgency, a complex neighbourhood and a central leadership struggling to extend its sway over as large an area as possible while remaining united.

However, it is still very early to make a judgement on the new government or how the

ANSF will fare on its own. As the new government settles in, in the months to come, it would become easier to assess their capacity and capability to tackle the various problems confronting their area of governance. Similarly, the ANSF may also fare better than expected as long as the international assistance promised to it is maintained. 2015 will provide a better view of the international community's appetite to stay the course in Afghanistan.

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Afghanistan 2014 – A Timeline

- 17 January - Taliban attack La Taverna du Liban, a popular Lebanese restaurant in a highlysecure neighbourhood of Kabul killing 21 people
- 21 January - The US Congress cut the development aid for Afghanistan by 50 percent
- 2 February - The campaign for the Afghan Presidential Elections officially commenced. It was to last till 2 April
- 12 February - 65 prisoners from the Bagram prison were released. The release of these prisoners had been ordered by Hamid Karzai and approved by the Afghan Review Board in January
- 24 February - Afghanistan and Pakistan sign a trade pact to increase bilateral trade to US\$5 billion
- 9 March - The Taliban issue a statement warning people against voting in the upcoming Presidential and provincial council elections. This was the first explicit threat issued by the Taliban regarding the 2014 elections
- 9 March - First Vice Minister of Afghanistan Mohammad QasimFahim died of a heart attack. He had occupied this office since 2009 and had also served as Afghanistan's Defence Minister between 2001 and 2004
- 20 March - The popular and highly secure Serena Hotel in Kabul was attacked by the Taliban killing 9 people, including an international election observer. The death of a respectAfghan journalist and his family provoked the Afghan media to boycott Taliban coverage. The Afghan government blamed Pakistan's ISI for this attack.
- 5 April - Voting in the first round of the Afghan Presidential Elections took place. The first round witnessed a high voter turnout of 7 million
- 24 February - Afghanistan and Pakistan sign a trade pact to increase bilateral trade to US\$5 billion
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- 16 April - Agha Jan Mutassim, a former Finance Minister in the Taliban government of the 1990s, was arrested in Dubai. In February, he had led a Taliban delegation during peace talks held with the Afghan High Peace Council
- 26 April - The final preliminary results in the Presidential Elections are announced. Abdullah Abdullah is the leading candidate with 45 percent of the vote share and Ashraf Ghani secured the second highest votes with 31.6 percent of the votes. Since none of the candidates secured a majority a runoff between the two leading candidates was necessary.
- 1 May - A landslide in Argo district of northern Badakhshan province killed 2500 people
- 12 May - Taliban launch its annual summer offensive. This year it was named as 'Khaibar'
- 22 May - The campaign period for the runoff elections between Ashraf Ghani and Abdullah Abdullah began. The campaign period came to an end on 11 June.
- 23 May - The Indian Consulate in Herat was attacked. US officials later claimed that the attack was carried out by Lashkar-e-Tayyeba
- 28 May - US President Barack Obama announced that the foreign troops from Afghanistan will be completely withdrawn by 2016
- 28 May - Afghanistan summoned Pakistan's Ambassador to Afghanistan to lodge a formal complaint against the cross-border shelling
- 1 June - Five senior Taliban leaders were released from Guantanamo Bay in exchange for Bowe Bergdahl, an American soldier who had been held captive since 2009
- 14 June - Voting in the second round of the Afghan Presidential Elections took place. The round was contested between Abdullah Abdullah and Ashraf Ghani
- 19 June - Abdullah Abdullah alleges widespread electoral fraud in favour of his rival candidate Ashraf Ghani
- 23 June - The chief of the Independent Election Commission (IEC) of Afghanistan Zia-ul-Haq Amarkhail resigned following allegations against him of rigging the runoff vote in favour of Ashraf Ghani
- 25 June - NATO Foreign Ministers and their counterparts from ISAF contributing nations endorsed a detailed operational plan for NATO's Resolute Support Mission in a meeting with Afghanistan's Deputy Foreign Minister in Brussels
- 7-8 July - The IEC announces preliminary results of the runoff vote showing Ashraf Ghani in the lead with 56 percent of the votes. Abdullah Abdullah rejects the result denouncing it as an illegitimate process and declares himself as the actual winner of the elections.

- 11-12 July - US Secretary of State John Kerry intervened in the political standoff between the two candidates ultimately convincing the two to agree to an arrangement where all votes cast will be audited and a Government of National Unity (GNU) under the victor would be formed
- 17 July - The auditing of the votes began. A lack of consensus over the audit methodology would subsequently lead to a number of halts and major disagreements – sometimes resulting in physical brawls – between the two sides
- 25 July - In his eid message, Mullah Omar denounces the elections as a fake process and the BSA
- 5 August - An insider attack in a military academy in Kabul resulted in the death of an American two-star Major General. He became the highest ranked American to be killed in 13 years in Afghanistan
- 4 September - The IEC announced that the audit process had come to an end
- 4 September - At the NATO summit held in Wales, the organisation pledged to continue providing US\$4.1 billion through 2017. The meeting was attended by the Afghan Defence Minister, Bismillah Khan Mohammadi
- 10 September - Indian Foreign Minister Sushma Swaraj visited Kabul where she met with incumbent President Hamid Karzai
- 21 September - Ashraf Ghani was declared as Afghanistan's new President. Just a day before, Ashraf Ghani and Abdullah Abdullah reached an agreement on all contentious issues surrounding the GNU
- 29 September - Ashraf Ghani was sworn into office as President, Abdullah Abdullah as the Chief Executive, and Abdul Rashid Dostum and Sarwar Danish as the first and second Vice Presidents respectively
- 30 September - The Bilateral Security Agreement (BSA) with the US and the Status of Forces Agreement (SOFA) with NATO are signed by the new leaders within days of assuming office
- 1 October - President Ashraf Ghani orders the reinvestigation of the Kabul Bank case
- 19 October - Pakistan's National Security Advisor Sartaz Aziz visited Kabul
- 26 October - United Kingdom officially ended its combat mission in Afghanistan
- 28 October - China became President Ghani's first official overseas trip since assuming office. The two countries sign four agreements aimed at enhancing bilateral cooperation and China pledged US\$ 327 million in assistance to Afghanistan
- 6 November - Pakistan's Army Chief General Raheel Sharif visited Afghanistan

- 11 November - The former chief of the Kabul Bank was sentenced to ten years imprisonment on charges of embezzlement
- 14 November - President Ghani arrived in Pakistan for a two-day visit. He also took the unprecedented step of visiting the Pakistani military's headquarters in Rawalpindi
- 5 December - At the London Summit on Afghanistan the international community pledges to continue providing US\$ 16 billion in assistance to Afghanistan for the next four years
- 23 December - In a trilateral meeting among the NATO ISAF commander, and the army chiefs of both Afghanistan and Pakistan, the two countries agree on intelligence sharing and the need for coordinated attacks
- 28 December - NATO officially ended its 13-year long combat mission in Afghanistan. The Resolute Support Mission started on 1 January.

Country Data

	Units	
Government	-	Presidential system (currently a Government of National Unity)
President	-	Ashraf Ghani
Chief Executive Officer	-	Abdullah Abdullah
Ruling Party	-	
Population	million	31.28 (2014)
Urban Population	%	25.9 (2013)
GDP	billion current US\$	20.31 (2013)
GNI per capita	current US\$	690
GDP Growth Rate	%	1.9 (2013)
Exports	million US\$	428.9
Imports	million US\$	6205
Net Foreign Direct Investment (FDI)	million US\$	59.62 (2013)
Adult literacy rate	%	31.7 (2011)
Sex Ratio	males per 100 females	102.9
HDI Rank	Rank	169
Life Expectancy at birth	Years (females/males)	61.8/59.3
Infant Mortality rate	per 1000 live births	97.8
Sources		
World Bank		
UN Data	https://data.un.org/CountryProfile.aspx?crName=Afghanistan	

Bangladesh

Positive year despite the negatives

Joyeeta Bhattacharjee

For Bangladesh, Year-2014 began with the sad reminiscence of political violence that marked the run-up to the 10th parliamentary election. The agony and pain of the collapse of 'Rana Plaza', a building that housed readymade garment factories, claiming more than 3000 workers' lives, only added to the nation's woes in more ways than one. Initial speculation was that 2014 would thus be a year of instability, despair and violence. Contrarily, 2014 ended up as a year of relative stability and hope.

Year-2014 was election year for Bangladesh. The country's tenth parliamentary election was held on 5 January. This election was special as for first time in the history of Bangladesh the incumbent ruling party, Awami League, returned to power for a second consecutive term. Surprisingly, all the unrest and chaos that was witnessed ahead of the election evaporated after the results were out. Notwithstanding speculations about its durability, ruling Awami League government successfully completed one year, in the early days of 2015, marked however by violent protests by the political Opposition.

Also, the year will be memorable as Bangladesh's maritime dispute with India was resolved following the verdict, delivered by an international tribunal in July. The verdict went in favour of Bangladesh and helped the country to gain more than one-lakh sq km of maritime area, bigger than its land territory. This new addition has opened many new opportunities for Bangladesh for exploiting natural resources, mainly hydrocarbon, crucial for the country's energy security, among other economic benefits.

Again, there was good news for economy. The nation's foreign exchange reserves touched a new high of \$22.38 billion, enough to cover import payments for about seven months.

With regard to international relations, the year was satisfactory since the country was able to improve its relationship with the countries with which it faced some strains during the election. The international community was critical of the election after the opposition Bangladesh Nationalist Party (BNP) boycotted the poll process, doubting its impartiality. The selection of speaker of Parliament Shirin Sharmin Chaudhury as the chairperson of the Commonwealth Parliamentary Association was a major diplomatic victory for the country, which also indicated an improved image for the government internationally.

In a nutshell 2014 was a positive year for Bangladesh. But will the positives of 2014 be transmitted to 2015.

Political experiment

Politically, 2014 was a year of experiment for Bangladesh. The tenth parliamentary election held on 5 January was the first election after the caretaker system was abolished in 2012 following constitutional amendment. Again, this was the first parliamentary election since 1996 -- the caretaker system was introduced that year, to oversee the elections -- was held under an elected government.

Although the election was peaceful, it was not free of controversies. The reason for the controversy flowed from the Opposition Bangladesh National Party's (BNP) of former Prime Minister Begum Khaleda Zia decision to boycott the polls. The boycott left many seats uncontested, bringing the credibility of the poll process under question. Of the total 300 seats in Parliament, 153 were elected uncontested. To make the election credible, the Awami League's ally Jatiya Party positioned itself as the Opposition resulting in a political formation new to the country.



BNP Chief Khaleda Zia (L) and Prime Minister Sheikh Hasina

This new experiment resulted in the Awami League returning to power for a consecutive second term with an overwhelming majority. Another outcome was that for the first time, the ruling Awami League not facing arch rival BNP as the main Opposition in Parliament. The role of the Opposition as a whole has come under question. On principle, the Jatiya Party sits as the Opposition in Parliament, but its members are also ministers in the Awami League-led government. In actuality, this unique arrangement has left Parliament with no Opposition. Political analysts are concerned about such developments and think that it could hamper the strengthening of democracy, which is still as a nascent stage in the country.

The BNP has since threatened to launch movement to bring this government down. Considering the BNP's repeated threats in this regard, the speculation was that the country could face a reign of anarchy. But the BNP failed to launch any strong movement against the government in 2004, but did promise one in the near future. The party accused the government of indulging in repression of its party cadres and claimed that it failed to launch a movement due to government's repressive policy. Except some sporadic incidents of clashes between political parties, the year remained more or less free of major political violence. The year in overall was politically stable.

Economy does well

The security condition also remained more or less peaceful. Some fears were expressed that the country's militant organisations like Jamaatul Mujahedeen Bangladesh (JMB) might undertake subversive actives in the country and they might even target Prime Minister Sheikh Hasina. However, there were no major incidents of terror in the country. It needs to be mentioned that Bangladesh had been following a policy of no-tolerance towards terrorism by undertaking active counter-terror measures.

Political stability helped the economy to perform impressively in 2014. The sectors that contributed to the positive performance of economy were agriculture, remittances, pharmaceuticals and readymade garment industries. They all saw growth in 2014. The upward curve in the economy helped the country to achieve a new high in the foreign exchange reserves, to \$22.38 billion, the highest since the country's independence in 1971.

Initially, investments from both private and public sectors were low owing to doubts about the stability of the government but things improved in the later part of the year. Realising need for building infrastructure for sustaining the economic growth, the government gave priority to investments in infrastructure and power sectors. However, the year was not a favourable year for Foreign Direct Investment (FDI) as it recorded only \$ 829.43 million which is down fall of 11 percent year-on-year.

The year was good for the country's food production. The rise in food production helped to maintain stable prices. The important reasons for increase of food production included a favourable weather condition and the support provided by the government. With good agricultural production and stable prices of commodities in the international market, the rate of inflation declined to 6.1 percent in November, which was lowest in 24 months.



Agriculture performed positively in 2014

Earnings from remittances also grew by 11.42 percent to \$6.2 billion during July to November period against \$5.56 billion against corresponding period in the previous year. The earnings from the export of readymade garments and other products was \$27.56 billion between January and November, which was 4.51 percent more than the year before. Earnings from the pharmaceutical sector grew by 15 percent. The only area of disappointment was the banking sector which remained unstable due to financial scams in the state owned banks.

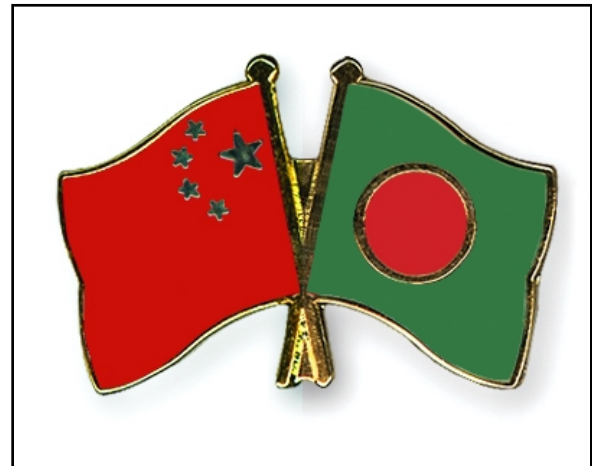
Uplifting nation's image

In 2014 key foreign policy objectives for Bangladesh were to develop international support for the government as it faced criticism for the 5 January parliamentary election, uplift the country's image, which was substantially dented following the incidence of a building collapse in 2013 that housed readymade garment factories. Another objective was attracting investments to the country. The foreign policy was shaped according to these priorities.

The country maintained friendly relationship with most others. Top leadership of the government visited many countries globally and participated in various international forums under the UN, meetings of regional and sub-regional groupings like South Asia Association for Regional Cooperation, Asean Regional Forum (ARF), the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC).

Among the visits undertaken by the top leaderships of the country the two visits worth mentioning are that of Prime Minister Hasina to Japan and to China in May and in June respectively. Considering Shiekh Hasina's back-to-back visits to the two most influential Asian powers the year can well be mentioned as a year of eastwardly engagement. Attracting investments was one of the premier motives for Sheikh Hasina to visit these two Asian powers.

However, the visit also was seen as a mark of her government's gratitude to these countries for extending support to her government. Japan and China were the first few countries to congratulate Shiekh Hasina after the 5 January election. China and Japan are two important countries for Bangladesh as it enjoys special economic relations with these countries. Japan is one of the major donor countries while China is not only the leading trading partner but also a major supplier of defence equipment.



2014 saw a deepening relationship between Bangladesh and China

There were had been some other important exchange of visits from both these countries -- like Governor of Yunnan province of China visiting Dhaka in March, Bangladesh Foreign Minister visiting China in May and Chinese Foreign Minister visiting Bangladesh in December. These visits speak about the deepening of the relationship between the China and Bangladesh. In spite of the

extremely warm Sino-Bangladesh relationship there were some disappointments. There was no development on the issue of balance of trade, which is heavily tilted towards China, and the non-signing of the agreement on the Chinese funding to the deep-sea port at Mogla during Prime Minister Sheikh Hasina's trip to China.



Prime Minister Sheikh Hasina (L) and Prime Minister Shinzo Abe

The most crucial event in the arena of Bangladesh's foreign policy was the visit of Japanese Prime Minister Shinzo Abe in September. The visit marked deepening of the relationship between the two countries. As a mark of friendship, Bangladesh withdrew its candidature for the temporary membership for the UN Security Council. Japan reciprocated by declaring its plan to invest \$6 billion in Bangladesh in the next five years. However, foreign policy analysts suggested that the visit marked Japan's renewed engagement in South Asia to counter China and to bring Bangladesh in the centre of the great game that proved the strategic importance of the country.

Another event worth mentioning is Bangladesh getting the opportunity to host the BIMSTEC secretariat, decided during the BIMSTEC summit in March. This could certainly be a major foreign policy achievement of Bangladesh.

Bangladesh's relationship with Islamic countries, especially countries in West Asia, was cordial. The country participated in various events of the Organisation of Islamic Countries

(OIC). The relationship with South Asian countries also was very cordial. There have been visits of heads of states from the South Asian countries like Bhutanese Prime Minister visiting Bangladesh in December.

Poll strains US ties

However, Bangladesh's relationship with the US and other countries became strained over the election. The US and the EU remained critical of the government over the election and insisted on holding a dialogue between the two parties even after the election was over. The EU Parliament even passed a resolution advocating compromise between the two major political parties.

Bangladesh leadership did not receive well such initiatives and Sheikh Hasina said that her government will not bow to any international pressure. Relationship with the US also became strained over the issue of GSP (Generalised System of Preference) facility which was withdrawn by the US after the 'Rana Plaza' incident. The US decision on renewing GSP to Bangladesh remained unchanged and this was seen as a major foreign policy setback for the country.

The country's relationship with Myanmar, the only neighbour other than India with which it shares a border, faced jolts. Relationship with Myanmar boiled in May over the incidence of firing by the Myanmar Border Police on the Border Guards Bangladesh (BGB) that killed one BGB personnel. Bangladesh strongly protested against the incident. There was also no major movement on the issue of the repatriation of Rohingyas. This was also seen as a failure for Bangladesh.

Engagement with India

Bangladesh's relationship with India needs special mention. The country shares two-thirds of its land boundary with India. The country also has close socio-cultural-geographical linkages making it the most important country in the neighbourhood.

India and Bangladesh relationship has improved significantly in the past few years. Year-2014 being election year in the two countries doubts were expressed about the future of the relationship, especially, after the new political dispensation took shape in their respective countries. Awami League's return of power in Bangladesh after the January elections helped to sustain the momentum.

India was one of the first few countries to congratulate Prime Minister Sheikh Hasina on her victory. As a mark of friendship Prime Minister Sheikh Hasina and then Indian Prime Minister Manmohan Singh met in March on the sidelines of the BIMSTEC summit held in Myanmar. Also during the summit, India supported Bangladesh 'for the establishment of the BIMSTEC secretariat at Dhaka, which was carried.

However, closer to the Indian parliamentary election doubts were expressed in Bangladesh regarding the future of the relationship. The main reason for scepticism was the raising of the 'illegal migrants' issue by Bharatiya Janata Party's (BJP) during its electoral campaign. Bangladesh's apprehensions were reflected in Prime Minister Sheikh Hasina's comment in May when she said that such an approach will spoil relationship between the future Indian government and Bangladeshi citizens.

Prime Minister Narendra Modi's invitation to the Heads of State of all South Asian countries for his oath-taking ceremony did help to reduce apprehensions. Bangladesh sent Speaker of the Parliament Dr Shirin Sharmin Chowdhury to attend the ceremony since Prime Minister Sheikh Hasina was travelling.

But the major game-changer was the visit of Indian External Affairs Minister (EAM) Sushma Swaraj to Bangladesh in June. Swaraj chose to travel to Dhaka in her first-ever stand-alone visit aboard as EAM as a 'friendly gesture' to the neighbour. It also explained the importance the new government in India gave Bangladesh. The visit played an important role in bringing back the trust of the Bangladesh which faced some jolts during the election.



Indian External Affairs Minister Sushma Swaraj (L) and Prime Minister Sheikh Hasina

Upward trajectory

Since then, bilateral relations between India and Bangladesh has been on an upward trajectory. The meeting of Prime Minister Sheikh Hasina with Prime Minister Narendra Modi at New York on the sidelines of the meeting of the UN General Assembly in September highlighted the warmth between governments of the two countries. Besides, there were exchange of visits by top leaders of both the countries. Some of the prominent visits included those of Gen V K Singh, Minister of State for External Affairs, to Bangladesh in June and President of Bangladesh Abdul Hamid's visit to India in December.



Prime Minister Sheikh Hasina (L) and Prime Minister Narendra Modi

As the two countries have established various institutional mechanisms to discuss various

bilateral issues, under these arrangements officials and ministers have been meeting regularly. In 2014 also there were meetings of these high-level committees and action groups to discuss various bilateral issues. The important ones involved the consultation between foreign ministries of the two countries held, to oversee overall development of the relationship, meeting between the Directors-General of the Border Security Force and Border Guards Bangladesh. These interactions provided opportunities to exchange ideas and explain each other's viewpoints.

There are a variety of issues between India and Bangladesh in areas ranging from security, economic, boundary and water, etc. The areas that saw progress in 2014 were connectivity and economic relationship. India eased the visa regime to provide five-year multiple entry visas to minors below 13 and the elderly, above 65. The trial-run for the commencement of a bus service on the Dhaka-Guwahati-Shillong route, connecting the most important cities in north-east India, was held in December.

Bangladesh allowed India to ferry food grains to the landlocked North East India using its territory and infrastructure. Besides, there were also discussion for opening coastal shipping between the two countries and revival of inland water route for transportation of people. Also, during Sushma Swaraj's visit in June, the two countries signed an agreement to increase frequency of 'Maitri Express', the train running between Dhaka and Kolkata.

Power-exchange cooperation

In the economic sphere, developments worth mentioning were in the areas of power exchange cooperation. India and Bangladesh signed agreement to provide an additional 100 MW power from Tripura, the Indian state in North East India bordering Bangladesh. Once this becomes functional India will be providing 600 megawatts of power to Bangladesh since the country is importing 500 megawatt of power from India. This move will further strengthen the economic

cooperation between the countries. In a move to strengthen economic cooperation further the two countries also proposed for establishing a special economic zone in Bangladesh, the government of the country promised to consider.

But there were also some disappointments. There was no movement from the Bangladesh side on the Indian proposal for transit. Despite Prime Minister Shiekh Hasina promising to provide transit to India for transporting goods to India's north-east using its territory during her visit to India in 2010, no follow-up action was forthcoming. Also, there was no progress on the issue of illegal migration as the Bangladesh government continued on a denial. No progress was seen on the signing of the water-sharing on river Teesta. It got delayed earlier after West Bengal Chief Minister Mamata Banerjee objected to the same, ahead of the then Indian Prime Minister Manmohan Singh's visit to Bangladesh in 2012.

The ratification of the land boundary agreement, signed between the two countries during Dr Singh's visit in 2012, remained pending in the Indian parliament. All these factors became obstacles for strengthening the relationship to its optimal, especially after goodwill which was generated with Indian Prime Minister Modi's commitment to ratify the land boundary agreement.

Again, the issue of trade imbalance and the killing for Bangladesh citizen remained points of contention between the two countries. India has taken important steps in reducing trade gap in past few years. For example, India unilaterally provided duty-free access to all Bangladeshi products (except 25 narcotics items). Still, this failed to yield the expected result and trade remained tilted in India's favour. According to the data available, trade imbalance between the two countries is \$ 5billion (India-Bangladesh export import data, Ministry of Commerce, Government of India, <http://commerce.nic.in/eidb/iecnt.asp>). Also, Bangladesh government registered complaints against the alleged killing of its citizens at the

border with India in Tripura and Meghalaya in April.

Maritime boundary

India's acceptance of the verdict of the international court on the delimitation of maritime boundary dispute which went in favour of Bangladesh greatly helped in enhancing the relations. Bangladesh government also instead of highlighting it as a major victory claim it to be a win-win solution for the two countries. This very aspect of the relationship marked maturity of the relationship.

The area of security was the one where need for greater cooperation was felt the most. Security cooperation between India and Bangladesh has grown steadily in the past few years. But discovery of cross border network of the Bangladesh based militant organisation Jamaatul Mujahideen Bangladesh after the incident of bomb blast at Bardwan (in the Indian State West Bengal) in October added new dimension to it. Before the incident, the belief was that only Bangladesh's territory was being used against India so action was expected more from Bangladesh side.

The incident highlighted the vulnerability of both the countries against such groups which increases need for stronger joint counter terror cooperation between two countries. Security agencies of the two countries were seen to take more active steps in this regard an elite delegation of India's National Intelligence Agency (NIA) investigating the Bardwan incident visited Bangladesh in November. Overall, the relationship was smooth and friendly.

The year ahead

The year 2015 begun with country-wide violence following clashes between the cadres of the Awami League and the BNP, over the latter's demand for cancelling last year's parliamentary polls. Considering the initial political developments, the law and order situation might deteriorate if the government failed to control the incidents of political violence which may impinge on the stability of the government. Future political situation in Bangladesh will largely depend on the government's handling of the rival political parties.

The political situation of the country will also influence the economy. The investment will hamper if the country slide into an atmosphere of chaos. Bangladesh Bank has predicted that imports will grow in 2015. However, the country might not face a major economic catastrophe since it has surplus foreign exchange reserve sufficient to cover imports for seven months. However, the fear is that country's external income may drop if its relationship with countries in West Asia, the US and the EU does not improve.

In arena of foreign relation, China, Japan and the US will continue to get prominence. As for relationship with India, the trend suggests that it will remain friendly. Bilateral visits by the top leadership of the two countries will give a major push to the relationship. But the visits should result in some concrete outcomes like the signing of the Teesta Agreement, if the hopes are to be sustained and built upon.

(The writer is an Associate Fellow at Observer Research Foundation, Delhi)

Bangladesh 2014 – A Timeline

- 5 January - National parliamentary election
- 29 January - Parliament's first session commences
- 30 January - Jamaat-e-Islami leader sentenced to death on a case of Chittagong arms hauls
- 20 March - Japanese Foreign Minister Fumio Kashida visited Bangladesh.
- 25-28 May - Prime Minister Sheikh Haisna visited Japan
- 6-11 June - Prime Minister Sheikh Haisna visited China
- 26 June - India Foreign Minister visited Dhaka
- 7 July - An Arbitral Tribunal constituted under Annex VII of the United Nations Convention on the Law of the Sea 1982 (the Convention) issued its award in the Bay of Bengal Maritime Boundary Arbitration between the People's Republic of Bangladesh and the Republic of India, granting approximately 106,613km² to Bangladesh and 300,220 km² to India, out of a total relevant area of 406,833km².
- 7 July - An Arbitral Tribunal constituted under Annex VII of the United Nations Convention on the Law of the Sea 1982 (the Convention) issued its award in the Bay of Bengal Maritime Boundary Arbitration between the People's Republic of Bangladesh and the Republic of India, granting approximately 106,613km² to Bangladesh and 300,220 km² to India, out of a total relevant area of 406,833km².
- 6-7 September - Japanese Prime Minister Shinzo Abe visited Bangladesh
- 27 September - Prime minister Sheikh Haisna met Indian Prime Minister Modi at New York on the side line of the meeting of the UN General Assembly
- 9 October - Speaker Shirin Sharmin Chaudhury first Bangladeshi to be elected the chairperson of Commonwealth Parliamentary Association
- 23 October - Ghulam Azam, leader of influence religious political party Jamaat-e-Islami died. Azam led the party during the country's liberation war in 1971 and was facing war criminal charges.
- 18-23 December - President Abdul Hamid visited India
- 27 December - Chinese Foreign Minister Wang Yi visited Bangladesh

Country Data

	Units	
Government	-	Parliamentary democracy, People's Republic
President	-	Abdul Hamid
Prime Minister	-	Sheikh Hasina
Ruling Party	-	Awami League
Population	million	166
Urban Population	%	28.4
GDP	billion current US\$	150
GNI per capita	current US\$	882
GDP Growth Rate	%	6
Consumer Price Index (CPI)	2000=100	221
Exports	million US\$	26091
Imports	million US\$	32094
Net Foreign Direct Investment (FDI)	million US\$	21564
Adult literacy rate	%	62.8
Sex Ratio	males per 100 females	0.95
HDI Rank	Rank	142
Life Expectancy at birth	Years (females/males)	72.6/68.7 years
Infant Mortality rate	per 1000 live births	45.6
Sources		
World Bank		
UN Data	https://data.un.org/CountryProfile.aspx?crName=Bangladesh	
CIAFactBook	https://www.cia.gov/library/publications/the-world-factbook/geos/print/country/countrypdf_bg.pdf	

Bhutan

World is the stage, and India, the best friend

Mihir Bhonsale

For a country that prides in happiness index rather than GDP and believes in the inseparability of *Tsa-Wa-Sum* (king, country and people) the year 2014 was a year of international relations. The nascent democracy prided in rekindling of ties with its closest ally India, and curious western countries reached out to the Himalayan kingdom. At least for relations with two countries, 2014 was a special year. The year marked the completion of 25 years of hydropower cooperation with India and a silver jubilee for its relations with Thailand.

Modernity's vices as any other nation, Bhutan has to forebear, with controversies rocking the country. Leaving out these chinks in governance, the year for Bhutan was filled with accomplishments domestically and internationally. The much-delayed Right to Information Act was passed in 2014 and a roadmap approved for the development of backward Eastern Bhutan.

King attacks graft

The Tshering Tobgay government completed a year in power in June after it rode to victory ousting the incumbent Druk Pheusum Tshogpa (DPT) government in 2013. The government within a year of assuming power secured back LPG subsidy from India, made New Delhi commit on the ambitious 11th Five-Year Plan and launched a policy to develop the eastern parts of the country. However, the government was mired in two controversies in 2014.

The first and the more important of the two related to the government's action of surrender of Committee of Secretaries (CoS) to the Royal



Prime Minister Tshering Tobgay (R) with King Jigme Khesar Namgyal Wangchuck

Bhutan Civil Services Commission (RCSC) amidst allegations of financial irregularities by a top civil servant. Second, a National Assembly Amendment raising the salary of MPs created a furore.

The government explained the dismantling of the Committee of Secretaries (CoS) as "exceeding its mandate by discussing issues outside the scope of its terms of reference" and "withholding information, including important decisions from the government." The Prime Minister's Office and the Cabinet Secretariat also accused the Economic Affairs Secretary of misusing the CoS.



Dasho Sonam Tshering, Secretary of the Ministry of Economic Affairs charged with misusing the Committee of Secretaries

The power tussle between the bureaucracy and the political leadership completed a full cycle when RCSC denied accepting the surrender of cabinet secretaries. Charges of corruption are not new to Bhutan with senior functionaries and political leaders being indicted for corruption in the past. But, the allegations of corruption against a senior government official and the apparent conflict of interest in the CoS were exposed following the controversy.

The DPT, which is the principal opposition party, tried to reap political dividends out of this confrontation. The King chose the National Day Address for launching an attack on corruption. He said that corruption was inimical to development, and ignoring corruption was an even graver threat. On the second controversy, the Lyonchen somehow managed to save the day for his government by announcing that he personally would not take the revised pay and instead donate it to charity. Whether the hike in salary was warranted was much debated in the country, and the MPs chose to defer their revised salary until the economy recovered to fund such a hike.

Self-reliant economy

The 11th Five-Year Plan (2013-18) entered the second year in 2014. The plan worth Nu 213 billion aims at creating a self-reliant economy on the pillars of socio-economic development. The government of India committed Nu 680 million for the expansion of the Paro international airport, which was included in the 11th Plan. The Indian Ambassador to Bhutan, Gautam Bambawale, presented a grant of Nu 1.29 billion to Bhutan's finance minister Namji Dorji. The grant showed the importance of Bhutan for India. Besides India, Austria also committed assistance for the 11th Plan by promising Euro 10 million or more than Nu 750 m.



India's Ambassador to Bhutan Gautam Bambawale (R) handing over India's Nu 1.2 bn grant to Bhutan's Finance Minister Namji Dorji (L)

The development of Eastern Bhutan became one of the thrust areas of PDP government's initiatives, with the approval of the Eastern Development Initiative (EDI) plan by the cabinet. The EDI blueprint was submitted by a committee appointed by the government for the development of six backward districts of Eastern Bhutan. The roadmap aimed at the promotion of economic activities and social development, through infrastructure upgrade. However, there were concerns about how the blueprint would be realised and whether the economy was strong enough to fund the projects over and above the 11th Plan commitments remained a concern.

The much-awaited Right to Information Act was passed in Parliament in the year. With that Bhutan became the 100th nation to enact an RTI Act. However, critics held that it was a diluted law, as only 50 percent of the committee's recommendations were accepted. It remained to be seen if the government had the human resources and funds for implementing the Act.

SAARC economic integration

Bhutan participated in the 28th South Asian Association for Regional Cooperation (SAARC) Summit held in Kathmandu in November where Lyonchhen, Tshering Tobgay called for the need for economic integration. The signing of the SAARC Framework Agreement for Energy Cooperation (electricity) paved the way for Bhutan to trade its power potential with SAARC countries.



Prime Minister Tshering Tobgay at 28th SAARC Summit in Kathmandu

The last-minute sealing of the deal, among several pending agreements before SAARC, showed the urgency of energy cooperation in times when almost all South Asian nations are facing an energy crisis. Lyonchhen Tobgay held several bilateral meetings with SAARC neighbours, notably among them with Bangladesh and Nepal.

Border talks with China

Relations with China were centre-stage in the Himalayan nation's overseas relations because of the 22nd round of border talks held in Beijing in July. China was quoted saying that the talks were held in candid and amicable atmosphere. China-Bhutan relations have developed a good momentum and the bilateral exchanges and cooperation in various fields would advance steadily, said Chinese Foreign Minister Liu Zhenmin.



Vice-foreign Premier of China Liu Zhenmin with 4th King of Bhutan Jigme Singye Wangchuck

The two countries also endorsed the report of a joint technical field survey of Bayul Pasamlung during the 22nd round of talks. Bayul Pasamlung is one of two disputed areas endorsed by the two parties. The western areas of Dramana, Shakhatoe, Sinchulung, and Doklam, comprising a total of 269 sq km, located in Haa and Paro, were also discussed but remained disputed. An eight-member technical committee visited Bhutan in October. The Bhutanese expert group was to prepare further joint technical field surveys of disputed areas in western Bhutan.



22nd Round of Border Talks with China in Beijing

Bilateral relations with Thailand and Bangladesh were also revived in 2014 by visits of Lyonchhen to Bangladesh and a friendship offer to Thailand. Lyonchhen, Tobgay's visit to Bangladesh saw the renewal of the trade agreement between the two countries for a period of 10 years. A reckoning was made by Bangladesh Prime Minister Sheikh Hasina of the importance of Bhutan for the latter's support for the 1971 Liberation War and for being the first country to recognise Bangladesh.



Prime Minister, Tshering Tobgay (L) received by Bangladesh Prime Minister, Shiekh Hasina in Dhaka

Relations with Thailand that completed 25 years in November saw the year marking joint

initiatives of culture and people-to-people exchange. Bhutan launched a Bhutan-Thailand Friendship offer, specially targeting Thai tourists visiting Bhutan between June and August. Special activities were organised by both sides to commemorate the 25th anniversary (the Silver Jubilee) of the establishment of the diplomatic relations between Thailand and Bhutan.

Thailand also reaffirmed her readiness to augment technical cooperation with Bhutan in areas of expertise of the former and expand to new areas like information technology, urban planning and development of the Thimphu international airport. Thailand also informed Bhutan the increasing private sector interest of her country in areas like construction. Both governments agreed to encourage exchanges of visits between the private sectors of both sides to increase trade and investment volume that expanded remarkably by 66.5 percent of the bilateral trade volume increase in 2013.

Thimphu announced its support for Japan's bid for permanent seat at UN Security Council, when Prime Minister, Tshering Tobgay made an official visit to that country in July. The nation also participated in a UN Peace-keeping Mission for the first time since it became a UN member in 1971. Bhutan's participation in peacekeeping missions begun with three Officers from the Armed Forces being assigned to the UN Truce Supervision Organization (UNTSO) mission in the West Asia and the UN Multi-dimensional Integrated Stabilisation Mission in the Central African Republic (MINUSCA).

New strategic meaning

Relations with India found a new strategic meaning when Prime Minister Narendra Modi chose to make Bhutan his first foreign destination for an official visit. In New Delhi for the swearing-in ceremony of the Prime Minister Modi earlier, Lyonchhen Tshering Tobgay made the invitation, which was readily accepted.



Prime Minister, Tshering Tobgay at the newly appointed Indian Prime Minister's swearing-in ceremony in New Delhi

India's role in the development of the country has been paramount and this was reinforced by India choosing Bhutan over other SAARC countries whose heads were also invited for Modi's swearing-in ceremony on 28 May. Bhutan stands out in India's hostile neighbourhood as an all-weather friend and a valuable ally in the region, a land-locked country located between India and China.

India's reciprocity in honouring the nation that has stood with it for over half a century, stood out in Bhutan's engagement with India for the year. Placing the tiny Himalayan kingdom on the world's strategic map, it was also India's response to critics who had written-off India's influence in South Asia. India's new-found importance accorded to the country emboldened Bhutan to take greater strides in the cherished goal of socio-economic development.



Bhutan King Jigme Khesar Namgyel Wangchuck visits New Delhi with wife

Led by the King Jigme Khesar Namgyel Wangchuck and Lyonchhen Tobgay, ties with India's new government gained from strength-to-strength. Only the previous year had India-Bhutan relations been hit by a controversy over the suspension of LPG subsidy by New Delhi that even changed fortunes for the incumbent in the general elections. Persistence of the royal family with India since the signing of the 1948 Friendship Treaty has been the key to India-Bhutan relations. Even in a democratic set-up the King's hold over his erstwhile subjects seems paramount. King Jigme Khesar Namgyel Wangchuck and Queen Jetsun Pema visited India in October, signifying the kinship and camaraderie that the royal family accords to India.

Landmark in ties

Strategic importance aside, economic cooperation with India also stood to gain immensely. The completion of 25 years of hydropower cooperation in 2014, emerged as a landmark for relations between the two countries of a journey that began in 1988 with the commissioning of the Chhukha hydropower project.

An agreement was signed between the two countries for developing hydropower plants on a joint venture basis, this allowed for implementation of 4 new hydropower plants totalling 2120 MW. The four hydropower projects as part of the agreement signed are an addition to the already operational three hydroelectric projects totalling 1416 MW and three more projects totalling 2940 MW which are under construction and likely to be commissioned by 2018. The goal for 2020 is to generate 10,000 MW.

Though, raising the capacity to 10,000 MW by 2020 seems difficult going by the slow progress due to a host of factors, hydropower continues to be the major thrust in economic cooperation prompting Prime Minister Modi to offer all possible support for expediting hydropower projects. Financing the projects holds as a major chink in the hydropower edifice with the President of India, Pranab

Mukherjee, omitting the mention of two of the largest projects of the 10,000 MW plan, namely the 2640 MW Kuri Ghongri and 2560 MW Sankosh projects. Only 30 percent of 10,000 MW has been installed so far.

Bhutan is facing a credit crunch and is still emerging out of the rupee crisis, placing further pressure on the ongoing projects. The Indian Planning Commission also reportedly had differences with the Ministry of External Affairs on sanctioning of funds for hydropower projects. With the Indian government then thinking of scrapping the Commission – it has since been replaced by another -- it needs to be seen whether India is able to see the funding through.

Bhutan-India relations were served best by the India promising all possible help for the 11th Five-Year Plan and discuss the economic stimulus package of Rs. 500 crores for reinvigorating the economy. The plan that has a total budget outlay of Nu 21300 crore is to receive Rs. 4500 crores from India in the Special Development Plans (SDP) under the Indian grant, the SDP committee meeting held in March decided to support 59 SDPs worth Rs. 183.53 crores.

Aid for education

It was for the first time in the first quarter of the year, the inflow of Indian rupees surpassed the outflow by Rs 6.9 billion, setting a record high. This was attributed to the increased grant from the government of India. The Indian government also gave to Bhutan of Nu 1.29 billion as a friendship gesture.

Indian President Pranab Mukherjee identified education as one of the many areas as a vision for future cooperation before he landed in the country on a two-day State visit. The government of India handed over a cheque of Nu 1.3 billion, of which the highest chunk is for the School Reform Programme. The government of India had committed Nu 3.5B in all towards this project.

The reform programme is initiated to improve the quality and efficiency of the education system. One way to do it is by rationalising small and unsustainable schools, a plan the education ministry has been mulling over for years. Another important dimension to the Bhutan-India relations assumed significance that of security in the wake of insurgent's strikes in North-East India.

Haven for insurgents



Indian Border Security Force guarding the Indo-Bhutan Border

Indian Prime Minister's reiteration that the two countries would not allow their territories to be used for interests inimical to each other became more relevant in the context of attacks by the Bodo militants in bordering Indian state of Assam. India urged Thimphu to not allow militant outfits to operate from its soil.

In the past the former King, Singye Wangchuck had launched operations to flush out militants from its soil and had thus won India's confidence. But times have changed and under a democratic set-up more needed to be done. The border with India remains porous where not just the militants but a host of criminals including robbers, kidnappers, extortionists and smugglers give a slip to security men and police of both sides.

Smuggling of gold and wildlife poaching are common across the border. The latter was brought to the notice of India. However, the police of neighbouring states like Assam have

gone on record repeatedly that Bhutan was acting as a haven for insurgents carrying out anti-India activities is a serious issue that needs to be resolved.

(The writer is a Research Assistant at Observer Research Foundation, Kolkata).

Bhutan 2014 – A Timeline

- 6 January - King Jigme Keshar Namgyel Wangchuck and Queen Jetsun Pema visit India; meet Indian Prime Minister, Manmohan Singh and President Pranab Mukherjee.
- 12 February - Deputy Foreign Minister of Czech Republic, Thomas Dubb accompanied by a delegation visited the country. The Czechs expressed interest in small scale hydropower and aviation.
- 18 February - Cabinet approves Detailed Project Report for 180 MW Bunakha Reservoir Hydroelectric Project.
- 4 April - India appoints Gautam Bambawale as the new Indian Ambassador to Bhutan.
- 15 April - Second Annual Bilateral Consultation with Thailand; Thailand expressed interest to expand assistance for development and human resource building.
- 21 April - A pact signed with India for construction of four hydropower projects: 770MW Chamkarchu, the 600MW Kholongchu project, 180MW Bunakha project and 570MW Wangchu hydel project.
- 24 April - MoU signed with India for improving work methodologies and exchange of information in the field of audit of public finances.
- 30 April - The European Union (EU) ambassador to Bhutan, Joao Cravinho announced the tripling of EU's development assistance by committing Nu 3.5B or Euro 42M between 2014 and 2020 period.
- 7 May - National air carrier Drukair operated a new commercial flight from Paro to Mumbai in India
- 16 May - The King Jigme Keshar Namgyel Wangchuck addresses the opening ceremony of the 3rd Session of the 2nd Parliament, expresses need for strengthening democracy in the country.
- 28 May - Prime Minister Tshering Tobgay attended the swearing-in ceremony of Indian Prime Minister, Narendra Modi on an invitation of his newly elected counterpart in New Delhi.
- 11 June - Parliament passes the Parliamentary Entitlement (Amendment) Bill, 2014 to revise the monthly salary of M.Ps to be at par with constitutional post-holders.
- 15 June - Indian Prime Minister, Narendra Modi makes Bhutan his first overseas country for visit.
- 30 June - Prime Minister Tshering Tobgay on his visit to Japan announced Bhutan's support for Japan's United Nations Security Council seat.
- 22 July - The 22nd Round of Sino-Bhutan Border Talks held in China.

- 2 September - The Indian Ambasssador to Bhutan, Gautam Bambawale presented a grant of Nu 1.29 billion to Bhutan's finance minister Namji Dorji. The grant is on behalf of the Indian government and shows the importance of Bhutan for India.
- 11 September - 3rd Round of Developmental Talks were held with India to discuss the 11th Five Year Plan during which Indian aid of Rs 45 billion would be discussed and 50 proposed projects would be reviewed.
- 8October - An agreement permitting Visa free travel for officials of both countries was signed with Switzerland.
- 9 October - A technical committee from China arrived in Thimphu for Sino-Bhutan border talks.
- 31 October - Chief of Indian Army Staff, General Dalbir Singh Suhag begins official visit to Bhutan.
- 7 November - Indian President, Pranab Mukherjee on his two day tour to the country, signed agreements for 3 hydropower projects to be completed with assistance from India.
- 19 November - Second Bhutan-India Small Project Development meeting held in Thimphu where India approved 303 small projects worth Nu 4.55 billion.
- 26 November - Prime Minister Tshering Tobgay stresses on economic integration and removing trade barriers in the 18th South Asian Association Regional Cooperation (SAARC) Summit.
- 6 December - Prime Minister, Tshering Tobgay visited Bangladesh on an invitation of his Bangladesh counterpart Sheikh Hasina, the trade agreement between the two countries was renewed during the visit.
- 12 December - The Prime Minister's Office has surrendered secretaries of cabinet, economic affairs and foreign affairs to the Royal Civil Service Commission for among many other reasons exceeding mandate and breaking rules.

Country Data

	Units	
Government	-	Royal Government of Bhutan
Monarch	-	Jigme Khesar Namgyal Wangchuck
Prime Minister	-	Tshering Tobgay
Ruling Party	-	Peoples Democratic Party (PDP)
Population	million	756
Urban Population	%	30.9
GDP	million US\$	1861
GNI per capita	million US\$	2386
GDP Growth Rate	%	2.1
Consumer Price Index (CPI)	2010=100	188
Exports	million US\$	453
Imports	million Ngultrum Nu.	31,754
Net Foreign Direct Investment (FDI)	million US\$	
Adult literacy rate	%	63
Sex Ratio	males per 100 females	116.1
HDI Rank	Rank	142
Life Expectancy at birth	Years (females/males)	68.4/67.7
Infant Mortality rate	per 1000 live births	30.7
Sources		
National Statistics Bureau, Royal Government of Bhutan		
UN Data	https://data.un.org/CountryProfile.aspx?crName=Bhutan	
UNDP Human Development Report 2013	http://hdr.undp.org/sites/default/files/Country-Profiles/BTN.pdf	

India

New political equations initiate value-change

Satish Misra

Year-2014 is sure to go down as a major landmark in India's 67-year long independent existence. It was a break from the past in many ways. The 16th general elections results challenged the conventional wisdom as they ended up in the spectacular and unexpected victory of the principal Opposition Bharatiya Janata Party (BJP) and the ignominious defeat of the country's GoP in the Indian National Congress, which hit a record low in terms of the Lok Sabha seats it won in the general elections.

The three-month-long campaign for the nine-phase electoral battle was innovative and trend-setting in many ways. The role and use of the media, including the social media, was not only extensive but was also crucially deterministic and outcome-influencing. Both the print as well as audio-visual media including TV news channels played a decisive role in shaping of public opinion, which in turn had a definite impact on the political fortunes of different political parties.

The BJP, which has been relentlessly pursuing its dream of ruling the Centre in its two *avatars* since it was first founded in 1951 (Bharatiya Jan Sangh) and was re-launched in 1980 under the present nomenclature, after being a part of the short-lived Janata Party (JP) experiment, came to power on its own strength on May 26. Then Gujarat Chief Minister and party's lead campaigner Narendra Modi became the 15th prime minister of the country. The formation of a BJP-led National Democratic Alliance (NDA) government under Modi was the direct result of popular anger against the 10 years of popularly-perceived ill-governance, graft and corruption and declining economic growth

under the Congress-led United Progressive Alliance (UPA) dispensation.

Coming to power of the right of centre BJP, which has been the champion and advocate of 'Hindutva', also created huge popular expectations as it had promised better governance, rapid economic growth, jobs, improved standards of living and all round progress during its election campaigning. The country began to transit from the Nehruvian model of governance and policies which had been the hallmark of all the previous governments that came to power in New Delhi to a newer model whose contours began to take shape by the time year came to end. The first six months of the new government, till end-2014, thus witnessed many significant changes in economic, judicial and administrative spheres. The year ended on huge popular expectations than even the BJP-Modi victory had heralded.

Unprecedented mandate

The BJP received an unprecedented mandate from the electorate in the 16th general elections winning 282 Lok Sabha seats in a House of 545 and formed a coalition government after it was sworn in by President Pranab Mukherjee on May 26. The election had the highest ever voter turnout of 66.38 per cent with the BJP recording 31 percent vote-share. The National Democratic Alliance (NDA) won 336 seats and thus got the right to form the largest majority government since 1984, ending three decades of political uncertainty arising out of coalition compulsions.

Not dependent on its allies for a majority in the Lower House of Parliament and being the prime architect of the electoral victory of his party, Prime Minister Modi defied the prevalent political logic and practice, and picked up his team members for the council of ministers based on his requirement and assessment, as against recommendation by the party leadership, including the BJP, thus putting his personal stamp on the emerging style of governance.



Prime Minister-elect Narendra Modi after the BJP's decisive win

The prime minister's office (PMO), after almost three decades, emerged as the major power centre of the NDA government as it again became the nodal-point for formulation of new policies, their implementation, monitoring and execution and government programmes. Several new programmes like the 'Jan Dhan Yojna', which aimed at financially empowering the poor and deprived sections by getting their bank accounts opened, were launched. Prime Minister Modi also started a nation-wide campaign for cleanliness which has been named as 'Swachh Bharat' or 'Clean India'.

Death knell was sounded on the policy of central planning as the government announced the dismantling of the central Planning Commission, which was set up by the first Prime Minister, Jawaharlal Nehru. The decision to do away with the 64-year-old institution which gave 12 five-year plans to guide the country's socio-economic policies and balanced economic growth, was taken at one of the first cabinet meetings of the new government and was announced by the Prime Minister in his first independence day address from the historic Red Fort. The Planning Commission was replaced with a 'Niti Ayog' (policy commission) and is understood to be tasked with policy formulation and giving policy options to the government.

Anti-incumbency toll

The 130-year-old Congress Party, which ran a coalition government for 10 years since 2004, got its worst-ever electoral drubbing as it could win only 44 seats. Anti-incumbency, lack of strong leadership, allegations of corruption and graft, perceived popular sense of discrimination among the majority community and alleged tilt towards the minorities, particularly towards the Muslims, were dominant reasons for the Congress' electoral debacle.

One of the most surprising outcomes of the 16th general elections was that regional parties with the exception of a few like the Trinamool Congress, Biju Janata Dal (BJP) and AIADMK, or caste-based parties could make political gain. The left parties too lost considerable political ground. The Lok Sabha poll results were followed by the defeat of the Congress and victory for the BJP in four state assembly elections. The BJP improved its electoral tally in Haryana, Maharashtra, Jharkhand and Jammu and Kashmir. It replaced the Congress in Haryana and Maharashtra while it formed the government in Jharkhand, too. The BJP became the second largest party in Jammu and Kashmir assembly by winning 25 seats in a House of 87.

Lack of consensus and absence of understanding between the ruling and the opposition benches in the two houses of parliament, which has been at the root of non-implementation of many of the government policies, ill-governance and slow pace of economic reforms, continued to remain an obstacle as not much legislative business could be conducted in the monsoon and winter sessions of Parliament.

Despite the overwhelming majority of the ruling coalition in the lower house, the government failed to push its economic agenda through parliament as it did not have the required numbers in the upper house. Many of its legislations could not be passed by the two houses and the government took the ordinance

route to keep moving on its path of economic and administrative reforms.

'Make in India'

The growth of the national economy is expected to be around 5.5 per cent in 2014. After coming of the new government business environment and sentiment improved which was reflected in the rise of stock markets. The Modi government launched 'Make in India' and 'Digital India' programmes and opened various sectors, including the defence sector, for foreign direct investment (FDI), by stepping up the FDI limit from 26 percent to 49 percent.



The Modi government launched 'Make in India'

While many positive steps of the new government aroused hope but the story of development and growth was struck by a jarring note of communal disharmony. There was disquiet among the minorities as communal temperature and social tensions rose. The government appeared to be failing to rein in forces and elements which in many cases have close affinity to the ideological base of the ruling party may prove detrimental to the image of the BJP and its leader.

Vital economic tool

The new government moved with speed and swiftness on its foreign policy front as it invited head of the states or the executive heads of government of the members of the South Asian Association of Regional Cooperation (SAARC) to the swearing-in ceremony giving a clear indication of its priority to improvement of relations with its immediate neighbours. A

clear feature of the new government's foreign policy was evident at the beginning as the Prime Minister started taking an active personal interest in country's external relations, which to him is a vital tool to promote and push nation's economic interests.

At the same time, the foreign policy establishment was asked to gear up its diplomatic resources for protecting the country's security interests. The Prime Minister personally drew the attention of his counterparts during bilateral meetings and in his address in various multilateral forums about threats from global terrorism and appealed for cooperation on this issue.

The move to invite South Asian heads of government for the inauguration of the new government, which had not even assumed the reins of power in real terms, sent a positive message to not only India's neighbourhood countries but to all foreign capitals that the government under Modi was ready to do business without compromising vital national interests. The initiative of the new government was a reflection of a new thinking in the foreign policy establishment of the government but what surprised foreign policy experts and diplomatic observers was the overlooking of another important neighbour Myanmar which enjoys an observer status in SAARC.



SAARC leaders at Prime Minister Modi's swearing-in ceremony

The Prime Minister held one-to-one meetings with Pakistan Prime Minister Nawaz Sharif, Afghan President Hamid Karzai, Sri Lankan President Mahinda Rajapaksa, Nepal Prime

Minister Sushil Koirala, Bangladesh Speaker Shirin Sharmin Chaudhary, Maldivian President Abdulla Yameen, Bhutan Prime Minister Tshering Tobgay and Mauritius Prime Minister N Ramgoolam.

Armed with a clear popular mandate, the new government had the required flexibility and independence of action to push national interest objectives and that was clearly reflected as the Prime Minister went ahead with the decision to invite the Sri Lankan President for the Inauguration despite protests from the leaders from Tamil Nadu which included those from allied parties. At the same time, New Delhi sought to send another positive message to its neighbours when the Prime Minister exhorted country's space scientists to put a Saarc satellite in the orbit as a "gift to our neighbours" on the occasion of the successful launch of five foreign satellites into the orbit by the Indian Space Research Organisation (ISRO) on June 30 was indeed an innovative diplomatic move.

Partners in progress

It may or may not have impressed different governments but had definitely helped to win the hearts of their peoples. The message to the region was that neighbours are partners in India's progress. The fact that the Prime Minister's first visit overseas was to the neighbouring Bhutan with which India has enjoyed historically a very close relationship was the reassertion of the new government's desire to forge close and mutually beneficial ties with its neighbours.



Prime Minister Modi being received in Bhutan

Beyond the neighbourhood, the Prime Minister attended annual summits like the BRICS, ASEAN where he developed close rapport with leaders of different countries. At the 6th BRICS summit in Brazil, he held one-to-one meetings with Chinese President Xi Jinping, Russian President Vladimir Putin, South African President Jacob Zuma and Brazilian President Dilma Rousseff.



Prime Minister Modi held one to one meetings with the leaders of China, Russia, South Africa and Brazil

In Myanmar at the 12th India-ASEAN summit in November, Modi unveiled India's 'Act East Policy', which sought to replace the earlier 'Look East Policy'. The new policy promised action-oriented intense engagement with countries of South East Asia. The summit resulted in the creation of \$ 100- billion New Development Bank with equal contribution from all the BRICS member-nations. Besides, the Summit also saw the creation of \$100-billion Contingency Reserve Arrangement (CRA) fund for the BRICS nation.

By choosing Japan for his first bilateral visit outside of SAARC, Narendra Modi gave a clear signal that New Delhi was keen to forge closer ties with Tokyo. Later, the Prime Minister paid visits to the US and Australia. The three visits, seen together, offer enough clue of the evolving foreign policy of the new government.



At the 12th India-ASEAN Summit, Prime Minister Modi unveiled India's 'Act East Policy'

The meeting with US President Barack Obama in Washington after his address to the UNGA in New York helped in reinvigorating bilateral ties which had undergone a bad phase during the last years of the previous UPA government of Prime Minister Manmohan Singh.



Prime Minister Modi (L) and President Barack Obama (R)

Ties between New Delhi and Tel Aviv are also undergoing a positive change as the new government's approach towards Israel is not inhibited from country's policy towards the Islamic countries. Cooperation in the field of internal security, defence, against global terrorism, agriculture, horticulture and technology is expected to grow in coming years

Though, the BJP-led NDA government is trying its best to avoid an impression that New Delhi's moves were directed against China but neutral observers see subtle hint of such a

possibility. Relations with China also came under focus of the new government as Chinese President Xi Jinping was accorded a grand welcome and the Prime Minister took lot of personal interest in making the visit a success.

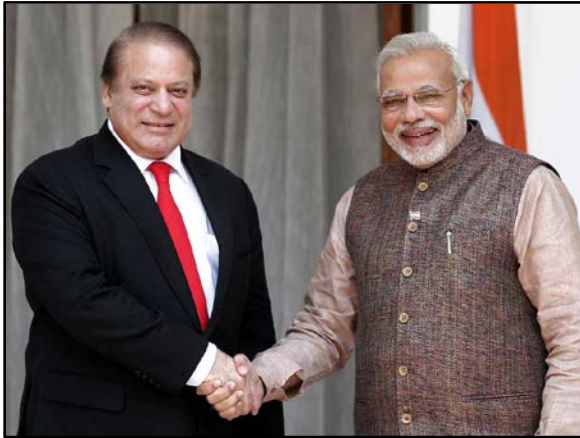
A notable feature of the new government's foreign policy approach was to tap talent and resources of the country's NRI and Indian Diaspora. This element was evident and clearly discernable during all his foreign trips which include his visits to Australia, Fiji, Japan and the US.

Positive atmosphere

In just little over six months of the new government assuming charge, India's engagement with the South Asian region has been noticeably intense. The Prime Minister's invitation to SAARC heads of state or executive heads to the inauguration of his government created a positive atmosphere. With a single stroke, the new government had succeeded in reaching out to all countries of the region barring Myanmar, which surprised many but possibly it was an oversight and not a designed step.

When in May 2013 a democratically-elected government replaced another one in Islamabad and a new government assumed charge in New Delhi in May 2014, there was considerable hope of improvement of relations between two neighbours and the invitation was seen a move in that direction. While relations with all countries improved, ties with Pakistan instead of getting better worsened. The two neighbours continued to remain victim of domestic politics. Momentum, generated with the first meeting between Prime Minister Modi and Pakistan Premier Nawaz Sharif after the swearing-in ceremony, was lost within a short time amidst reports of firing on the international border as well as on the line of control.

Sharif's decision to accept India's invitation to attend the inauguration ceremony was bold and was possibly not even appreciated by Pakistan's Army as was evident in the firing on the line of control (LoC) in Jammu & Kashmir and on international border in Punjab began within a month and half of the meeting between Modi and Sharif during which two had agreed to explore possibility of resuming the bilateral dialogue on all outstanding issues.



Prime Minister Nawaz Sharif (L) and Prime Minister Narendra Modi

The situation became aggressive in October when then Defence Minister Arun Jaitley urged Pakistan to stop "unprovoked" firing and warned that response from India would be "unaffordable". Pakistan Defence Minister Khawaja Asif replied to the warning with subtle mention of "nuclear power" saying that Islamabad would be able to respond "befittingly" to the Indian aggression. In October itself, Pakistan's Foreign and National Security Advisor Sartaj Aziz again tried to internationalise the Kashmir issue by sending a letter to the United Nations with an appeal to resolve the issue.

Pakistani firing and shelling of the borders continued. Sharif and Modi did not meet during the UN General Assembly session. Thanks to efforts of the hosts, Nepalese Prime Minister Sushil Koirala and some other SAARC leaders, the two shook hands symbolically at the retreat resort during the summit of SAARC leaders on November 27 in Nepal. But this

meeting proved to be only a photo opportunity as no substantial talks were held.

The burning and sinking of a Pakistani boat on the New Years' eve which was allegedly carrying terrorists with explosives by the Indian Coast Guard was yet another incident that bedevilled the relationship. Claims and counter-claims of New Delhi and Islamabad about the content and personnel of the boat notwithstanding, relations further plunged down.



The Pakistani boat that was allegedly carrying terrorists with explosives

On the other hand, relations with other neighbours took an upward trajectory. Modi's first foreign visit to Bhutan, after assuming power, was a clear signal of India's priorities. The Prime Minister chose Bhutan as relations with country's most trusted neighbours had nosedived in the last years of the UPA government with reports of growing and deepening of ties including security between Thimpu and Beijing. The two countries held talks on bilateral and regional issues.

President Pranab Mukherjee also paid a visit to Bhutan in the month of November. The President held wide-ranging discussions with King of Bhutan Jigme Khesar Wangchuck and Prime Minister Lyonchhen Tschering Tobgay. Both the President as well as the Prime Minister conveyed to Bhutan leadership in clear terms that New Delhi's commitment has remained undiluted and India is ready to extend cooperation as securities of both countries were common and intertwined.

Relations with Nepal also came under sharp focus of the new government as the Prime Minister went on a two day trip within the first month of his assuming charge. In a clear attempt to reset the button of the bilateral ties, Modi's visit, first in 17 years by an Indian Prime Minister, created a positive environment for the growth of bilateral ties.

After the talks between the Prime Minister and his Nepalese counterpart Sushil Koirala, the two countries agreed to "review, adjust and update" the 1950 Treaty of Peace and Friendship to "better realities" and expand ties in a "forward looking manner". By agreeing to refresh the treaty, New Delhi had met a long-standing demand of Nepalese political leadership.



Prime Minister Sushil Koirala (L) and Prime Minister Narendra Modi

On the other hand, Kathmandu also agreed to address New Delhi's security concerns. Modi and Koirala asked authorities of the two countries to ensure that "the open border, a unique feature" of the Indo-Nepal relationship was "not misused by unscrupulous elements posing threats to either side".

In Modi's second visit to Nepal where he went to attend the 18th SAARC summit in November, the two countries concluded several pacts. These included a \$ 1 billion credit line for infrastructure development, a bus service between New Delhi and Kathmandu, and MoUs on tourism, traditional medicine, and twin city agreements between Ayodhya-Janakpur, Lumbini-Bodhi Gaya and Varanasi and

Kathmandu. While New Delhi expressed its desire that Nepal completed the constitution writing process and had its Constitution ready by the scheduled date, the two countries strengthened its bilateral and regional ties.

India-Bangladesh relations were given due attention when External Affairs Minister Sushma Swaraj reached Dhaka within a month of the swearing-in of the new government on a standalone visit. Swaraj's meetings with Prime Minister Sheikh Hasina, former Prime Minister and chairperson of Bangladesh Nationalist Party (BNP) Khaleda Zia and leader of the opposition Raushan Ershad of Jatiya Party were fruitful and ice-breaking in a way.



External Affairs Minister Sushma Swaraj being received in Bangladesh

Swaraj sought to build and expand on the positively evolving ties between the two countries. Ties could have developed further if two agreements namely the Teesata Water Accord and Land Boundary Agreement (LBA) could have been turned into reality. Prime Minister Modi promise of the ratification of the LBA by India at a party meeting in Assam in November further improved chances of strengthening of ties.

Indo-Sri Lanka relations also received attention of the new government but no major development took place despite new government's determination to reset the button of bilateral ties when New Delhi went ahead to invite the Sri Lankan President to the swearing-in ceremony ignoring protests of allies and state government in Tamil Nadu.

Modi held a bilateral meeting between Modi and Sri Lanka President Mahinda Rajapaksa after the oath ceremony of the new government.

Traditionally close ties between the two countries, which had come under stress in last couple of years, remained tense. Indian fishermen, fishing rights around the coast of Tamil Nadu, ethnic Tamil problem in Sri Lanka, growing presence of China and other security related issues remained to confront the two countries though trade between them grew. New Delhi appeared to maintain normal relations with Rajpaksa government and sought assurance and clarification over the visit of two Chinese submarines to Sri Lankan port.

With Maldives, India's relations continued to maintain calm and unease, not knowing where the Government of President Abdulla Yameen stood in relation to China in particular. Like with most other neighbours, President Yameen made India his first overseas destination after assuming office. The visit put paid to controversies attending on the 'GMR row' from the previous years, particularly after a Singapore arbitration tribunal ordered the Maldivian government to pay compensation to the Indian infrastructure conglomerate for unilateral cancellation of the Male airport construction-cum-concession contract, within the early years of the 25-year life-span.

The UPA government's External Affairs Minister Salman Khurshid visited Kandahar in February where he inaugurated the Afghan National Agricultural Sciences and Technology University. Khurshid, during this visit, also promised the provision of helicopters to the ANSF. Sushma Swaraj, who succeeded Khurshid in the BJP-led NDA government as the next External Affairs Minister, undertook an official trip to Kabul in September. Enhancement of bilateral trade and security cooperation were discussed her meetings with Afghan leaders.

Former Afghan President Hamid Karzai held talks with the Prime Minister after the oath

taking ceremony of the new government in New Delhi. The two leaders discussed ways to enhance bilateral cooperation. There has been a lull on the bilateral front since a new Afghan President Ashraf Ghani took charge of Kabul. New Afghan government's decision to put on hold its request for military equipment from India, has caused anxiety and concern in New Delhi.

Moreover, Ghani's engagement with China and Pakistan, and the Afghan President's perceived cold shoulder to India has added to these concerns. However, given what is at stake in Afghanistan for India and India's substantial investment in the country over the past 13 years makes it inevitable that relations between the two nations are likely to pick up in 2015.

The entire gamut of India-Myanmar relations have expanded and deepened in 2014. The growing cordiality in political ties was reflected in the increasing high-level exchanges. External Affairs Minister Sushma Swaraj visited Myanmar to attend Asean foreign ministers meeting in August. She also held talks with her Myanmar counterpart U Wunna Maung Lwin over wide-ranging bilateral issues.

This was followed by a bilateral visit from Prime Minister Narendra Modi in November 2014. The choice of Myanmar to announce the "Act East Policy" by the Prime Minister couldn't have been better place as in Modi words "India's Eastern journey begins on the Western boundary of Myanmar." During his bilateral meeting with Myanmar President Thein Sein, the two leaders reviewed the bilateral relationship and stressed the need to strengthen cultural, commercial & connectivity ties between the two countries. India has also shown interest in investing in special economic zones in Myanmar.

While economic ties have been growing steadily, a direct shipping service between the two countries was established in October 2014. The two countries have also signed a Memorandum of Understanding on Border Cooperation in May 2014 that provides a

framework for security cooperation and intelligence exchange between Indian and Myanmar security agencies. The MoU would enhance cooperation between security agencies of the two neighbours. Socio-cultural ties have also been grown with India issuing more scholarships to Myanmar students to study in India and within the Buddhist circuit initiative; Myanmar is seen as an important partner.

(The writer is a Senior Fellow at Observer Research Foundation, Delhi)

India 2014 – A Timeline

- January 1 - Lokpal and Lokayuktas Bill, 2013 approved by President.
- January 6 - Ashok Kumar Ganguly, former Supreme Court judge, accused of sexual harassment by intern, resigns from West Bengal Human Rights Commission.
- January 9 - Former Karnataka Chief Minister B S Yeddyurappa returns to the BJP.
- January 17 - Sunanda Pushkar, wife of Congress leader Shashi Tharoor found dead in her hotel room. Police later determine the cause of death to be poisoning.
- February 17 - Goa police charge Tehelka editor and pioneering investigative journalist Tarun Tejpal with rape.
- February 26 - Navy Chief Admiral D K Joshi resigns after a fire accident on board the submarine INS Sindhuratna led to the death of nine sailors.
- February 28 - Sahara India owner Subrata Roy arrested for failing to refund Rs 19,000 crore to investors.
- March 1 - President Pranab Mukherjee gives assent to the Andhra Pradesh Reorganisation Bill, after the creation of the new state of Telangana is approved by Lok Sabha and Rajya Sabha.
- March 5 - Election Commission announces schedule for the nine-phase long 16th Lok Sabha elections.
- March 27 - World Health Organisation declares India to be polio-free.
- April 27 - Justice Rajendra Mal Lodha sworn in as 41st Chief Justice of India.
- May 1 - Two bomb blasts target the Bangalore-Guwahati Express at Chennai central station.
- May 2 - Militants kill 32 persons in two days in Assam.
- May 9 - Supreme Court orders CBI investigation into the 10,000 crore Saradha chit fun scam.
- May 16 - The BJP, led by Narendra Modi, emerges victorious in national elections, secures majority on its own.
- May 17 - Bihar Chief Minister Nitish Kumar resigns, owes responsibility for the Janata Dal (United)'s poor performance in elections.
- May 26 - Narendra Modi sworn in as the 15th Prime Minister of India; SAARC leaders attend swearing-in ceremony.

- June 1 - Telangana, India's 29th state, officially comes into existence.
- June 3 - Recently appointed Union Rural Development Minister Gopinath Munde dies in a road accident in New Delhi.
- June 6 - BJP parliamentarian Sumitra Mahajan elected as new Lok Sabha speaker.
- 9 July - Amit Shah, former Home Minister of Gujarat and close confidant of Modi, elected BJP's President, signalling a transition from the previous group of octogenarian leaders.
- July - Riots break down between Sikh and Muslim community in Saharanpur, western Uttar Pradesh, allegedly over a land dispute. Congress and BJP parry blame, causing disruption in Parliament.
- July-August - Students protest alleged discrimination against non-English speaking candidates for civil services entrance examinations (UPSC). Opposition lends support to the protests, stalling Parliament for two weeks.
- 4 August - Arvind Gupta, former diplomat and Director-General of Institute of Defence Studies and Analysis, appointed deputy National Security Advisor.
- 15 August - Narendra Modi delivers maiden Independence Day speech. Announces the Pradhan Mantri Jan Dhan Yojana, decision to scrap Planning Commission, and focus on manufacturing in a 65-minute extempore.
- August - Government plans new strategy against Naxal insurgency, prioritises coordination among states.
- 12 August - Attacks against Assamese civilians by the Naga rebel group Nationalist Socialist Council of Nagaland - Isak-Muivah (NSCN-IM) force more than 1000 to migrate to safer region.
- 25 August - Supreme Court declares all allocation of coal blocks made since 1993 to be illegal. Subsequent judgement a month later cancels 214 coal blocks.
- 28 August - Narendra Modi officially launches the Pradhan Mantri Jan Dhan Yojana, provides zero-balance banking with debit card facility to low income individuals.
- 4 September - Al-Qaeda announces the formation of the al-Qaeda in the Indian Subcontinent (AQIS) to extend the group's activities in Myanmar, India, and Bangladesh.
- September - Narendra Modi visits Japan, receives \$33.58 billion worth investment. Talks on nuclear cooperation continue.
- 5 September - Australian Prime Minister Tony Abbott visits India and signs the civilian nuclear cooperation agreement.

- September - Massive floods wreck havoc in Kashmir and parts of Jammu, cause more than 400 deaths. The state government's inept rescue effort causes resentment.
- 10 September - Government decides to disinvest from key three key public sector units - the National Hydroelectric Power Corporation (NHPC), Coal India (CIL), and Oil and Natural Gas Corporation (ONGC).
- 8 September - Germany's Foreign Minister Frank-Walter Steinmeier visits India.
- 17 September - China's President Xi Jinping arrives in India on a 3-day visit amidst one of the biggest stand-offs between border guards in the Ladakh region. China promises \$20 billion worth investment and agrees to settle the border dispute.
- 17 September - President Pranab Mukherjee visits Vietnam, builds upon earlier agreement to jointly explore energy resources in parts of South China Sea claimed by China.
- September - BJP suffers loses in by-elections for Lok Sabha and State Legislative Assembly seats.
- 21 September - Communist Party of India (Maoist) observes 10th Foundation Day by displaying posters pledging commitment to armed struggle.
- September - Narendra Modi visits the United States, speaks at the UN General Assembly, holds meetings with President Barack Obama, and speaks in front of diaspora at the famous Madison Square Garden.
- 27 September - Tamil Nadu Chief Minister and AIADMK leader Jayaram Jayalalitha sentenced to a four year jail term in disproportionate assets case.
- 3 October - Narendra Modi launches practice of addressing the nation through radio in fortnightly "Man Ki Baat".
- October - India and Pakistan exchange large volumes of arms and mortar fire along the border, forcing thousands to flee border villages.
- 15 October - India and Canada extend the India-Canada Strategic Dialogue, respective nuclear agencies begin designing commercial contracts for uranium sale.
- 11 October - Narendra Modi launches the Saansad Adarsh Gram Yojana (SAGY), urging each Parliamentarian to adopt and develop three villages each.
- 23 October - Modi spends Diwali with troops in Siachen glacier and flood victims in Srinagar.
- October - BJP wins majority in Maharashtra, secures pole-position in Haryana. Party forms government in both states.
- 17 October - India successfully tests nuclear capable Nirbhay cruise missile.

- 4 November - Delhi Governor Nageeb Jung finally gives nod to fresh elections, speculation about election schedule continues.
- November - Modi embarks on East-Asian tour, visits Myanmar, Australia, and Fiji; speaks at the ASEAN (Association of Southeast Asian Nations), the East Asia Summit, and the G-20 (Group of 20).
- 9 November - India successfully test-fires the medium-range nuclear capable missile Agni-II.
- 8 November - Navy's A-72 Torpedo Recovery Vessel sinks off the coast of Visakhapatnam. More than ten such accidents occur in a 12-month period.
- 6 November - Rajnath Singh becomes the first Minister of Home Affairs to visit Israel since 2000, meets Prime Minister Benjamin Netanyahu, Defence Minister Moshe Ya'alon, and National Security Advisor Joseph Cohen.
- 13 November - Army sentences five soldiers to life imprisonment in Machil fake encounter case.
- 20 November - Supreme Court removes CBI director Ranjit Sinha from 2G investigation for his alleged links with the accused.
- November - 18th South Asian Association for Regional Cooperation (SAARC) Summit takes place in Kathmandu, members sign the SAARC Framework Agreement for Energy Cooperation (Electricity).
- November 25 - National Security Advisor Ajit Doval appointed special envoy for border talks with China.
- December 1 - 14 troops of the Central Reserve Police Force (CRPF) killed in Maoist ambush in the Sukma district of Chhattisgarh.
- December 18 - ISRO launches GSLV Mk-III, India's heaviest and largest rocket launched by India so far and a step towards sending astronauts into space.
- December 16 - India bans the Islamic State (IS) in wake of the discovery that the group's Twitter account was handled by Mehdi Biswas, a 24-year-old engineer from Bangalore.
- December 21 - Senior police officers Rajinder Khanna and Prakash Mishra appointed chiefs of India's main external intelligence agency, the Research and Analysis Wing (RAW), and its largest paramilitary agency, the Central Reserve Police Force (CRPF).
- December 23 - Election results in Jammu and Kashmir returns a hung Assembly; the Peoples Democratic Party and the Bharatiya Janata Party emerge with the first and second largest vote share.
- December - Parliament proceedings stalled after members protest against religious conversions by Hindu nationalist groups affiliated with the BJP.

Country Data

	Units	
Government	-	Federal parliamentary constitutional republic
President	-	Pranab Mukherjee
Prime Minister	-	Narendra Modi
Ruling Party	-	National Democratic Alliance (NDA)
Population	million	1267
Urban Population	%	32
GDP	billion current US\$	1877
GNI per capita	current US\$	1570
GDP Growth Rate	%	4.7
Consumer Price Index (CPI)	2010=100	135
Exports	million US\$	336611
Imports	million US\$	466045
Net Foreign Direct Investment (FDI)	million US\$	21564
Adult literacy rate	%	62.8
Sex Ratio	males per 100 females	107.1
HDI Rank	Rank	135
Life Expectancy at birth	Years (females/males)	68.1/64.6
Infant Mortality rate	per 1000 live births	43.8
Sources		
World Bank		
UNICEF	http://www.unicef.org/infobycountry/india_statistics.html	
UN Data	https://data.un.org/CountryProfile.aspx?crName=INDIA	
RBI		
UN Comtrade	http://comtrade.un.org/	

Maldives

Eventful yet peaceful year

N Sathiya Moorthy

As every other year since the advent of pro-democracy protests and the consequent arrival of multi-party democracy in the previous decade, Maldives witnessed an eventful – yet peaceful -- year in 2014. It showed how the Indian Ocean archipelago was seeking to slowly but surely and steadily absorbing the tenets of democracy with the attendant variations and vagaries that still needed national acceptance and will to address – with fits-and-starts attempts that had the potential to delay, if not derail the progress and process.

Coming soon after the presidential polls of October-November 2013 and the nation-wide local council elections in December, Year-2014 witnessed the third leg of the three-stage democracy process on in full swing. The five-yearly elections to Parliament, or the People's *Majlis*, was held in March 2014, thankfully without as much controversy and court cases as the presidential polls before it.

It served the multiple-purpose of the nation reassuring itself that democracy was here to stay, and at the same time give President Abdulla Yameen, elected the previous year, a manageable majority in Parliament, to get on with the business of governance. It also meant that the nation and the government would have the next five years to themselves, cannot blame the political Opposition for their failures as predecessors had done, and to chart out their collective future course, at least for three years (when local polls become due), but five, when alone the next presidential elections are to be held, in the fourth quarter of 2018.

Yet, democratisation and political stability has not meant that the leadership in office feels that way. There have been avoidable new

controversies over the near-overnight law-change, leading to the reduction in the number of Supreme Court Judges and the unilateral parliamentary action of removing two incumbent Judges, including Chief Justice Ahmed Faiz, after the ruling coalition had encouraged what would amount to (at least) one-time cross-voting by Opposition or erstwhile poll partners.

Throughout the national discourse for a new Constitution in the previous decade, neither any section of the polity, nor the civil society talked about integrating an 'anti-defection' law into the statute. Over the five-plus years of democracy, three successive Presidents have encouraged defection of MPs, to make up the majority that the voter had not conferred on him in the first place. Yet, the cohabitation conflicts between the Executive and the Legislature have left the 'defection/anti-defection' question unaddressed, almost for good, at least up to this point.

Not to be left out of the controversy, the main Opposition Maldivian Democratic Party (MDP) also added more spice again as the year was winding up, by calling upon President Yameen to hand over power to one-time political ally and Jumhooree Party (JP) founder Gasim Ibrahim, without giving any convincing cause and course. The left-over of the hang-over has the potential for spilling over into the New Year, 2015, thus straining the divided polity and society even more, when the nation can do with greater consensus on major issues. President Yameen has been speaking about it since his election day, but is yet to be seen as following up on his reiterated commitment, with any concrete action or initiative.

Winning – and, keeping...

The parliamentary polls in March saw President Yameen's ruling coalition, led by his Progressive Party of Maldives (PPM), coming on the top with 55 of the total 85 seats -- up from 77 in the previous House – and five more independents 'sharing the PPM's ideologies'. Reflecting the results of the closely-fought presidential polls six months earlier, the

parliamentary elections witnessed the PPM winning 35 seats – again in the company of allies, who bagged 15 seats (JP) and five for the Maldives Democratic Alliance (MDA).



JP leader Gasim Ibrahim

The Opposition MDP's tally came down to 23 seats from the 26 it had won in the previous elections – but had again managed to take up to a House majority through instalments of defections, if only over a period. The parliamentary election results this time thus drove the point that the high 48 percent vote-share that MDP's Mohammed Nasheed had in the 2013 presidential polls also owed to his greater charisma and voter-acceptance than to a larger party support-base. Together, the series of national elections over the democratisation years have shown that 'coalition politics' may have come to stay in Maldives, despite the strong personality-driven nature and leadership of individual political parties.



Mohamed Nasheed addressing a party rally

However, the Yameen presidency, backed by the PPM leadership under half-brother and former President, Maumoon Abdul Gayoom, went ahead and kept the JP ally – Gasim had polled a decisive and even more 'transferrable' 24 percent vote-share in the presidential polls, up from 15 percent the previous time, 2008 – out of coalition reckoning, before long. The residual yet majority ruling combine has been able to get certain cooperation from the JP in particular, and the MDP occasionally, to keep the parliamentary proceedings in order – though mutual handling of the same could have been much better.



Former President Maumoon Abdul Gayoom

All this meant that the Government could get the controversial amendment to the Judicature Act for reducing the strength of the Supreme Court Bench came on the politico-legal front, towards the year-end. On earlier occasions, the Government could get some of the economic initiatives cleared by the *Majlis*. That included new taxation proposals and also a Bill for setting up Special Economic Zones (SEZ) with private and overseas investments, to help create more jobs (for the locals in particular)

and more revenue for the eternally cash-strapped government.

The Government also hopes that China's ambitious Maritime Silk Route (MSR), which unfolded overnight without much details in the public domain during the year and to which Maldives has since signed up, would help in an economic turn-around, which has eluded the nation even three decades after the emergence of tourism-driven fiscal boom three decades ago. It's another matter that no government wants to look inward to plug 'leakages' -- effected both through legal and not-so-legal means -- that may have drained the nation of its promised and promising prosperity.

Reaching out, yet...

If the Maldivian Government of the day has pegged its progress-hopes on China's MSR, it may also come with a catch or two. In the absence of an evolved political consensus within the country, for which again the initiative should rest with President Yameen, any change of leadership in future elections could slow down the pace of bilateral relations with China, over the medium and long terms, and for a variety of reasons.

Prima facie, any such shift or change may end up being depicted as centring on the Indian neighbour. That could only be a ruse. There are issues that Maldives would have to sort out internally, before going international, on trade and unavoidably attendant security issues, both of the local and geo-strategic varieties. They could assume greater proportions, depending on which way Maldivians votes in future elections, but for now, the Government has made a very good start on this front – and hopes to sustain it, too.

For all the China-centric international focus that visited on Maldives during the year, President Yameen was careful enough not to send out 'wrong signals' all-round, all through. If however some of it did go out, it owed both to the inevitability of it all on the one hand, and the impossibility of the domestic political situation, where the Yameen-PPM leadership

would have to do more. It cannot be in the form of trying to neutralise political adversaries all at once. It would have to be through a genuine attempt to win them over, which could end up at least as a 'change of heart' in some.

Obviously aware of the inherent predicament from his years as a minister in President Gayoom's time and also guided possibly by the latter as the party chief, President Yameen has been doing a tight-rope walk on the foreign policy front. If he made India his first overseas destination for official visits – he had made a private visit to Singapore, in between – he was also willing to wait until scheduling problems at the New Delhi end sorted themselves out, for making that trip and meeting with then Prime Minister Manmohan Singh.



President Abdulla Yameen (L) on his first overseas trip with former Indian Prime Minister Manmohan Singh

Yameen seemed to be cautious about the 'China angle' even otherwise. For a Maldivian Head of Government, he became the first one to visit Japan, which had assisted in the nation's transformation years of the Seventies, with what today might seem small help but

mattered a lot at the time. Clearly, the Government wanted to maintain a balance *viz* China, and wanted it be known and seen, too.



President Yameen (L) with Japanese Prime Minister Shinzo Abe

Interpreted, it could have meant that on political and security issues, Maldives would continue to lean on the larger Indian neighbour. On the economic front, the Yameen government was looking at and up to Japan for the kind of funds that China was ready to invest. Yet, neither of the two earlier visits stopped President Yameen from signing up for MSR, when President Xi Jinping came, the first Chinese leader to make that trip. For now, China continues to tout MSR only as a commercial, not military initiative for a say in the Indian Ocean affairs.

Thus, it was China that was at the centre of Maldives' new foreign policy initiative in President Yameen's first year in office. More out of chance and circumstances than design, President Yameen and Chinese counterpart Xi Jinping visited each other's nation, that too within weeks of each other. If Yameen's was a scheduled August visit, President Xi's was an unexpected one. According to reports, Maldives became a part of President Xi's three-nation South Asia tour, after Pakistan dropped out of the list, owing to internal political situation.

In China, President Yameen attended the opening ceremony of the second Summer Youth Olympic Games in Nanjing, capital of east China's Jiangsu Province. During the

second-leg, 'State visit', the "two sides pledged to enhance communication and cooperation on international and regional affairs, to better cope with global challenges, including climate-change".

If President Yameen "expressed great interest in China's initiative to build a 21st century Maritime Silk Route" (MSR), during President Xi's visit – the first by a Chinese President in 42 years of bilateral diplomatic ties – they had fast-tracked the consultations, to be able to formalise the same. A high-level team of Maldivian ministers and officials followed up President Xi's, to discuss the details of a bilateral free trade agreement (FTA) and Chinese infrastructure investment, interest and participation.



President Xi Jinping with President Yameen in Male

New China's greater engagement with Maldives has become overt and more visible and more frequent than in the past so many years. It has anyway been on an upward swing ever since then President Nasheed opening a Chinese Embassy in Male in November 2011. The previous year, 2013, was no exception, but Year-2014 will be remembered for a long time to come.

'Awesome' Indian 'readiness'...

Independent of the China and terrorism-centred concerns of the strategic community in neighbouring India, Maldives under President Yameen continued with what has become the traditional courtesy for most neighbourhood

leaders on election/elevation to call on the Indian leadership first before embarking on any other overseas visit. He commented on the 'awesome' Indian 'readiness' to help his nation and its people, whenever the need arose.

"The first day of the New Year, I am spending not with my people. I am spending with India... Maldivian economy at this point in time is impoverished...I have come to India at a time of great need for Maldivian people," President Yameen said, on his 2014 New Year Day visit to India and meetings with the Indian leadership, starting with then Prime Minister Manmohan Singh.

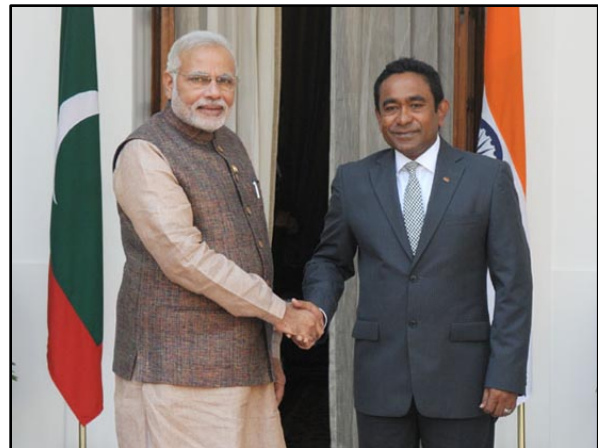
President Yameen's visit also raised the questions and answers about the China angle – before more of it had come to be known -- and other bilateral irritants between the two Indian Ocean neighbours, in a way. "India has assisted Maldives in times of need...India continues to assist us in all areas of development...We will be coming to India time and time again. The readiness on the part of Indian Government has been awesome...While we have had slight differences in the past, my regime... is committed to resolving all of these issues...the relationship India and Maldives have cannot be matched by the relationship that we can have with any other country...My visit to India is an accomplished visit," President Yameen said after the meetings.

That Maldives was 'impoverished' and needed huge infusion of overseas funding also implied that they would go where developmental funding was available at the least of political and/or economic costs. It meant China, which alone among the comity of nations is flush with investible funds and also wanted to hedge against commercial funding in the West in this era of difficult fiscal crisis the world over. It also explained President Yameen's visit to Japan later in the year, not long after his India trip.

Any India visit by a Maldivian leader is much more comprehensive, involving political and security-related bilateral concerns and issues. 'Political', more in terms of bilateral issues and

not about the internal dynamics of Maldivian and/or Indian politics, as has been the case even with other neighbours like Sri Lanka, Nepal or Bangladesh. Needless to point out, India as the larger neighbour who stands to be affected otherwise, too, would require political stability in these countries, as it automatically enhances its own security, rather than triggering new security concerns.

Year-2014 witnessed two India visits by President Yameen. One, the formal State visit after taking over, the other for the Inauguration of Prime Minister Narendra Modi, end-May, following the latter's invitation for all Heads of Government belonging to the South Asian Association of Regional Cooperation (SAARC). On both occasions, bilateral and geo-strategic issues got flagged and discussed in some detail, it was learnt.



President Abdulla Yameen (R) with Indian Prime Minister Narendra Modi at his swearing-in ceremony

Both nations also had opportunities for their leaders to meet on the sidelines of the Kathmandu SAARC Summit in mid-November. India's Minister for External Affairs, Sushma Swaraj, became the first top leader from the new dispensation to visit Maldives when she stopped over at the Male for a quick exchange of views with counterpart Dunya Maumoon, when the former was returning home from an official visit to Mauritius, in the extended Indian Ocean neighbourhood.

On the defence and security side, there was enhanced exchange of views when (then) Maldivian Defence Minister Mohamed Nazim visited Delhi. Nazim, who was also the National Security Advisor (NSA) at the time, met with his new Indian counterpart, A K Doval. The latter visited Maldives in turn later, when he called on President Yameen and other leaders, including those from the Opposition MDP, and discussed bilateral cooperation, issues and concerns.



Dhosti-XII Coast Guard exercise

Earlier in the year, along with the later-day entrant Sri Lanka, India and Maldives had conducted the twelfth edition of the bi-annual 'Dhosti' Coast Guard exercises, as part of the tri-nation Maritime Security Cooperation Agreement of 2012. Before the change of government in India, the NSAs of the three nations also met for their annual discussions at Delhi, in March.

Chicken-and-egg situation

The year began with a near-quiet burial for the controversial 'GMR deal' involving the Indian infrastructure major, which has since taken the matter to international arbitration in Singapore and has also got a favourable interim order. As President Yameen had observed during his New Year Day visit, the year-end witnessed India's 'awesome... readiness' to rush to Maldives' help when the only desalination plant supplying potable water to the capital city of Male, housing nearly a third of the nation's 350,000 population, went bust.

While nations like Sri Lanka, China and Bangladesh sent in quantities of water, and Japan too chipped in with funds for restoring the desalination plant, it was India's help that was quick and timely, averting all apprehensions of a possible civil unrest that a drinking water crisis in an island-nation could have triggered. It was reminiscent of the past, when India had similarly rushed (military and material) help during the 1988 coup attempt ('Operation Cactus') and the Boxing Day tsunami-strike of 2004.

Though the water crisis might have underscored the inevitability of the Indian neighbour to Maldivians on the street, it also demonstrated yet again, India's unadulterated and unqualified support and assistance, which has often gone not wholly acknowledged and appreciated in the country, as much. It goes beyond geography and attendant logistics advantage as such decisions also require ready political will and enthusiasm on the Indian side.

It continues to be amply demonstrated all the year round, with India being the main supplier of essential food items and medicines to Maldives. The Indian export policy has always exempted Maldives, along with Bhutan, from all restrictions, particularly of food items in a year of drought nearer home. During President Yameen's New Year Day visit, India also agreed to supply petroleum products from its refinery, making availability quicker and price, cheaper.

The promised Chinese investments thus may have raised a chicken-and-egg question in bilateral Maldivian relations with India. Did Maldives invite/accept Chinese investments because of the 'bad experience' and a 'bad deal' with GMR, or did the 'bad experience' of GMR in Maldives put off big-time Indian investors, with the result, China was an option that Maldives could not decline? The twin-question would beg an answer for a long time.

Over the medium term and outside of the Indian angle, the alternative IMF route with its 'conditionalities', taken by the erstwhile

Nasheed Government was not acceptable to the Yameen-PPM leadership, with their roots still in the Gayoom era's emphasis on the 'State sector'. President Yameen is cut out of the Nasheed cloth on 'economic reforms', and the question remains if the 'China choice' derived from an inherent unwillingness of the Yameen-PPM leadership to accept IMF conditionalities.

'Sovereign equality'

The problem with sections of the strategic community in India *viz* Maldives is their inability to acknowledge and/or ignorance to know that President Yameen had unveiled a new Foreign Policy for his country not long after taking over. Possibly, the sleek power-point type product was on the works long before President Yameen unveiled it on 20 January 2014 – incidentally on return from India – and probably even before he had been returned to power.

The 'Vision & Mission' document on Foreign Policy Principles calls for, among others, "sovereign equality of States in accordance with international law, non-interference in the internal affairs of other countries" and "friendship with all countries based on mutual respect". To this end, the Vision document has set as Maldives' Foreign Policy Goals', an 'increase the economic resilience, protect the Islamic identity and help to promote the values of Islam internationally" and "promote greater regional cooperation in South Asia".

The accompanying 'Foreign Policy Strategies' thus aim at "the most viable long-term security guarantee ...is maintaining sound bilateral relationships with major regional and global powers". The document has identified 'Strategy' (1-6) to this end. The list includes strategies to "consolidate ... bilateral relationships with key regional and global powers, "strengthen the Maldives' engagement with South Asian and Indian Ocean rim countries to combat terrorism, piracy, and other non-traditional security threats".

Launching the new Foreign Policy, President Yameen said that "a strong and strategic policy is vital for Maldives to maintain peace and stability. He also "stressed that bilateral collaborations must be lead through diplomatic dialogue and that each country is entitled to sovereign equality". He reiterated the Vision document's strategies that "in today's world, an independent foreign policy could only be employed by becoming an economically sufficient and resilient nation".

And to "increase the economic resilience" of the country to this end, the document strategises that "the business of the country's diplomacy would, therefore, be business; business that would create jobs for Maldivians in the Maldives and help to increase wealth and prosperity of the nation". Maldives would also aim to "conclude bilateral agreements for promoting tourism, investment, and Maldivian exports, mobilise concessional financing for development projects".

It's unclear if a future government in Male would adhere to the letter and spirit of the Yameen-unveiled foreign policy. Yet, in assessing bilateral relations, the strategic community in India needs to appreciate the same in the immediate and the mid-term contexts. It's thus that the GMR deal would not have gone through under the new regime in Maldives sans 'diplomatic dialogue' on 'bilateral cooperation' that the Chinese investments entail – all aimed at making Maldives economically 'resilient' so as to make the nation's foreign policy, 'independent'.

Though not mentioned in as many words, by laying greater stress on SAARC, Maldives, like most of other neighbours, might have indicated the need for India, as South Asia's inevitable and unassailable epicentre, to take them alongside on the growth and development path, in ways Maldives (as a much smaller neighbour) feels comfortable with – if not on its terms, outright. Does the fine-print imply that decades after the Indian economic boom and relative stability, China – like the IMF before it – had provided an

alternative and opportunity that India did not visualise enough and exploit enough?

Telescoping democratic travails

Transplanting western democracy onto a historically self-seeking and inward-looking Islamic nation, however modern it otherwise, was not easy, to begin with. Now that democracy is already here, and so is social-media activism and the like, there cannot be any going back. The fact that Maldives is possibly the only Indian Ocean nation that had not actually been conquered or colonised – it was a British Protectorate until Independence in 1965 – also meant that democratisation, however popular, was not going to be an easy job at the institutional level.

Unlike most colonised nations that took to western democracy in an era of poor communication and connectivity, Maldives has taken up the job when the world was ready for it, but Maldives was not wholly ready for the transition. It has meant that Maldives has had to telescope in a few years the trials, travails and tribulations of democratisation that the rest of them took decades and centuries to incorporate into their system, psyche and national consciousness.

The democratisation telescoping has its good and bad sides. The good is that having stabilised and reassured the self that democracy is here to stay the nation can now get on with the development and re-distribution work that popular democracy entails. The bad side is that institutions do not change as fast as individuals, and in present-day Maldivian polity, every individual too is an institution, going beyond that they are already. They need to be given transition time, if they are not to break and take the nation with them, too.



Parliament in session

In an era of *jihadi* terrorism the world over, any impact of the same on a small nation of smaller islands with still smaller populations makes greater news than in other nations and in other times. To confuse the ill-informed personal preferences of stray individuals as a priority in State policy should be doing injustice to Maldives. The nation's Islamic tenet should not be confused with anything more.

(The writer is a Senior Fellow at Observer Research Foundation, Chennai)

Maldives 2014 – A Timeline

- 01 January - President Abdulla Yameen visits India on his maiden official overseas travel after assuming office in November 2013, says nothing ‘precedes’ Maldives India relations
- 18 January - Opposition Maldivian Democratic Party (MDP) wins urban council polls in capital Male and southern Addu City, and party leader Mohammed Nasheed says they would try to impeach President Abdulla Yameen if they won the parliamentary polls in March.
- 20 January - President Yameen releases new Foreign Policy, aimed at increasing economic self-sufficiency, which he says is in turn required for an independent foreign policy
- 21 January - President Yameen leaves for Sri Lanka on a four-day official visit, to witness the signing of four bilateral agreements
- 22 January - at 10.97 per 1000 inhabitants, Maldives holds the Guinness Record for divorce rate
- 27 January - Election Commission announces preliminary results of local council polls held in December 2013
- 27 January - Indian visa restrictions lifted
- 29 January - Election Commission announces parliamentary polls for 22 March
- 05 February - MNDF chief, Maj-Gen Ahmed Shiyam in Delhi, discusses military ties with Indian Defence Minister A K Antony
- 12 February - Supreme Court initiates contempt charge against Election Commission
- 16 February - Govt will not speed up criminal trial against MDP leader Nasheed in ‘Judge Abdulla arrest case’
- 16 February - Government shuts down mosque following congregation of extremists
- 17 February - IMF team surprised at ‘resilience’ of Maldivian economy
- 20 February - Criminal court sentences MDP parliamentarian Abdulla Jabir to one-year in prison for not cooperating with the police in investigations in liquor case
- 22 February - Indian External Affairs Minister Salman Khurshid visits Male, discuss reduction of petroleum export prices with President Yameen
- 17 March - Court-expelled EC president Tawheek summoned to police station for recording statement
- 20 March - Foreign criticism of court verdicts tantamount to criticism of Islam: President Yameen

- 25 March - The ruling coalition comprising the PPM (33), Jumhooree Party (15) and Maldivian Democratic Alliance (five) wins majority in elections to the 85-seat Parliament; "People said yes to peace and stability," says President Yameen
- 03 April - Fiscal problems lead to closure of Maldivian HC in Bangladesh
- 16 April - President Yameen becomes the first Maldivian Head of State and Government to visit Japan on an official trip
- 20 April - Islamic Minister Sheikh Mohamed Shaheem Ali Saeed visits India, meets Vice-President Hamid Ansari and religious scholars
- 27 April - President Yameen predicts \$ 300-m compensation to Indian infrastructure major, GMR Group, MDP wants airport contract restored
- 27 April - MDP's Nasheed asks High Court to expedite case flowing from Judge Abdulla's arrest when he was President
- 27 April - Restored death penalty can be implemented, says Home Minister Umar Naseer
- 08 May - Chief of Army Staff, India, Gen Bikram Singh arrives in Male on a two-day trip to Maldives
- 25 May - Maldivian militant dies in Syrian suicide-attack, Govt tells people not to fight foreign wars in the name of Islam
- 27 May - President Yameen attends India's new Prime Minister Narendra Modi's swearing-in, says Maldives accepts India's leadership role
- 28 May - PPM's Abdulla Maseeh defeats JP alliance leader Gasim Ibrahim in Speaker's poll, MDP's 'Reeko' Moosa Manik wins Deputy Speaker's post, Gasim sees collusion. JP Ministers, political appointees sacked
- 05 June - India helps Maldivians in war-torn Ukraine to reach safety
- 08 June - Vice-President Mohammed Jameel Ahmed visits China, seeks investors
- 16 June - MDP's Nasheed says that President Yameen will lose office in a 'coup'
- 17 June - Three JP parliamentarians, including a minister, join PPM, taking the latter's strength to 40, up from 33 at election time in March
- 19 June - Singapore arbitration tribunal holds GMR's Male airport contract 'valid and binding'
- 19 June - Foreign Minister Dunya Maumoon calls for Muslim self-assessment over 'negative image' of Islam
- 23 June - India should assist Maldivian people in changing the government, MDP's Nasheed tells a Male rally

- 25 June - Sri Lankan President Mahinda Rajapaksa arrives on a two-day official visit. No threat to Maldivians in Sri Lanka, says Colombo
- 25 June - Govt seeks \$ 600 m from China and Japan for airport development
- 05 July - Maldives caught in a diplomatic row with Moscow after facilitating US Marshals' last-minute airport arrest of Russian citizen Roman Valerevich Seleznyov, wanted in the US on cyber-crime charges
- 20 July - President Yameen has granted pardon for ex-MDP parliamentarian Abdulla Jabir, imprisoned for a year in the alcohol-testing case
- 25 July - At the annual Independence Day, President Yameen accused the Opposition of creating unrest, sabotaging economy
- 27 July - Supreme Court formulated new contempt of court regulations
- 29 July - President has reduced Home Minister Umar Naseer's powers, says media reports
- 07 August - Minivan News Ahmed Rilwan Abdulla, 28, goes missing while returning home in Male's suburban island of Hulhulumale
- 17 August - President Yameen visits China, meets with President Xi Jinping, offered 100-m yuan grant, and is promised aid for Male-Hulhulumale bridge project.
- 27 August - Indian navy ship, 'Trikanth' on a five-day visit, for joint exercises with MNDF-Coast Guard
- 27 August - Parliament passes law to create Special Economic Zones (SEZ), JP backs government after initial reservations
- 30 August - MDP elects ex-President Mohammed Nasheed, party president without contest
- 31 August - Annual bonus for civil servants for the first time
- 31 August - Unauthorised American military aircraft in Maldivian airspace
- 06 September - Protestors with 'IS flag' demand enforcement of the Shariat
- 15 September - President Xi Jinping becomes the first Chinese President to visit Maldives, the two sides sign eight MoUs, including one on Maldives joining China's MSR project and another on Chinese funding for Hulhulumale bridge project
- 17 September - India's GMR Group 'surprised' by decision to give Male airport contract to Chinese firm
- 21 September - President Yameen discusses bilateral relations with Sri Lankan counterpart Mahinda Rajapaksa in Colombo

- 21 September - Biggest-ever Maldivian delegation for Asian Games-2014, held in the country
- 23 September - Maldives' participation in China's Maritime Silk Route project would threaten Indian Ocean security, says MDP's Nasheed
- 25 September - President Yameen promises 24-hour power-supply to all islands by 2015
- 29 September - Indian High Commission donates MVR 125,000 to child's rights NGO, Advocating the Rights of Children (ARC)
- 30 September - Supreme Court slams HRCM for basing rights assessment on "rejected" UN Rapporteur findings
- 30 September - "IS is not only un-Islamic but also anti-Islamic," former President Mohammed Waheed Hassan Manik, heading the Maldivian delegation, tells UN General Assembly
- 05 October - MNDF website hacked
- 09 October - USS Rodney M Davis' crew visit children's home, clean up beach
- 13 October - Unidentified persons stone the house in southern Addu City, where visiting former President Mohammed Nasheed was staying.
- 20 October - Visiting US official team hold bilateral trade talks in Male
- 22 October - Supreme Court outlines new guidelines on flogging
- 22 October - To cut down on recurring expenditure, Government will not hire new employees in 2015, Finance Minister Abdulla Jihad tells Parliament's Public Accounts Committee
- 23 October - Maldives, 'land of sin', says jihadist, while departing for 'ISIS territory' in Syria, with wife, mother and 10-year-old sister
- 24 October - Parliament Deputy Speaker and former MDP Chairperson, 'Reeko' Moosa Manik announces decision to contest party primaries for 2018 presidential poll
- 28 October - Maldives Coast Guard commences four-day, 'Dhosti-XII' joint security exercises with counterparts from India and Sri Lanka
- 28 October - President Yameen makes 'creative arts', including music and dance, optional subjects in school curriculum, under pressure from the Adhaalath Party and other religious conservatives
- 31 October - Govt audit report implicates Tourism Minister Ahmed Adeen in \$ 6-m corruption scandal
- 04 November - Presenting Budget-2015, Finance Minister Abdulla Jihad says the nation's debt would touch MVR 31 billion by the end of 2014

- 06 November - Civil court orders MVR 349 m as damages for illegal termination of ferry service contract for northern atolls
- 11 November - The Indian High Commission joins issue with Foreign Minister Dunya Maumoon on her parliamentary statement, says that China's 'Maritime Silk Route' project was not discussed when President Xi Jinping visited India
- 11 November - President Yameen slams 'Western colonial powers' after EU ban on tuna imports from Maldives for refusing to change the nation's Islamic principles, and says that economic cooperation with China does not 'involve the same challenges'
- 18 November - China donates 200,000 energy-efficient LED lights
- 19 November - Ruling PPM denies media speculation and rumours that party chief and former President Maumoon Abdul Gayoom would leave party over differences with half-brother and incumbent President Abdulla Yameen. Both leaders continue appearing together at party rallies, celebrating the completion of President Yameen's first year in office
- 21 November - In a filing to the Bombay Stock Exchange, India's GMR Group says it has claimed \$ 803 m from Maldives for the cancellation of the Male airport contract, and further damages for loss of reputation
- 25 November - Foreign terrorist organisations trying to topple government, MDP's Nasheed tells a party rally
- 26 November - Chinese Foreign Ministry officials tell visiting Maldivian journalists that their country will not interfere with the latter's sovereignty
- 29 November - The 18th SAARC Summit concludes with the 'Kathmandu Declaration' recognising the vulnerability of small-island nations. Speaking at the Summit President Yameen asks SAARC to make its voice heard, meets separately with Indian Prime Minister Narendra Modi and Pakistan's Nawaz Sharif, on the sidelines
- 29 November - Singapore-based Changi Airport Group signs consultancy contract for developing Male's Ibrahim Nasir International Airport (INIA)
- 30 November - High Court overturns Criminal Court dismissal of 'Thinadoo terrorism trial' against 89 persons, mostly Opposition MDP sympathisers, for rioting and arson, targeting the local police station, on 8 February 2012, a day after President Nasheed quit office
- 04 December - Reminiscent of the 2004 tsunami, India rushes drinking water to Maldives in huge quantities (followed by other nations) after fire in desalination plant dries up taps in the capital Male, and averting what possibly could have turned into a big social and Law & Order problem
- 07 December - MDP central committee resolves, asking President Yameen to hand over power to JP leader Gasim Ibrahim (without citing constitutional provisions, if any, under which power-transfer could be effected).

- 15 December - President Yameen appoints Abdulla Saeed as the nation's Chief Justice after Parliament hastily passes an amendment to the Judicature Act, reducing the number of Supreme Court Judges from seven to five, and follows it up with the 'impeachment' of incumbent Chief Justice Ahmed Faiz and another. Opposition MDP sacks Deputy Speaker 'Reeko' Moosa Manik from the party after he along with five other MPs defies three-line whip and votes with the Government on the 'impeachment' motion.
- 30 December - Jamaican performer Sean Paul cancels participation in New Year Eve 'Tourist Arrival Countdown', following cyber-threats to his security, linked to local religious groups
- 31 December - Foreigners barred from cashiers' job, to provide more employment opportunities for locals

Country Data

	Units	
Government	-	Unitary presidential consitutional republic
President	-	Abdulla Yameen
Prime Minister	-	
Ruling Party	-	Coalition led by Progressive Party of Maldives
Population		393,000
Urban Population	%	40.5
GDP	billion current US\$	2.841
GNI per capita	current US\$	9890
GDP Growth Rate	%	3.7
Consumer Price Index (CPI)	2005=100	155.98
Exports	million US\$	33.5
Imports	million US\$	163.1
Net Foreign Direct Investment (FDI)	million US\$	28.15
Adult literacy rate	%	96.3
Sex Ratio	males per 100 females	105
HDI Rank	Rank	104
Life Expectancy at birth	Years (females/males)	77.57
Infant Mortality rate	per 1000 live births	13.6
Sources		
World Bank	http://data.worldbank.org/country/nepal	ank/country/maldives
UN Data	https://data.un.org/Search.aspx?q=maldives	

Myanmar

Contentiousness of the reforms

Mihir Bhonsale

For Myanmar, 2014 was a year for assessing reforms. With the Thein Sein government having crossed the middle of its term, the military's intentions for continuing with political reforms were circumspect. This domestic situation shaped Myanmar's foreign relations, especially the government's treatment of minorities and ethnic groups. The US showed displeasure with the state of affairs, especially on the prosecution of minorities, the EU sounded more responsive.

As the chair of Association of South East Asian Nations (ASEAN) for the first time Myanmar's economy got the due attention from the developed and developing world. The East Asia Summit held in Nay Pyi Taw saw the participation of over 50 countries attending and showing interest in the last frontier market of South East Asia. Her engagement with multilateral forums besides ASEAN, notably BIMSTEC, also had the Bangladesh, China, India Myanmar (BCIM) economic corridor.

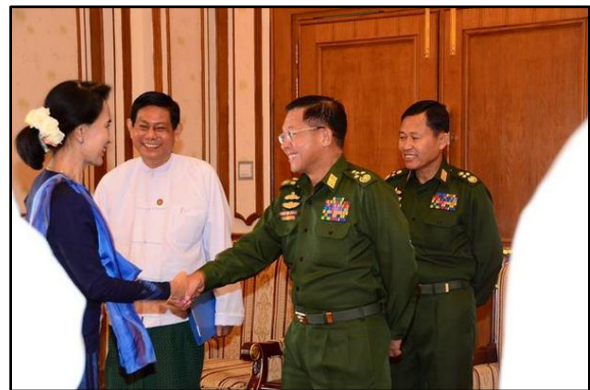
China continued to remain the largest trading and investment partner. However, relations with South Asian neighbours especially with India also were bettered. Relations with South Asia neighbours also grew in the year, especially with trade with India inching forward towards the \$3-billion mark. The trade with India continued to be in favour of Myanmar, but border trade showed much promise with the rekindling of ties with North-Eastern States.

Reforms debate

Economic and political reforms became a matter of debate in Myanmar that entered in the fourth year of the Thein Sein government

in 2014. The ball was set rolling by the appointment of a 131-member constitutional reforms committee by the Hluttaw to finalise constitutional reforms after incorporating suggestions of the members of Parliament. Two Articles of the Constitution were criticised heavily by the opposition -- Chapter 12, Article 436 which requires 75 percent vote in parliament to make changes in the constitution and Article 59 (f) barring people with foreign family members from contesting for the president's post.

Though, the Article requiring 75 percent vote was heavily criticised in Parliament, amending the Article that bars Opposition leader Aung San Suu Kyi from contesting the presidential elections did not evince enough support. President Thein Sein called an all-party meeting to discuss the reforms on 31 October just before the scheduled visit of US President Barack Obama. Such a meeting was lauded by the Hluttaw that demanded six-party talks on constitutional reforms.



President Thein Sein called for Four Party Talks involving Suu Kyi just before President Obama's visit

Talks with armed ethnic groups did not gather much momentum in 2014, though the National Ceasefire Coordination Team (NCCT) was formed in July. The team met several times but not much progress has been made in this direction. Clashes between the army and the Kachin Independence Army (KIA) continued in the year, putting to rest any chances of a nationwide accord. In December, the NCCT

announced the establishment of a federal army, which was opposed by the Union Government. The year ended with a hope the government offered the NCCT for restarting talks.

Rioting in Mandalay and violence against Rohingya Muslims, did not hold the government in good stead. Violence mainly directed against Muslims of the second largest city exposed the government's complacency on dealing with ethnic problems. Violence against the Rohingya Muslims in Rakhine state continued and temporary suspension of international aid organisation- Medicins Sans Frontiers from the Rakhine state clearly showed the government's apathy towards organisations giving aid to the minorities.

On at least one instance during the year, the government infamously cracked down on media for allegedly misreporting. The CEO and four journalists of Unity Journal, a newsmagazine were sentenced to 10 years of rigorous imprisonment on charges of violating the Official Secrets Act for publishing an article alleging the government of running a secret chemical weapons factory in Pauk Township.



Journalists of magazine Unity Journal were sentenced to 10 years of rigorous imprisonment for violating Official Secrets Act

Census in decades

Myanmar held the general census for the first time since 1962. The two month long enumeration exercise reached a provisional figure of the total population of 51.4 million. This was way less than the figure quoted by

the government of 60 million in 2010. This below the par figure is likely to have consequences on investment in the country, market analysts opined. But, the World Bank estimated Myanmar's economy to grow at the rate of 8.5 percent per annum in 2014 and 2015. However, the present growth rate of 6.3 percent can only be improved if inflation was controlled explained economists. The country was expected to receive a FDI of \$5 billion in the fiscal year that began in April 2014. the government promulgated a new SEZ law for attracting more FDI in 2014.

The next year is an election year in Myanmar and anticipating this, the Union Election Commission (UEC) scrapped by-polls scheduled for the latter half of 2014. This is said to have been done so as to not put extra burden on political parties, who were to face the presidential polls in November 2015. The incumbent, President Thein Sein, may not seek to run for the president's post for a second time. The United Solidarity Development Party (USDP) leader and Speaker of the Lower House of Parliament, Shwe Mann, has shown willingness to run for the top post.



While it is doubtful if President Thein Sein will fight in the polls scheduled in 2015, Speaker Shwe Mann is likely to contest

With Suu Kyi's chances of running for the president's post almost denied, the principal opposition party the National League for Democracy (NLD) would need a presidential face for the elections. As of now the *junta's* hold over the country's affairs seems to have

been paramount. However, how the *junta* negotiates with armed ethnic groups, 15 of them and bring them on the negotiations table is crucial for legitimising their rule in the country. The KIA engaged in an armed struggle with the government's armed forces and the NCCT not ready to sacrifice its autonomy, political talks would be necessitated and such talks would determine the future leadership of the country.



Armed Ethnic Groups talk with President Thein Sein

Perception change

The year 2014 was the most exciting year for Myanmar as it highlighted Myanmar's potential at a regional and global level. As the chair of Association of South Eastern Countries (ASEAN), Myanmar's regional and global image underwent a perception change. The year started with apprehensions on whether Myanmar has the capacity to dispense off her duties, but ended on a successful note as far as an ASEAN chair.

Important issues like the South China Sea were discussed in Nay Pyi Taw, the venue for the 25th ASEAN Summit. This was followed by the East Asia Summit, where leaders from across the world discussed strategies of doing business with one another, and with Myanmar.



Myanmar hosted the 25th ASEAN Summit

US President Obama visited the country for the East Asia Summit, but relations between the two countries were on a downswing. President Obama who had sent Secretary of State John Kerry to prepare the ground for his visit, warned Myanmar against the back-sliding of reforms in the wake of continued violence against the Rohingyas.



President Barack Obama (L) with President Thein

At the same time, President Obama also reiterated his administration's support including financial aid, for continuing with reforms, of importance being the peace process. However, this did not deter Myanmar. The US later extended some of the economic sanctions on Myanmar. This two-pronged approach of the Obama administration gave Myanmar the breathing space to continue its strategic engagement with the US.

Nervous moments

Relations with mighty neighbour China saw a few nervous moments in 2014, but China continued to be the other countries were nowhere close to China in terms of trade that touched \$8 billion. Starting the year with the marking of the 60th year of signing of the 'Panchsheel Accord', the fraternal relations or Pauk-Phaw, saw Chinese Premier Li Keqiang visiting Myanmar and signing 10 deals worth \$8 million. Beijing also promised a \$200-million small loan facility and a deal importing rice from Myanmar.



President Thein Sein visits Beijing to commemorate the 60th Anniversary of the Panchsheel Accord

However, on a couple of occasions, testing times arose. The suspension of the \$20-billion Kunming-Kyakphyu railway line running parallel to the gas and crude oil pipeline surprised China, making it get into a damage control mode saying that the opposition was overstated. The unpopularity of the Letpadaung Copper Mine under a Chinese operator saw a kidnapping-spree, the kidnappers demanding to put an immediate halt of the project. The Myanmar administration managed the situation well, only to protect its northern neighbour's interests.

Migration out of Myanmar to countries in South East Asia continued to shape relations with her neighbours. The country was hard-pressed to protect two migrant workers of Myanmar origin who were arrested for Koh Toh island murders in Thailand. Thein Sein appealed to

the visiting Thai Prime Minister for conducting a fair trial in the murder case. However, a Thailand court is prosecuting the Myanmar nationals.

Thai Prime Minister Prayut Chan-o-cha on his visit promised expediting the Dawei SEZ project, which Myanmar is building with the help of Thai and Japanese companies. Relations with Japan and Germany also got a major fillip in 2014 with the former promising more aid and loans for infrastructure development in the country, while the latter wrote off loans worth \$ 2.8 billion.

Volatile border

The border with Bangladesh remained volatile with even clashes taking place between the Burma Border Guard and Border Guard Bangladesh. A BGB soldier was killed in the firing on both sides, compelling the diplomats of the two nations to rise to the occasion and resolve the dead-lock. Still border demarcation with Bangladesh has not been done, leaving much to be desired from the two nations.

The year also saw Myanmar agreeing to repatriate 2,000 Rohingya Muslims from Bangladesh, out of the about a total of 30,000 staying in Bangladesh. The UN appeals to the government of Myanmar to grant citizenship to the Rohingyas fell on deaf ears. The government stressed that the matter was strictly a domestic issue and no interference from outside would be tolerated.

Rekindled India ties

The relations between India and Myanmar were rekindled by the Prime Minister of India visiting the country twice. Former Prime Minister, Manmohan Singh visited Nay Pyi Taw in March for the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) and the newly elected Prime Minister Narendra Modi participating in the East Asia Summit in November.

Then Indian Prime Minister Manmohan Singh's visit in March lacked the mandate for taking newer initiatives, because of the general elections in May, but Modi's visit was significant because of Modi's emphasis on neighbouring countries immediately after assuming power. Myanmar has more expectations from the new Indian prime minister, who made a tiny Himalayan neighbour, Bhutan his first foreign country destination after being elected to power. Modi's renewed thrust on neighbourhood including Pakistan has definitely created a formidable ground for taking Indo-Myanmar relations to a new level.



Indian Prime Minister Narendra Modi with President Thein Sein

However, much has been left desired on the connectivity front, a goal which both the countries can cherish. The first phase of the Kaladan Multi-modal Transport Transit and Transport project that was extended to June 2014 could not meet its deadline. The project, the Narendra Modi government in India has said would be completed by 2016.

Another project connecting Moreh in Manipur to Mae Sot in Thailand through Mandalay also called as the Asian Trilateral Highway is also expected to be completed by 2016. Prime Minister Modi held meetings with his Myanmar and Thai counterparts to expedite the projects.

Modi requested the Thai Prime Minister to speed up the work on the highway in the Thailand for completing the project on time.

Connectivity between the two countries is hampered by the lack of direct air and road services. Indian External Affairs Minister, Sushma Swaraj on her visit to Myanmar also stressed on the need to have direct flights from India to Myanmar. The Imphal-Mandalay Bus service was to start in October and an air service from Imphal to Mandalay was on the cards, but yet has not started. Swaraj proposed a New Delhi-Bodhi Gaya-Yangon flight for Buddhist pilgrims.

Another regional grouping the Bangladesh, China, India, Myanmar Economic Corridor (BCIM-EC) involving both Myanmar and India was welcomed by New Delhi. The Modi government has brought a renewed push to India's Look East policy with an "Act East" policy. This policy has Myanmar in the centre, which has been for long recognised as India's only land-bridge to South East Asia.



BCIM(EC) Corridor Route Map

New ground was broken on regional and sub-regional level, the year 2014 begun with sorting out differences on the Indo-Myanmar border. The un-demarcated 1,700-km border remains an area of dispute and concern for India. The latter tried to resolve the disagreement over the construction of an Indian border checkpoint at border pillar No. 78. Indian states of Manipur and Mizoram, which share their borders with Myanmar, have

urged the Centre to convey the protest against building structures on Indian Territory.

However, Nagaland stood out from its North-Eastern neighbours in furthering its ties with Myanmar. Nephio Rio became the first chief minister to visit Myanmar in February. Rio appreciated the recognition accorded to the Naga community in Myanmar and constitutes the Naga Self-Administered Zone.

'Window-shopping'?

Indian Ambassador to Myanmar, Gautam Mukhopadhyay travelled in the states of Mizoram and Manipur to promote cross-border trade. Mukhopadhyay met Mizoram's chief minister Lal Thanhawla in a bid to upscale border trade that stood at \$ 29 million in fiscal year 2013-14. Reliance Industries, ONGC Videsh and Oil India Ltd, along with partners Mercator Petroleum Ltd and Oilmax Energy Pvt Ltd, won two blocks each, starting a new phase for India's private sector engagement with Myanmar.

However, Myanmar presidential spokesperson, Ye Htut expressed displeasure over lack-lustre investment from Indian side. Htut remarked comparing the investment figures that stood at \$ 273.5 million in 2014 with that of Japan and South Korea, saying that Indian companies were here for "window-shopping". Governments of both countries had targeted 2015 for bilateral trade to cross \$3 billion and in 2014 the bilateral trade figure posted was \$ 2.18 billion. However, the balance of trade continued to be in favour of Myanmar.

India recognised Myanmar's isolation in the international forums like the UN on human rights. She supported Myanmar against human right resolutions being imposed on the country. New Delhi voted against the motion pushed by the US and the EU members on the allegedly worsening human rights situation in the country. India said in defence of its position that Myanmar was firmly on the path of reforms and human rights situation was improving in the country.

(The writer is Research Assistant at Observer Research Foundation, Kolkata)

Myanmar 2014 – A Timeline

- 8 January 2014 - Discussion with India to resolve outstanding differences over the demarcation of the border held in Sagaing's Tamu Township.
- Last week of January - A new SEZ law promulgated for attracting Foreign Direct Investment (FDI).
- 3 February 2014 - Hlittaw formed a committee for implementing the 2008 Constitutional Amendment. The 31-member committee was designed to review the report that includes suggestions by the Parliamentary Joint Committee.
- 8 February - Nephthu Rio becomes the first Nagaland Chief Minister to visit Myanmar.
- 10 February 2014 - German President Joachim Gauck announced that Germany will cancel half of Myanmar's foreign debt approximately 1 billion Euros.
- 17 February 2014 - Indian Ambassador to Myanmar, Gautam Mukhopahyay met Mizoram Chief Minister Lal Thanhawla and asked for expediting and scaling up cross-border trade.
- 28 February - Myanmar banned Aid organisation Médecins Sans Frontières-Holland in Rakhine State
- 30 March - Nation Wide Census taking begins and will go on till 10 April.
- 28 March - The IMF in its report on Myanmar held the Economic Growth favourable, 7.3 percent growth till the end of this fiscal year to 7.5 in the next financial year.
- 26 March - Reliance Industries won two of the three offshore oil and gas blocks it bid for while Oil India Ltd, along with partners Mercator Petroleum Ltd and Oilmax Energy Pvt Ltd, won two of the three blocks it bid for. RIL won shallow-water blocks M-17 and M-18 while OIL and its partners got blocks M-4 and YEB, according to Myanmar's Ministry of Energy. ONGC Videsh though drew a flak might get a deep-sea block.
- 10 April - Junta launched a multiple offensive against the Kachin Independence Army in the Shan States
- 10 May - Association of South East Asian Nations (ASEAN) Summit was held in capital city Nay Pyi Taw. The 10 member regional bloc called for a peaceful resolution of political crisis in Thailand following the resignation of Yungluck Shinawatra.
- 23 May - The United States of America's Congress decided to extend economic sanctions on Myanmar by a year.
- 28 May - 1 Border Guard of Bangladesh personnel was killed in firing with Myanmar's Border Guard Police on the Myanmar-Bangladesh border.

- 1 July - A major Buddhist-Muslim riot broke out in Mandalay leading to 2 casualties, 3 July curfew was imposed and over 100 arrested.
- 18 July - Construction of a railway connecting Kyaukpyu in Myanmar and Kunming in China cancelled due to public opposition.
- 24 July - Aid organisation Médecins Sans Frontières-Holland invited to resume operations in Rakhine State after its operations were suspended in the state on 28 February.
- 9 August - US Secretary of State, John Kerry begins his visit to Myanmar.
- 3 September - President Thein Sein met Germany's Chancellor Angela Merkel in Berlin during the Sein's official visit to Germany.
- 3 September - The first ever census in the last 60 years put the total population at 51.4 million.
- 7 September - Union Election Commission scrapped by-elections scheduled for later half of 2014.
- 2 October - 2 Myanmar migrant labourers were arrested in Thailand for allegedly murdering 2 British tourists on Thailand's Koh Tao island.
- 9 October - Thailand Prime Minister, Prayuth Chan-ocha made his first overseas trip to Myanmar.
- 31 October - President Thein Sein called a meeting at his residence with top functionaries and leader of opposition party Aung San Suu Kyi for discussing political reconciliation in the country.
- 25 November - In a joint session of both houses of the Parliament, a proposal was passed urging the president, the army chief, the speakers of the Upper and Lower Houses, Suu Kyi and a representative of the ethnic parties to convene soonest to discuss charter reform.

Country Data

	Units	
Government	-	Republic of the Union of Myanmar
President	-	Thein Sein
Ruling Party	-	Union Solidarity Development Party
Population	million	51.4
Urban Population	%	
GDP	billion current US\$	1125.9
GNI per capita	current US\$	1125.9
GDP Growth Rate	%	6.3
Consumer Price Index (CPI)	2000=100	164
Exports	million US\$	7625.2
Imports	million US\$	4163.3
Net Foreign Direct Investment (FDI)	million US\$	21564
Adult literacy rate	%	93
Sex Ratio	males per 100 females	94.3
HDI Rank	Rank	149
Life Expectancy at birth	Years (females/males)	67.1/63
Infant Mortality rate	per 1000 live births	48.9
Sources		
World Bank		
UNDP Human Development Report	http://www.unicef.org/infobycountry/india_statistics.html	
UN Data	https://data.un.org/CountryProfile.aspx?crName=INDIA	

Nepal

Setting priorities right

**Anasua Basu Ray Chaudhury
&Pratnashree Basu**

The enthusiasm and fervour that greeted the results of elections to the second Constituent Assembly in November 2013 ushered in Year-2014 with a lot of promise and hope. That hope has now waned to a large extent at the inability of the ruling and the Opposition parties to arrive at a general consensus regarding the drafting of a fresh constitution for Nepal by January 2015.

The country however, went through a number of changes through 2014, especially in terms of foreign relations. Hence while the domestic politics of the country remained somewhat turbulent through the better part of the year, the developments in and around the region had a considerable impact on determining the role of the country's approach toward global and regional politics, especially with regard to the countries of South Asia.



Domestic politics remained turbulent in Nepal in 2014

In the wake of an increasingly powerful China on one side to the spectre of new forms of terrorism looming large in West and Central Asia, Nepal will have a key role to play in the shaping of its own backyard. Like it did in the past, the country balanced its approach

towards both China and India in the past year, inviting Chinese investment in infrastructure development while at the same time moving ahead with power trade agreements and military deals with India. Nepal being a buffer state, both the rising powers in Asia have stake in the country but in the coming year Nepal may have to act more subtly in conjunction with both China and India.

The South Asian region witnessed interesting times in 2014. The most important being the election of a new government in India and a new Prime Minister in Narendra Modi, with an absolute majority after a quarter century of coalition dispensations, and the 18th SAARC summit hosted by Nepal.

The new political dispensation in Delhi and the renewed vigour of the Nepal's other neighbouring countries over the course of the year promised the prospect of a revival of the South Asian region with an increased focus on strengthening both bilateral as well as multilateral ties and also working towards the gradual restoration of regional cooperative frameworks. For Nepal, these developments hold a lot of significance.

Mixed bag

The year 2014 was a mixed bag for Nepal, domestically. While the year began amidst a lot of hope and optimism after the second successful elections to the Constituent Assembly, the latter half of the year gradually offered a bleak picture. The ruling coalition led by the Nepali Congress (NC) could not reach a consensus through the course of the year on the drafting of a new constitution for the country, the scheduled date for which has just passed.



The ruling coalition could not reach a consensus on the drafting of the new constitution

A new and fresh constitution would have offered the country a solid foundation after over two decades of uncertainty and unrest. Most importantly, it would inspire a sense of stability not only among the citizens but also for the South Asian region at large.

The country's GDP grew by 5.2 percent in 2014, boosted mainly by agriculture and remittance inflows. Growth is expected to remain around 4.6 percent in the following quarter. The country has set 2022 as the target as the target for graduating from being a least developing country (LDC) to a developing country.

Nepal also signed a memorandum that would make it one of the founding members of the Asian Infrastructure Development Bank (ADB), proposed by China. The country was offered a large amount of foreign aid and the situation of domestic politics will determine how these funds are utilized to their best potential. How things turn out on the economy front will depend to a large extent on the domestic politics front.

As the year progressed, meetings and consultations among the ruling and Opposition parties failed at every step. While on the one hand, the ruling coalition showed signs of rifts, on the other, the Opposition seemed dedicated to thwarting any step towards reaching a

decision on the framework of the new constitution. What is interesting to note is that the issues which had remained unresolved at previous attempts of drafting a constitution are the same ones which have once again hindered the drafting process.



Meetings and consultations among the ruling and opposition parties failed at every step

For instance, one of the most contentious issues is the question of federalism, disagreements over which range from whether to federate on the basis of ethnicity or on the basis of names. The Nepali Congress and the CPN-UML are opposed to the idea of federating along ethnic lines as that would in all likelihood result in further instability. The other key issues that elude resolution include the kind of electoral system that should be adopted, whether the country should accept a Presidential or a Parliamentary system, and the nature of judicial system that would be in place.

The parties, be it those which make up the coalition government or those in the Opposition, are severely divided on these issues. Through the course of the past year, although several attempts have been made to try and bring the different parties to the table so that these issues could be discussed, there has been no headway. The extent of incongruity is such that most of these parties, especially those in Opposition, treat the issues mentioned above, among others, as non-negotiable and hence there have been constant accounts of disruptions, non-attendance, boycott and so on, of such attempted meetings. The UCPN (Maoist) leads the

Opposition which is also comprised of the Madhesi parties and these two groups have been central to the obstruction of the Constituent Assembly process while the ruling parties have on occasions been conciliatory. Both the ruling coalition and the Opposition however blame the other for the perpetual lack of agreement and for hampering the process of drafting a constitution.

It has been over a year since the elections to the second Constituent Assembly took place in 2013 and the prospect of the voices of dissent at least agreeing to sit together and work out the contentious issues does not seem promising. It would seem after the deadlocks of 2014 that the inter-party politics is what is holding the country back from realising its aspirations. Fresh controversies over the neutrality of the Constituent Assembly Chairman Nembang, after his meeting with the Nepali Congress President and CPN-UML Chairman, would further contribute to misperceptions.

It is high time however that the parties on both sides in Nepal to realise that the longer they delay the drafting process, the more elusive it could become. What is needed at this point in time therefore is the working out of a framework within which the parties can agree to work together and thus enable themselves to rise above inter-party politics for the future of their own country.



The UCPN (Maoist) and the Madhesi parties have been central to the obstruction of the Constituent Assembly process

Faith in UN, non-alignment

The fundamental objective of the foreign policy of Nepal is to enhance the country's dignity in the international arena by maintaining the sovereignty, integrity and independence of the country. In a nutshell, the foreign policy of Nepal is guided by the abiding faith in the UN and policy of nonalignment. The basic principles guiding the foreign policy of the country include:

- Mutual respect for each other's territorial integrity and sovereignty;
- Non-interference in each other's internal affairs
- Respect for mutual equality
- Non-aggression and the peaceful settlement of disputes
- Cooperation for mutual benefit

In accordance with the over-riding objective and the fundamental principles guiding country's foreign policy, Nepal has been pursuing a policy of making continuous efforts to institutionalize peace by promoting cooperative and good relations in the economic, social and other spheres on the basis of equality with neighbouring and all other countries of the world. Nepal has established Diplomatic Relations with 132 countries in the world. It is an active member of the Non-Aligned Movement, the United Nations, its specialised agencies as well as other international organisations, and a founding-member and active player in the South Asian Association for Regional Cooperation (SAARC) and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC).



Nepal is an active member of the BIMSTEC

The third summit of the BIMSTEC was held at Nay Pyi Taw, Myanmar, in early March 2014, and Sushil Koirala, Nepal's elected Prime Minister participated in the summit keeping the fact of the forum's commitment to make room for cooperation in the process of development of the Least Developed Countries (LDC's) in mind. For Nepal, the assistance that a regional body such as the BIMSTEC can offer will go a long way in expediting the process of re-stabilising the country. It was also decided at the Summit that the member-countries would assist in reducing the effects of climate-change and its subsequent adverse-effects, work towards poverty alleviation, and cooperate in sharing energy and enhancing tourism.

The key areas in which Nepal requires the assistance of countries in the region include all steps towards making and increasing scope for the development of the country. This entails collaboration with neighbouring countries in the betterment of communication and transport which will pave the way for augmenting trade and investment and deepen ties within the region.

Working towards this is of particular importance for Nepal because of the marked increase in youth migration to other countries in search of better opportunities. Koirala also met with the Heads of State from the member-countries on the sidelines of the Summit of which the most significant was that with the former Indian Prime Minister Manmohan Singh. Both the Prime Ministers discussed several key issues of mutual interest, including the resumption of the Foreign Ministerial Joint

Commission meetings (which has been mired since 1991) along with investment promotion, bilateral trade and transit.

In his statement at the Summit, Koirala emphasised the benefits of pooling the resources and strengths of the member-countries to "unlock the potential economic growth and development". It cannot be exaggerated and has in fact been highlighted for years that the countries in the region share certain strengths such as similar cultural ties and customs, which need to be tapped in order for the region to achieve the kind of cohesion and integration that it has been seeking for a long time. What Nepal can bring to the table for the benefit of the other countries is the utilization of the vast reserves of natural resources that Nepal possesses would further complement the enhancement of trade and communication in the region.

Nepal attended the 110th session of the UN Human Rights Council (UNHRC) in Geneva, where the National Human Rights Commission (NHRC) and the transitional justice mechanism dominated the Nepal review session held on 18-19 March. The Government, however, failed to convince the international committee on the state's commitment to fulfill human rights obligations. Earlier on 18 March, the NHRC and civil society members had briefed Nepal's rights situation to the international committee, with instances of rights violations and non-compliance of the government. According to an NHRC report, the Government has implemented only eight percent of the recommendations made in 735 cases of serious human rights violations. While the government has doled out only relief and compensation packages, it has not launched any criminal prosecutions yet.

Hosting SAARC Summit

However, in positive sense Nepal's major foreign diplomatic event in 2014 was to host the 18th SAARC Summit. The 18th SAARC summit held in Kathmandu during 26-27 November 2014 was hugely successful both in terms of management and documentation,

claimed by the Foreign Minister of Nepal Mahendra Bahadur Pandey. Nepal has fruitfully demonstrated its diplomacy in multilateral forums like BIMSTEC and SAARC, the Foreign Minister said, adding that the country also efficiently established its leadership. Nepal has embarked on a NPR 180 million plan to renovate and beautify the capital city for the upcoming Summit.



Nepal's major foreign diplomatic event in 2014 was hosting the 18th SAARC Summit

The Summit will be preceded by the Thirty-sixth Session of the SAARC Council of Ministers on November 25, 2014, the Forty-first Session of the Standing Committee on November 23-24, 2014 and the Forty-sixth Session of the Programming Committee on 22 November 2014. At the end of the two-day SAARC summit, which took place after a gap of three years, a 'Kathmandu Declaration' with a theme of Deeper Integration for Peace and Prosperity, was adopted, which said the leaders recognized that after nearly 30 years of its existence, it is time to "reinvigorate" SAARC's regional cooperation and "revitalise" the bloc as an effective vehicle to fulfil the developmental aspirations of the people. India.

The Foreign Minister (FM) of Nepal showed his satisfaction as all member states of SAARC appreciated the theme of the summit chosen by Nepal. "At a time when we have yet to institutionalise republicanism as political transition continues, successfully organizing the summit has proven Nepal's ability," he argued.

Keeping the importance of development of LDCs under consideration Nepal also hosted a meeting where the ministers and representatives of the least developed countries met in Kathmandu on 16-18 December 2014 to discuss Graduation and Post-2015 Development Agenda in the Asia-region.



Prime Minister Sushil Koirala addresses the inaugural session of the 18th SAARC Summit

The two Himalayan states, Nepal and Bhutan, met at New Delhi, India's capital, on 27 May to facilitate the smooth progress of resettling people in the camps to third countries. In this meeting Nepali Prime Minister Sushil Koirala informed his counterpart that most in the camps were resettled.

Nepal being a buffer state between the two Asian giants, India and China, always intends to maintain good relationship with both the states. The Prime Minister of Nepal visited Kunming, China, to inaugurate the Second China South Asia Exposition and 22nd China Import and Export Commodities on 5-6 June. Nepal also expressed its appreciation for the neighbourhood diplomacy of China and thanked the Government of the People's Republic of China for the continued assistance in the socio-economic development of Nepal.



Nepal thanked the Government of the People's Republic of China for continued socio-economic development assistance

It is to be recalled that the Foreign Minister of China agreed to assist Nepal, among others, in tackling the challenges of climate change and power shortage and also showed willingness in setting up of an industrial park for the promotion of industries, trade and employment. The Chinese central bank has allowed Nepal to double its investment in Chinese government securities, paving the way for Nepal Rastra Bank (NRB) to put more cash in secure debt instruments, like bonds, issued by the neighbouring country.

Chinese investments

China has made an announcement to provide grant assistance of 800 million RMB for Nepal to be utilized in various development projects. China has offered to assist Nepal in nine important areas that include trade, investment, agriculture, infrastructure development, science and technology, connectivity, tourism, people to people exchanges and cooperation in security and law enforcement. The China has proposed to implement the said areas of cooperation through currently available financial support, development of human resources as well as through an enhanced level of assistance from Provinces and Autonomous Regions of the People's Republic of China.

Nepal has responded positively to the proposal of the Chinese government for establishing an Asian Infrastructure Development Bank (AIDB) to bridge huge infrastructure gap in Asian nations. In the meeting with Chinese Vice

Minister for the Finance Ministry Shi Yaobin at the Ministry of Finance on 28 May, Minister for Finance Dr Ram Sharan Mahat said Nepal was eager to be the founder-member of the proposed bank.

China has proposed to the Asian countries to mobilise \$ 50-100 billion for the proposed bank for investing in infrastructure development. As per the proposal, the member countries would get priority in loan. China was Nepal's fifth largest bilateral donors as per the assistance that Nepal received in 2012-13.

The northern neighbour is assisting Nepal in a number of projects including expansion of Ring Road, dry port of Larcha, Inland Container Depot (ICD) of Rasuwagadhi, Upper Trishuli 3 A hydropower project and Pokhara regional airport, among others. In the meeting, Mahat requested the visiting dignitary for more support in hydropower, tourism and infrastructure sectors.

Nepal is also keen to have cooperation with the South-East Asian countries. For this purpose, Nepal agreed to form a joint committee with Malaysia to finalize the draft of Labour Agreement between the two countries, which, once enforced, would help protect the rights of Nepali's working in the Southeast Asian country.

The two countries have also agreed to form a separate committee to prepare a draft of a pact that would pave the way for the country to officially send domestic helpers to Malaysia. Nepal and Malaysia reached understandings in these regards during a meeting held in Kathmandu on 21 August between State Minister for Labour Tek Bahadur Gurung and Malaysian Human Resources Minister Richard Riot Jaem.

Engagement with India

India is a major trade and development partner of Nepal and has been assisting towards the development of infrastructure and human resources in Nepal. India's economic

assistance to Nepal has grown manifold in the past few years. The high level visits by the leaders of the two countries at different points of time in 2014 and the interactions thereof constitute the hallmark of the ties between Nepal and India.

Furthermore, such visits have helped promote goodwill, understanding and cooperation between the two countries. They have also injected a fresh momentum to further consolidate Nepal's age-old and multi-dimensional relations of friendship and cooperation with India on a more matured and pragmatic footing.

Sushil Koirala, the Prime Minister of Nepal, paid an official visit to India on 25-28 May 2014 to attend the swearing-in ceremony of the newly elected Prime Minister Narendra Modi in New Delhi, which was followed by the Minister for External Affairs of India, SushmaSwaraj's visit to Nepal on 25-27 July 2014. The two Foreign/External Affairs Ministers co-chaired the third meeting of Nepal-India Joint Commission, which was reactivated after a gap of 23 years. Similarly, the former Ministers for Foreign Affairs of Nepal, Mr. Madhav Ghimire paid official visit to India in 2014.

Out of all high level visits Indian Prime Minister Narendra Modi's 'historic' visit to Nepal in August raised high hopes in both countries. Modi, the first Indian Prime Minister to visit Nepal in 17 years, stressed the importance of the four C's — cooperation, connectivity, culture and constitution — to enhance bilateral ties. On cooperation, India has announced \$1 billion line of credit (LoC) for Nepal's infrastructure development.

It was also decided that the Pancheswar Development Authority will be set up to implement large-scale Pancheshwar Multipurpose Project on the Mahakali River and a detailed project report (DPR) will be finalized within a year. The two sides also agreed to conclude a Power Trade Agreement (PTA) — a framework pact for the commerce and power sector within 45 days. The two Prime Ministers

directed the concerned authorities to conclude negotiations within 45 days on the Project Development Agreement (PDA) between the Investment Board of Nepal and GMR Group of India for the development of Upper Karnali hydropower project.



Indian Prime Minister Narendra Modi's 'historic' visit to Nepal in August raised high hopes in both countries

On connectivity, India has assured Nepal to assist in the construction of a multi-lane motorable bridge over Mahakali River at Mahendranagar, which will allow traffic along the East-West Highway to cross over the Mahakali River and establish a vital trade and transit linkage of far western region of Nepal with Uttarakhand, Uttar Pradesh and New Delhi. The Indian side also conveyed to consider construction of motorable bridges at the border points at Jhulaghat and Darchula.

To enhance cultural activities between the two, India also expressed commitment to further consolidate exchanges and interactions between the people of the two countries. It is to be recalled that The open border between the two countries has been a unique paradigm of ties that rarely exists in South Asia. Frontier without restriction has greatly facilitated the free movements of people to each other's territory. Moreover, such facilitation of the movement of people has increased more exchanges and interactions at the people-to-people level. Nepal is currently engaged in the historic task of making a new Constitution.

The followings are the on-going large and intermediate projects under India's economic cooperation:

- Integrated Border Check-Posts: Integrated check-posts have been proposed at four points on Indo-Nepal border namely (i) Raxaul-Birganj, (ii) Sunauli-Bhairahawa, (iii) Jogbani-Biratnagar and (iv) Nepalganj road-Nepalgunj. The construction of ICP in Birgunj is ongoing and land has been acquired for the construction of all other ICPs. There is a need to expedite works.
- Besides, an Agreement on Electric Power Trade, Cross-border Transmission Interconnection and Grid Connectivity was signed between the two countries on October 21, 2014. Investment Board of Nepal and GMR-ITD Consortium of India signed the Project Development Agreement on Upper Karnali on September 19, 2014 paving way for the development of the 900 MW hydropower project.

The two Prime Ministers also had a meeting on 27 September 2014 at the sidelines of the 69th UN General Assembly. Nepali Prime Minister Sushil Koirala held talks with Indian PM Narendra Modi in New York on the sidelines of the 69th United Nations General Assembly. The meeting was largely focused on the preparations for the SAARC Summit and the status of the implementation of agreements and understanding reached during Modi's visit to Nepal in the first week of August furthering his 'neighbourhood first' policy.

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Nepal and India agreed this year to establish the Boundary Working Group to take up technical works related to Nepal-India boundary. Since the expiration of the mandate of Nepal-India Joint Technical Committee in 2007, there was no such bilateral mechanism and hence, the newly formed mechanism will fill up the gap. BWG has already started its work with its first meeting in Kathmandu on 17-19 September.



Prime Minister Sushil Koirala (L) and Prime Minister Narendra Modi

Nepal 2014 – A Timeline

- 16 January - India and Nepal agree to share information on trans-border crimes, smuggling of narcotics, currency, human trafficking and the movement of terrorists.
- 29 January - The 3 biggest political parties Nepali Congress (NC), CPN-UML and UCPN (Maoist) affirm the institutionalization of the federal democratic republican system proclaimed by the first meeting of the dissolved CA in 2008.
- 11 February - SushilKoirala, president of the Nepali Congress, sworn in as Prime Minister with 405 votes.
- 26 February - Nepal is awarded the 'US Agency for International Development (USAID) Pioneer Prize' for taking leadership in saving new born lives.
- 3 April - The Constituent Assembly secretariat proposes promulgation of the constitution between 15 January and 12 February, 2015.
- 7 May - India provides Rs. 35.7 million as financial assistance for the construction of two schools and a hospital in Nepal under a bilateral economic cooperation programme.
- 28 May - Nepal responds positively to the proposal of the Chinese government for establishing an Asian Infrastructure Development Bank (AIDB) to bridge huge infrastructure gap in Asian nations.
- 10 June - India and Nepal close a large military deal that includes supply of a large cache of weapons, a one of its kind in the last nine years.
- 14 June - The ShashastraSeemaBal (SSB), manning the sensitive 550-km India-Nepal Border in the two Indian States of Uttar Pradesh and Uttarakhand, informs the Centre about a rise in number of Chinese Learning Centres (CLCs) operating in schools in Nepal's border villages.
- 11 July - The government's economic survey, prepared on the basis of data for eight months, said that economic growth would be 5.2 percent, which is the highest in the past six years.
- 3 August - Indian Prime Minister NarendraModi announces US\$ 1 billion concessional Line of Credit (LoC) to Nepal for investment in priority areas such as infrastructure and hydropower development during his visit.
- 5 September - Nepal and India sign a 25-year agreement on power trading, cross-border transmission line and grid connectivity.
- 19 September - The government endorsed plans for GMR to build the Himalayan nation's largest hydro power plant in a small step toward easing chronic power shortages and attracting new investment.

- 23 September - Parties get close towards ending deadlock on negotiations after the all-party national conference was postponed indefinitely.
- 17 October - Janajati associations and their sister wings decide to launch a fresh protest demanding ethnicity based federalism, following which CPN (UML) Chairman KP Sharma Oli says the country cannot lead the burden of more federal states.
- 23 October - Nepal set to become a founding member of the proposed Asian Infrastructure Investment Bank (AIIB) after the signing of a memorandum of understanding (MoU) on the establishment of the multilateral bank making Nepal one of the creators.
- 7 November - Top leaders of the major political parties reiterate their commitment to bring the new constitution within the deadline of January 22.
- 25 November - Nepal and India ink nine agreements, further cementing their close ties. Among the dozen agreements inked was one for project development agreement (PDA) for the Arun-III hydropower project along with the first ever bus service between Kathmandu and New Delhi.
- 27 November - The 18th SAARC Summit concludes adopting a 36-point Kathmandu Declaration that pledges to deepen cooperation among member states in the core areas of trade, investment, finance, energy, infrastructure and connectivity.
- 21 December - Nepal has requested China to provide financial assistance for the expansion and upgradation of Kathmandu-Rasuwagadi and Pokhara-Baglung-Beni-Jomsom roads, and expansion of the remaining section of the Kathmandu Ring Road.
- 25 December - Prime Minister SushilKoirala has said all sides should give up something to facilitate consensus building bid on the disputed issues of constitution.

Country Data

	Units	
Government	-	Federal Parliamentary Republic
President	-	Ram Baran Yadav
Prime Minister	-	Sushil Koirala
Ruling Party	-	Coalition led by Nepali Congress
Population	million	27.8
Urban Population	%	17
GDP	billion current US\$	694.1
GNI per capita	current US\$	730
GDP Growth Rate	%	4.3
Consumer Price Index (CPI)	2005=100	170.19
Exports	million US\$	1008
Imports	million US\$	5613
Net Foreign Direct Investment (FDI)	million US\$	94022
Adult literacy rate	%	60.3
Sex Ratio	males per 100 females	95.2
HDI Rank	Rank	145
Life Expectancy at birth	Years (females/males)	67.98
Infant Mortality rate	per 1000 live births	32
Sources		
World Bank	http://data.worldbank.org/country/nepal	
	http://devdata.worldbank.org/AAG/npl_aag.pdf	
UNICEF	http://www.unicef.org/search/search.php?q_en=nepal&go.x=0&go.y=0	
UN Data	https://data.un.org/Search.aspx?q=nepal	
Atlas	http://atlas.media.mit.edu/profile/country/npl/	

Pakistan

Another insecure year

Taruni Kumar

Pakistan saw several highs and lows in the year 2014. On the one hand, there were moments of hope and opportunities for improved relations with neighbouring India, but this hope soon gave way to suspended interactions and deteriorating dealings. With Afghanistan too, Pakistan saw several ups and downs in the relationship through the year. Yet, the most shocking event of the year was the Peshawar terror-attack, in which 132 children and nine staff of a local school lost their lives in indiscriminate firing by gunmen.

Domestically, the country struggled with a deteriorating security situation and increasing terrorist violence that debilitated the nation and led to widespread grief and outrage. The year saw the start of the Pakistan military's Zarb-e-Azb operation in North Waziristan that targeted militants which had repercussions in the form of rising casualty figures in retaliatory attacks.

The year ended with the hope that the country would change its historically duplicitous stance on militancy and terrorism and, in the process, turn its own political, economic and security situation around.

Disruptive developments

Pakistan's journey through 2014 saw many disruptive political and security developments as well as some positive but limited economic progress. The International Monetary Fund (IMF), with which Pakistan had signed a \$6.7 billion loan in September 2013, said in February that the country had met nearly all of its quantitative performance markers and that its economy was showing signs of improvement. In March, the IMF's executive board approved the third loan tranche of \$540 million.

In 2014, Pakistan also conducted successful field tests of the Hatf III (Ghaznavi) missile. The short range surface-to-surface ballistic missile can carry nuclear and conventional warheads to a range of 290 km. In September, the short range surface-to-surface Hatf-IX missile which has a maximum range of 60 kilometres and is said to have nuclear capabilities was also tested.



Lt. Gen. Rizwan Akhtar

The Inter Services Intelligence (ISI) got a new chief in 2014. Lt-Gen Rizwan Akhtar was given the prestigious posting of Director-General, Inter Services Intelligence, in the latter half of the year. The posting created speculation about the country's relationship with India as the General had, in the past, advocated better relations with the neighbour.

The issue of human and, specifically, women's rights in the country gained prominence when a 25-year-old woman was stoned to death by her family outside the Lahore High Court in May in a case of 'honour-killing'. The victim had married a man against her family's wishes. Another incident took place in November when a Christian couple was beaten to death near Lahore by a mob for allegedly desecrating the *Holy Quran*.

Parliament scuttled

In domestic politics, Imran Khan, chairperson of the Tehreek-e-Insaf party, announced in

mid-August that his party would organise an 'Azadi march' protesting against the Nawaz Sharif government which he alleged was corrupt and had rigged the 2013 elections. The march began on 15 August 2014 and Imran Khan demanded that the Prime Minister as well as the members of the Election Commission resign.



Imran Khan addressing protestors at the Azadi March

At the same time, cleric Tahir-ul Qadri, chairperson of the Pakistan Awami Tehreek (PAT), started his own protest march. Both these marches culminated in a combined sit-in outside the Parliament building in Islamabad that lasted till December.

The protests raised several questions about the stability of the government as well as the motives of the Pakistan Army and whether the protestors had support from it. Parliament was scuttled as the protestors and the government attempted to mediate with them and find common ground.

Former President Pervez Musharraf's trial also made the news. It is the first-ever treason trial in the nation's history against a former Army Chief. The trial raised questions about the Pakistan Army, an institution that has always been perceived as the most important and independent in the country. The Musharraf trial brought the judiciary into the civilian-military

relationship, which has always been a tight-rope walk.

There has been speculation about how the Army views the trial. While it officially denies any support, a group of senior retired military officers spoke publicly in Musharraf's defence at an event. The trial could open a rift between the Army and the civilian leadership as the former attempts to save its image by avoiding its name being dragged through the mud.

One of the biggest issues that carried forward from 2013 to 2014 related to security and terrorism. The federal government decided to deploy the Army in Islamabad from 1 August 2014 for three months to aid civilian law-enforcement agencies in securing the city.

The peace talks that the Pakistani government began in 2013 with the Tehreek-e-Taliban Pakistan (TTP) hit several speed-bumps and eventually fell apart. In January 2014, there was speculation that the Nawaz Sharif government wanted to mend broken ties with the terrorist organization.

However, as the year progressed the TTP kept up its spate of attacks inside the country, reducing any chance of negotiation with the government. Aitzaz Hasan, a 17-year-old schoolboy was killed when he tried to stop a Lashkar-e-Jhangvi (LeJ) suicide-bomber from attacking his school in January. The bomber was also killed but no one else was injured.

With the situation in the country getting increasingly dire, the government announced that it would be willing to launch a military operation against anti-state groups. Around the same time, the TTP announced that it would be willing to engage in peace talks with the government.

Failed peace talks

Prime Minister Sharif set up a four-member committee to hold peace talks with the Pakistan Taliban, which was given an open mandate as well as absolute authority to

initiate the dialogue process. However, by the end of January, villagers were fleeing North Waziristan *en masse*, fearing a major military operation by armed forces.



Aitzaz Hasan was killed while trying to stop a suicide-bomber

The talks began badly and there was a lot of scepticism about the chances for success. Imran Khan, the chairperson of the Pakistan Tehreek-e-Insaf, somewhat presciently, said that the peace negotiations would fail and result in a military operation. By mid-February, the government called off the peace talks, in the aftermath of the brutal slaughter of 23 Frontier Corps men.

In early March, the TTP had announced a one-month ceasefire to allow peace talks to resume. By March end, talks had resumed and the first round concluded with both sides claiming to have reached an agreement on several issues. TTP also extended its ceasefire up until 10 April 2014. The government, for its part, announced that it would release 13 Taliban prisoners to help the peace talks further.

But as soon as the April deadline passed the TTP announced its decision to not extend the ceasefire as it felt that the government had failed to respond positively to its demands. By mid-April, the first aerial operation in two months took place killing 35 militants and injuring 14 others in the Sipah area of Bara *tehsil* and Koka Khel area.

One of the more high-profile attacks during the year was in April on senior journalist Hamid Mir, who was targeted in Karachi by gunmen. However, he claimed that the ISI was responsible for the attack. In March, another prominent journalist, Raza Rumi was also shot at and his driver was killed in a similar attack by gunmen in Lahore.

Past efforts to defeat terrorist groups through military means or engage them in talks had not proven fruitful. In May, the TTP announced that “talks and war” could not continue simultaneously. Despite this, in the middle of the month, the Minister for Interior and Narcotics Control, Chaudhry Nisar Ali Khan said that the government wanted to make the next round of talks with the TTP meaningful and result-oriented.

However, all hopes of peace talks were shattered in June. The TTP carried out a suicide attack targeting a Pakistan Army vehicle in Rawalpindi which killed five people including two lieutenant colonels. It also launched an attack on Pakistan’s biggest city airport, Jinnah International Airport, killing 24 persons including 10 Pakistan Taliban militants. The incident highlighted the growing strength of the terrorist group and the inability of the state to counter such attacks. It was also the last straw.

A week after the attack, the Pakistan Army launched Zarb-e-Azb, a comprehensive operation against foreign and local terrorists in the North Waziristan region. Prime Minister Sharif said he was forced to order the operation against the Taliban as the latter did not reciprocate his sincere efforts to pursue peace talks. In July, the operation was expanded to include ground assaults.



TTP attacked the Jinnah International Airport in Karachi

Top civil and military officials tried to end media speculation that 'Operation Zarb-e-Azb' would be selective in its targets. They reiterated that "terrorists of various hue and colour", including the Haqqani Network, would be targeted. However, the operation did not lead to the end of terrorist attacks in the country. On the contrary, the number of retaliatory attacks by the militant groups increased.

Pakistan's 9/11?



People gather around the bodies of those killed in the Wagah Border suicide bombing

The Indo-Pakistan Wagah Border witnessed a horrific suicide-bombing that killed 61 people and injured over 110 in November. But the most shocking incident in the entire year, which is being referred to as Pakistan's 9/11, was on the Army Public School in Peshawar when TTP gunmen opened fire and killed 141 people, comprising 132 children and nine staff members. The attack led to the Prime Minister

lifting the moratorium on the death penalty in terrorism-related cases. In light of the attack, Imran Khan also called off the four-month long sit-in.

Whether or not the Peshawar attacks were a turning point in Pakistan's outlook on terror is something that is still under debate. The Prime Minister constituted a special committee to implement the National Action Plan drafted in the wake of the Peshawar school attack as a comprehensive strategy to combat militancy in the country.



Debris in the Army Public School after the deadly attack

However, just days after the massacre, a Pakistani court granted bail to Zakiur Rehman Lakhvi, one of the masterminds of the 2008 26/11 Mumbai terror attacks. Pakistan's commitment to the fight against terrorism will remain under scrutiny till more substantial measures are taken by the government condemning all terrorist groups without discriminating between them.

High-level Saudi visit

The year began with a sign of the strong Saudi Arabia-Pakistan relationship when the Saudi Foreign Minister Saud Al Faisal met President Mamnoon Hussain, Prime Minister Nawaz Sharif and Adviser on Foreign Affairs and National Security Sartaj Aziz. This was the first high-level visit to Pakistan by a Saudi leader in six years and was described by the Pakistani Government as a historic event. Saudi Arabia also gave Pakistan a \$1.5 billion grant in March to help the latter's troubled economy.

The year saw Pakistan walking a tight-rope and attempting to balance its relationships with Iran and Saudi Arabia. While the Chief of Army Staff General Raheel Sharif visited Saudi Arabia in April, Prime Minister Nawaz Sharif visited Iran in May.



Prime Minister Nawaz Sharif (L) shakes hands with Iranian President Hassan Rouhani

However, Iran-Pakistan relations remained troubled. Iranian media reports stated that five border guards were seized on 6 February 2014 and taken across the border to Pakistan by militants. By mid-February, Iran's Interior Minister said that Iranian forces may enter Pakistani territory to secure their release. In March, Pakistan condemned the killing of one of the five abducted Iranian guards and reiterated its position that they were not being held on Pakistani soil.

In late October, amidst tensions along the India-Pakistan and Iran-Pakistan borders, the Director-General Inter-Services Public Relations (ISPR) Maj. Gen. Asim Bajwa declared that while Pakistan wanted peaceful relations with its neighbours, it would not hesitate to retaliate against any form of aggression.

Fewer drone attacks

The US-Pakistan dynamic was affected by the continuing policy of the American government of conducting drone strikes in Pakistan. In February, the Islamabad government asked for restraint from the US as it tried to pursue peace talks with the Pakistani Taliban. The

Obama administration indicated that while it would continue to carry out strikes on senior al Qaeda officials if they became available or posed any immediate threat to Americans, the US did cut down sharply on drone attacks.

The relationship was further affected by a report in the *New York Times* in March that stated that then ISI chief Lt-Gen Ahmed Shuja Pasha was aware of the whereabouts of al-Qaeda leader Osama bin Laden in Pakistan prior to the US operation that killed him in May 2011. Also, in early May, an American citizen was detained for carrying bullets in his luggage and was discovered to be an agent for US' Federal Bureau of Investigations (FBI) according to Pakistani police officials. The US Consulate in Karachi denied any link with any American spy or intelligence agency.

The Pakistan-China relationship saw the clearing of six development schemes costing Pak-Rs 130 billion, including two strategically-important projects under the Pakistan-China Economic Corridor which could turn Pakistan into a transit hub for the second largest economy in the world. However, the protests by Imran Khan and Tahir-ul Qadri led to the cancellation of Chinese President Xi Jinping's September visit to Pakistan.

Accusations from Afghanistan

The year also saw several accusations from Afghanistan of Pakistan interfering in its internal affairs. In January, two Afghan Taliban commanders were killed in Quetta. Afghan officials described these as a series of assassinations within the insurgent organization. The Taliban denied any spate of deaths and a senior Afghan official blamed the killings on Pakistani officials. Pakistan denied all knowledge of the perpetrators.

In January, Sartaj Aziz, Senior Advisor to Prime Minister Sharif on National Security and Foreign Affairs, said, in Washington, that he believed that the Taliban would probably talk to the new government more than to the present government.

Afghanistan made several allegations through the year of Pakistan's involvement in terrorist attacks, insurgent activities and cross-border shelling. Pakistan repeatedly denied these allegations and continued to reaffirm its commitment to the fight against terrorism, highlighting Operation Zarb-e-Azb as a reflection of this commitment. In September, Pakistan lodged its own protests with Afghanistan over an alleged attack launched by terrorists from across the border in North Waziristan.

Despite these issues between the two neighbours, several high level visits were exchanged between Afghanistan and Pakistan. In October, Pakistan's National Security Advisor, Sartaj Aziz visited Afghanistan for talks on bilateral and regional issues as the special envoy of Prime Minister Nawaz Sharif. In November, Gen Raheel Sharif, Pakistan's Chief of Army Staff, visited Afghanistan to meet with the acting Afghan Defence Minister Bismillah Mohammadi.



President Ashraf Ghani in Rawalpindi

President Ashraf Ghani visited Pakistan in November accompanied by high-level government officials including cabinet ministers and business representatives. In the same month, Lt. Gen. Rizwan Akhtar visited Kabul. Also in December, General Raheel Sharif arrived in Afghanistan once again, this time a day after the deadly Peshawar attack. During a trilateral meeting between the ISAF Commander, Gen John F Campbell, General Sharif and Afghan Army Chief Sher Muhammad Karimi in Rawalpindi, Afghanistan and Pakistan

vowed greater cooperation in the struggle against terrorism including coordinated attacks and intelligence sharing on militant hideouts.

Major stumbling block

For India and Pakistan, the year was marked by frequent ceasefire violations on the border, which acted as a major stumbling block in the attempts made by the leadership of the two neighbours to improve the relationship. Cross-border firings have become a serious annoyance in the relationship for the past few years. They seem to be a clear indication from the Pakistan Army on where it stands on the issue of improving Indo-Pak relations.

In January, according to Pakistan's Commerce Minister Khurram Dastagir Khan, India and Pakistan were working on allowing three banks to set up branches in each other's countries to help improve trade relations. At the time of the announcement, three banks each were being worked on.

In August 2012, both sides had agreed to issue full banking licenses to two banks from each country. State Bank of India and Bank of India were the two Indian banks proposed to operate in Pakistan. Quasi-State owned National Bank of Pakistan and privately-owned United Bank Ltd. were to operate in India. However, no real forward movement was made on the area.

Also, in March, Pakistan sent the draft of the initial power trade deal to India despite opposition from various quarters. The World Bank had offered to finance the feasibility study and transmission line to import 1200 megawatts of power into Pakistan from India. Media reports stated that preliminary discussions with India were underway and only tariff matters needed to be finalized. But once again, there was little progress on this issue.

The Chief Minister of Punjab, Shahbaz Sharif, said in February that 'security agencies' in both Pakistan and India were one of the main blockages that were holding back plans to liberalise trade and he urged them to not

hamper trade efforts. The other obstacle he pointed out were hardliner groups on either side of the border.

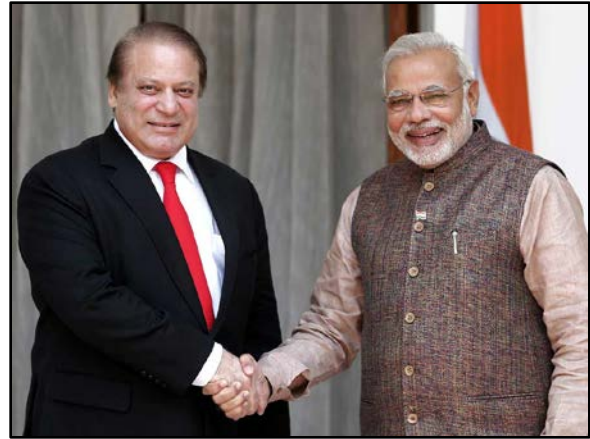
The usual voices of anti-India propaganda also found their fifteen minutes of fame as Jamaat-e-Islami (JI) head Syed Munawar Hassan said, in March, that India, along with Afghanistan, was trying to destabilize Pakistan. Also, in September, Bilawal Bhutto Zardari, chairperson of the Pakistan People's Party (PPP) pledged to 'take back Kashmir' during an election rally. The comment was condemned by all political parties in India as well as by the Indian Ministry of External Affairs.

Several questions

The results of the Indian elections in May 2014 raised several questions about how the new government in New Delhi would be different from the one led by Dr. Manmohan Singh. The question was particularly significant because the Prime Minister-elect Narendra Modi had the image of a hardliner. A lot of Modi's pre-election rhetoric reflected this stance and fostered beliefs that once in power, he would take a tough line on Pakistan.

Immediately after winning the elections, Modi lived up to his image of being an active leader by inviting Prime Minister Sharif to his swearing-in ceremony. The good will generated by this gesture as well as PM Sharif's acceptance of the invite continued for a few months before cross-border firings and the usual fiery rhetoric overshadowed the peace efforts sending the Indo-Pak dynamic into a down spiral.

Prior to his election, Modi made a statement where he said that if he were to win he would bring notorious don Dawood Ibrahim back to India from Pakistan. Pakistan's Interior Minister Chaudhry Nisar Ali Khan criticized the statement and called it "irresponsible and shameful." He said that any such statement by a likely Indian Prime Minister is "provocative, condemnable and touches the heights of animosity towards Pakistan." He added that if elected, Modi would destabilize regional peace.



Prime Minister Nawaz Sharif (L) and Prime Minister Narendra Modi

Despite this negativity and hesitancy prior to the elections, Islamabad showed its willingness to work with the new Modi government when Prime Minister Sharif called his Indian counterpart to congratulate him on his party's massive victory.

'Proxy war' denied

By August, however, the relationship had once again soured. Tasneem Aslam, spokesperson of the Pakistan Foreign Office, rejected accusations that had been made by Prime Minister Narendra Modi during his visit to Jammu and Kashmir, where he said that the country was fighting a proxy war against India.

Also in August, India cancelled foreign secretary level talks with Pakistan after Pakistan's High Commissioner to India Abdul Basit met with Hurriyat representatives. The Pakistan Foreign Ministry defended its decision by saying that they were talking to all stakeholders in the conflict and that talking to Hurriyat leaders had been a long standing practice.

India's MEA spokesperson Syed Akbaruddin said that Sujatha Singh had earlier told Mr Basit to "either talk to us or talk to the separatists" and that his decision raises questions about Pakistan's sincerity and commitment towards solving the issue. Abdul

Basit said that Pakistan remained hopeful of strengthening ties with India despite the cancelled talks. In September, the Foreign Secretary of Pakistan said that the onus to resume the peace dialogue is on India as it chose to cancel the foreign secretary level talks.

By the end of August, Pakistan was accusing India of indiscriminate firing and unprovoked violations of the working boundary. October saw nine days of regular exchange of heavy firing across the International Border and Line of Control leading to the death of eight persons and injuries to 90 others. The volume of fire was the most intense since the ceasefire was brokered in 2003.

Pakistan's Interior Minister Chaudhry Nisar Ali Khan said that Pakistan would not accept India's hegemony on the border and would reply befittingly to India's ceasefire violations. The UN Secretary General Ban Ki-Moon expressed concern about the escalation of tension on the LoC and Working Boundary and urged the two countries to engage in a dialogue to resolve differences.

Blame game

The blame game continued as the year progressed. In September, India's National Investigation Agency claimed that it had arrested a Sri Lankan national who was allegedly spying for Pakistan. The Pakistan Foreign Office Spokesperson denied this claim. In November, Tasneem Aslam countered India's tough stance on dialogue and said that Pakistan did not accept conditions on the composite dialogue with India.

The SAARC summit in November raised hopes for the resumption of talks after a brief "ice-breaking" interaction between PM Modi and PM Sharif in the concluding session of the SAARC summit. At the end of November, Pakistan also released 40 Indian prisoners including 5 civil prisoners and 35 fishermen who were repatriated to India bringing the total number of Indian prisoners released in 2014 to 191 including 6 civil prisoners and 185 fishermen.

But once again in December, after the Peshawar attacks, an anti-terrorism court granted bail to Zakiur Rehman Lakhvi and India registered its concern to Pakistan over its judiciary's decision. Pakistan detained him under the Maintenance of Public Order (MPO) at Rawalpindi's Adiala Jail and the government decided to challenge the bail in the High Court.

India-Pakistan relations are currently still in the middle of a slump but after December's horrendous terrorist attack, there was a wave of public opinion in India in support of Pakistan in its time of need. Pakistan and India could utilize the opportunities they have in the domain of counter-terrorism to push for a better relationship as well as fight against the scourge of militancy that has the former in its grip. Pakistan's commitment to indiscriminately fighting the terrorists in its homeland could decide the future of the Indo-Pak dynamic in the coming year.

(The writer is a Research Assistant at Observer Research Foundation, Delhi)

Pakistan 2014 – A Timeline

- 9 January - 14 year old Aitzaz Hassan is killed in a suicide bombing by Lashkar-e-Jhangvi (LeJ) while attempting to stop the terrorist from entering his school
- 10 January - Senior Police Officer Chaudhry Aslam Khan was killed in a car suicide bomb carried out by Tehreek-e-Taliban Pakistan (TTP)
- 19 January - A bomb attack on an army convoy in Bannu kills 20 soldiers
- 20 January - Pakistani military aircraft bomb suspected Taliban hideouts killing 25 militants in North Waziristan
- 20 January - A bus full of Shia pilgrims is bombed killing 22 people in western Pakistan
- 6 February - Pakistan begins talks with the TTP
- 17 February - TTP announces that it has killed 23 captured Pakistani security force members
- 24 February - Pakistan conducts air strikes in tribal areas
- 1 March - TTP announces one month ceasefire to revive peace talks
- 31 March - Former President Pervez Musharraf charged in treason case
- 3 April - Musharraf survives assassination attempt in Islamabad
- 9 April - Bomb blast in market kills 26 people on the outskirts of Islamabad
- 17 April - TTP announces that it will not extend the ceasefire
- 19 April - Gunmen attack journalist Hamid Mir
- 7 May - Alleged American FBI agent arrested for carrying ammunition while trying to board a flight
- 9 May - Geo TV banned by the government
- 21 May - Indian Prime Minister-elect Narendra Modi invites Prime Minister Nawaz Sharif to swearing-in ceremony
- 27 May - Woman stoned by family outside Lahore High Court for marrying against their wishes
- 28 May - Split in TTP as Mehsud faction walks out calling the group leaders' tactics "un-Islamic"
- 8 June - Gunmen attack Jinnah International Airport in Karachi resulting in 21 deaths and cancellation of all flights to and from the airport

- 9 June - The TTP claimed responsibility for the attack on Jinnah International Airport
- 10 June - Pakistan Air Force carries out bombing raids against TTP positions in Tirah killing at least 15 militants in response to the Airport attack
- 10 June - Gunment attack a training facility near the Jinnah International Airport
- 11 June - Air strike in the Tirah region kills 25 suspected militants and injures 15
- 12 June - At least 10 militants killed in a drone strike suspected to be by the United States of America
- 15 June - 100 militants killed in military airstrikes conducted in the northwestern tribal area brodering Afghanistan
- 15 June - Abu Abdur Rehman Almani, alleged mastermind behind the Jinnah International Airport Attack, killed during military airstrikes
- 15 June - Pakistan formally launches Operation Zarb-e-Azb against militants in North Waziristan
- July - The month of Ramzan was followed in Pakistan
- 13 August - The Pakistan Tehreek-e-Insaf (PTI) and Pakistan Awami Tehreek (PAT) begin their Long March
- 15 August - Shots are fired at Imran Khan, chairperson of the PTI during the Long March
- 16 August - PTI and PAT begin their sit-in outside the Parliament House in Islamabad
- 1 September - Pakistani protestors clash with police calling for the resignation of Prime Minister Nawaz Sharif
- 1 September - The Pakistan Television Corporation's headquarters are stormed by protestors
- 9 September - Heavy monsoon rains and flash floods kill over 400 people across India and Pakistan
- 10 October - Stampede in Multan, Pakistan at a public rally for the PTI causes deaths of over half a dozen people
- 10 October - Pakistani child education activist Malala Yousafzai is awarded the Nobel Peace Prize along with Kailash Satyarthi, an Indian child rights campaigner
- 2 November - Suicide bomb attack on the Pakistan side of the Wagah border with India kills over 60 people and injures over 110
- 5 November - Christian couple beaten and killed for desecrating Quran

- 6 December - Al Qaeda chief, Adnan el Shukrijumah, killed in Pakistan
- 16 December - 7 TTP gunmen storm Army Public School in Peshawar killing at least 141, including 132 children and nine staff members
- 17 December - Pakistan lifts moratorium on the death penalty for terror related cases
- 17 December - PTI ends its sit-in after 126 days
- 18 December - 26/11 mastermind, Zakiur Rehman Lakhvi is granted bail by a Pakistani anti-terrorism court
- 19 December - Zakiur Rehman Lakhvi's bail is rejected by the high court
- 26 December - Security forces kill the planner of the 16 December school massacre in a shootout

Country Data

	Units	
Government	-	Federal Republic
President	-	Mamnoon Hussain
Prime Minister	-	Nawaz Sharif
Ruling Party	-	Pakistan Muslim League (N)
Population	million	182.1
Urban Population	%	36.9
GDP	billion current US\$	232.3
GNI per capita	current US\$	1262.6
GDP Growth Rate	%	4.4
Consumer Price Index (CPI)	2000=100	274
Exports	million US\$	24613.7
Imports	million US\$	43813.3
Net Foreign Direct Investment (FDI)	million US\$	1307
Adult literacy rate	%	54.9
Sex Ratio	males per 100 females	105.7
HDI Rank	Rank	146
Life Expectancy at birth	Years (females/males)	67.4/65.6
Infant Mortality rate	per 1000 live births	65.1
Sources		
World Bank		
UNICEF	http://www.unicef.org/infobycountry/pakistan_pakistan_statistics.html#113	
UN Data	https://data.un.org/CountryProfile.aspx?crName=Pakistan	
United Nations Development Programme	http://hdr.undp.org/en/content/table-1-human-development-index-and-its-components	

Sri Lanka

A long run to presidential polls but issues remained

N Sathiya Moorthy

When Circa 2014 opened, Sri Lanka had shed anticipations of an impending presidential poll in January. It would have involved an amendment to the Constitution, to reduce the four-year minimum period to three, for an incumbent to order polls before his six-year term ended. It was not to be. But as the year wore out, it became clear that the advance poll would happen definitely this time, on 8 January 2015. It did not require any statute-change. It happened.

Between the two -- one speculation that went dud and the other which proved real -- President Mahinda Rajapaksa's ruling SLFP-UPFA combine had won the Uva Provincial Council (PC) poll with a reduced margin than in the past, and also compared to all other eight Provinces barring the Tamil-majority North. The results encouraged the divided Opposition to challenge the incumbent to a presidential poll-bout. He took the bait (and would pay for it in the New Year, when he lost the presidency after coming to office in November 2005 and getting elected again, post-war, five years hence in January 2010).

Yet, the happening surprise – or, surprise happening – during the year was long-time Rajapaksa ministerial and political aide, Maithripala Sirisena crossing over to the other side, and without notice, after presidential polls had been announced – and emerging as the common Opposition candidate. He would defeat President Rajapaksa in the 8 January elections. But that would all be in the future, for another year.

Had the presidential polls not fired up national momentum in the fourth quarter, Year-2014

might have ended up as tamely as the previous one, the nation still adjusting itself to one more year of relative peace without war or violence ever since the summary defeat of the LTTE in 2009. Yet, the embers would not fade out, what with the US-sponsored resolution on 'war-crimes' related 'accountability issues' and 'independent', international probe making headlines in the first half of the year, March, to be precise.

Uneventful, predictable

It was mostly an uneventful year in Sri Lanka's contemporary history until advanced poll to the presidency became a talking-point in political and media circles alike. Even the UNHRC-linked issues pertaining to allegations of war-crimes had mostly taken a predictable turn, other than the Indian neighbour abstaining from voting in favour of the US resolution this year after two successive years of support – but that could not stop an 'independent probe', as might have been possible in 2012.

The poll-talk was preceded by one more year of repeated demands of a divided Opposition for the abolition of the Executive Presidency – and/or for modifying and moderating the powers, particularly with the incumbent in mind. Until the time the discourse involved the traditional Opposition and identifiable sections of the nation's intellectual community, it was one more day of news and views – nothing more.

It was thus the emerging view of the centre-right Jathika Hela Uramaya (JHU) partner in the Rajapaksa Government for modifying, if not abolishing the Executive Presidency, which began incrementally drawing the nation's attention – and interest to a lesser extent in the early days. And when the crescendo had been reached, and President Rajapaksa announced his decision to call for advance elections, nearly two years ahead of the scheduled November 2016 deadline, the JHU had quit the coalition in a huff. That the party

had been throwing hints at doing so almost as soon as the ethnic war had ended had not been noticed by many. With the result the shock value remained.

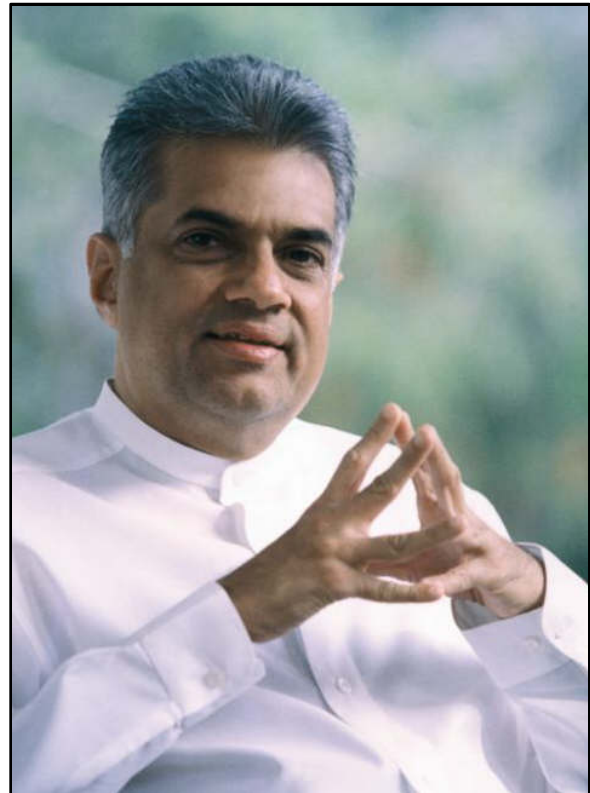


Former President Mahinda Rajapaksa (R) and current President Maithripala Sirisena

The same can be said – and not said at the same time – regarding then Health Minister and ruling Sri Lanka Freedom Party (SLFP) General Secretary, Matihripala Sirisena, making a surprising, if not shocking exit from the Government, to contest the presidential polls against the incumbent party boss. The shock was to the general public, who had not expected it. The surprise may have been reserved for President Rajapaksa, who *post facto* commented that even the night before his exit, Sirisena had a dinner of hoppers with him, and never indicated that he would be leaving the party, after all. For, those in the know in political Colombo had heard of the possibility of Sirisena's exit and candidacy against President Rajapaksa, as far back as the middle of 2013, and possibly earlier.

The rest of the year thus witnessed realignment of political forces and the emergence of a common poll platform for Sirisena to take on President Rajapaksa. He was thus supported straightaway by the Opposition United National Party (UNP) – whose leader Ranil Wickremesinghe would become Prime Minister the year after – centre-left Janatha Vimukthi Peramuna (JVP), which could not otherwise stand the UNP, particularly its pro-West, post-liberal economic policy, and

the centre-right JHU, which crossed over from the Government around the time.



Ranil Wickremesinghe

Political parties identified with the three major 'minority ethnicities' took their time deciding, yet when the chips were finally down, they were mostly with Sirisena and the Opposition combine. As the poll results would show in the New Year, the 'minority votes' not only mattered the most in the dictating the election results. The early publication of the poll figures in their case (owing to relatively smaller numbers in terms of ethnic electorate but even more in terms of deciding victor and the victory-margin) also meant that the writing on the wall became clearer for the Rajapaksas, for them to ensure that the 'power-transfer' was smooth and orderly, despite reports to the contrary.

The list of minority parties backing Sirisena in the presidential polls thus included the ruling Tamil National Alliance (TNA), elected with an enormous community support in the Northern

Province only the previous year – and two Muslim community parties, namely the Sri Lanka Muslim Congress (SLMC) and the All-Ceylon Makkal Congress (ACMC), both partners in the Rajapaksa Government, until they made the strategic last-minute exit, in the light of the administration's inability/unwillingness to control and curb anti-Muslim violence by the Sinhala majoritarian Bodu Bala Sena (BBS) over the previous years.

However, the Ceylon Workers Congress (CWC) of the Upcountry Tamil community would still be on with President Rajapaksa to face humiliating cross-over and ultimate loss of face and vote-base – as the New Year's poll results would show. The Upcountry Tamil community, or Indian Origin Tamils (IOT), are thus at the cross-roads, either to identify with splintered leadership(s) from within or 'mainstream' the community into the Sinhala majoritarian polity in the region, as against the 'majoritarian' Sinhala polity in the past, first of the centre-left and later of the centre-right.

MSR over-shadows UNHRC

On the all-important foreign policy front, Sri Lanka was faced with two continuing issues/concerns from the previous year(s). One pertained to the UNHRC-ordered probe into 'accountability issues' pertaining to 'allegations of war crimes' committed during the last days of the conclusive 'Eelam War IV'.



Tamils protesting outside UNHRC

Though the UNHRC, mandated a US-proposed resolution getting passed for the third year in succession, had sought to investigate 'accountability issues' pertaining to government troops on the one hand and the LTTE on the other, the Rajapaksa leadership had continued to conclude that the former alone was the real target. If the LTTE was similarly arraigned, the probe team or the proposers of the UNHRC resolution did not project it that way.

Compared to the bi-annual session of the UNHRC in March, the September session was mostly uneventful. However, with the advent of the New Year, the 2015 March session originally promised to be action-packed, what with the UNHRC probe team expected to submit its report to the full Council.

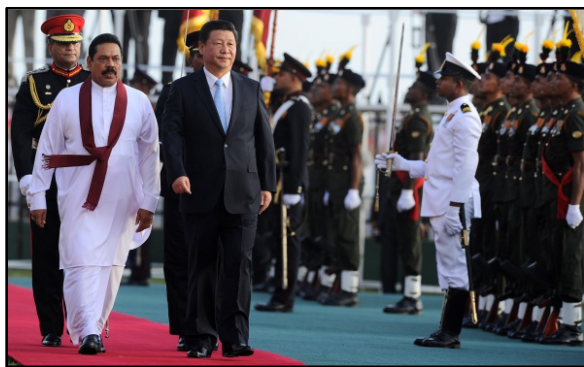
Indications were that should there be a favourable change of the elected Sri Lankan leadership, and/or the change in Colombo's attitude and approach to 'accountability issues', then the March session could witness an 'interim report' of some kind. It could still shift the responsibility for genuine probe back to the Sri Lankan Government, and at the same time keep the UNHRC verdict hanging.

Through the run-up to the presidential polls, whenever the subject was flagged, the common Opposition's prime ministerial candidate, Ranil Wickremesinghe would say that a post-poll government of which his UNP was a part, would work with the UNHRC, but would still address 'domestic issues' only through an internal probe mechanism. He did not elaborate on one occasion how the balancing act would be achieved.

Yet, going by the early days of UNHRC's engagement with the Rajapaksa regime, and also the first two resolutions proposed by the US and passed by the UNHRC, there was enough scope for consultative mechanisms for a domestic probe to carry out the work – but it did not happen that way. In this background, both presidential candidate Sirisena and prime ministerial aspirant Ranil would promise to 'protect' not only the armed forces but also

defend the Rajapaksas from any international probe.

Much of the national discourse – which had mostly been silent in past years – was overshadowed by the showing up of Chinese President Xi Jinping in Colombo, as a part of his tri-nation South Asia trip, which started in Maldives and concluded in India. As in Maldives, China signed in Sri Lanka for President Xi's ambitious '21st century Maritime Silk Route' (MSR) project.



1Former President Rajapaksa (L) and President Xi Jinping (R)

The two sides also signed agreements, indicating future Chinese involvement with Sri Lanka in defence and security affairs of the island-nation. None of it seemed to have had time to take off for more to be known about them, thanks mainly to President Rajapaksa's decision to advance the presidential polls by nearly two years.

Once the decision on the presidential poll was known, the Opposition, particularly UNP's Wickremesinghe, singled out China and Chinese projects in the country for special mention for criticism. He said that the mega-million Colombo Port City project would be reviewed for environmental concerns, if a new government came to power.

Party colleagues would indicate that there was a need to rein in Chinese investments if a new government in the post-poll scenario were to curb, if not end, corruption in public life – a promise that the combined Opposition had

made in the 100-day programme for a new President from their camp. Much as the conclusion may be true, it remains to be seen how this observation would be made good.

India's twin-concerns

For the immediate neighbour India, the year marked two major concerns on the security front. One pertained to the State player in China. The other related to non-State actors, but in the pay of Pakistani ISI, a State institution. That both these Indian concerns should have remained even after India had walked that extra mile in 2014, to side with Sri Lanka and boycotted the US-sponsored UNHRC resolution on 'accountability issues' in that country should not go unacknowledged.



Former President Rajapaksa (L) with Prime Minister Narendra Modi

Pointing to the 'intrusive' nature of the UNHRC probe that the US and the rest of the West wanted, India clarified that it would not be a party to any UNHRC/international move that challenged or sought to compromise a nation's 'sovereignty' in such matters. That India's UNHRC vote was a stand-alone affair as in the two years previous went without saying.

Yet, if friends of Sri Lanka in India thought that it would help ensure that there was no continued Sri Lankan over-dependence on China, as evidenced in granting extraordinary concessions to China that would make India wary, Colombo did not care. Or, so it would seem.

There is no denying the 'sovereign' right of individual nations to shape their foreign and security policies in ways that they desired. There can also be no denying President Rajapaksa's 2005 electoral promise in '*Mahinda Chintanaya*', which focussed on making Sri Lanka an international hub in five major areas on the economic front.

Long before President Xi unfurled his concept of a 20th century 'Maritime Silk Route' (MSR) for China, President Rajapaksa's *Chintanaya* had promised to make Sri Lanka a maritime and naval hub. Setting up the Hambantota port, mainly for its bunkering facilities, was aimed at it. So would the Sri Lankan decision to sign up for China's MSR.

To the extent that China had reportedly indicated wanting India to be on the MSR however would not mean that India had accepted it. Nor would it justify, even more, the Sri Lankan decision to offer berth facilities for two Chinese naval submarines, on different occasions within in a short span during the year.

That Sri Lanka had taken India into confidence on the imminent arrival of the Chinese subs meant that Colombo had taken Indian concerns into heart. The Chinese explanation, echoed by Sri Lanka, that the subs were on duty to check Somali piracy in the larger Indian Ocean also did not wash with India.

The situation *viz* Pakistan was slightly different, but the Indian concerns remained centred on security matters. It however had more to do with India's internal security affairs, as has been the case from other regions in the country, where too Pakistani ISI hand was visible.

If in the previous year, the Indian intelligence nabbed a Sri Lankan national before he had returned home at Tiruchi airport in Tamil Nadu, similar surveillance led to more arrests in 2014. Their interrogation pointed to a senior official in the Pakistan Embassy in Colombo plotting terror-targeting of US and Israeli

consulates in Chennai and Bengaluru, possibly using Maldivian operatives.

What did not go unnoticed was that despite the Indian alert early on, from the first episode of the kind, the Sri Lankan authorities had done nothing to check the Pakistani individual or Embassy in Colombo. So, when subsequent episodes nearer home unfolded themselves, India felt extremely unhappy with the Sri Lankan Government's nonchalance, bordering on complicity. Or, so would it seem.

For all this, however, Sri Lanka as the new entrant to the earlier bilateral India-Maldives bi-annual '*Dhosti*' Coast Guard exercises, went on to add Mauritius and Seychelles, their shared Indian Ocean neighbour, to their 'tri-nation, maritime security cooperation agreement' as observers. It had the potential to grow into a five-nation cooperation agreement as it had existed earlier, and grow on into a larger defence cooperation pact, as well, in good time.

But Sri Lanka's growing ambiguity towards Indian security concerns in the Indian Ocean region on the one hand and on the land, otherwise, coupled with a near-similar approach of Maldives, did not bode exactly well for the future, until the other two took corrective action. In the changed political circumstances in Sri Lanka in particular, there may be greater hope of early correctives, from Colombo to begin with.

Even when Sri Lanka had begun relying on China for big-ticket investments requiring long-term dependence, India did have an open mind on Sri Lanka's need to develop and develop fast. All along, India's concerns – expressed variously to Sri Lanka -- revolved around Chinese intentions and purposes, and the avoidable influence that China could come to wield and on its terms, if such over-dependence became unbearable even for Sri Lanka of the future. It's thus one such case in which China's request/demand for berthing facilities would not have affected Sri Lanka directly in anyway, but could still be of cause of concern for India, nonetheless.

According to Indian naval analysts, China's submarine travelling across the Indian Ocean in the immediate neighbourhood may have had more to do with the country's desire to emerge as a major global military/naval power on the lines of the US. Understanding the nature of the subterranean waters is said to be an important element for successful submarine operations in difficult times, and China, according to these analysts, was only trying to study those waters in peace time.

China also explained that many nations before it had claimed to deploy submarines in their anti-piracy operations in the Somali neighbourhood. Yet, neither would or could assuage India, whose concerns continued to be real, viz China's emerging naval power in the Indian Ocean Region (IOR), despite all the theories and possibilities of it getting choked in the nearer South and East China Seas.

Be it as it may that China needed to study the Indian Ocean waters for a different geo-strategic purpose not centred on India, there is no denying China's knowledge of the Indian nearer waters in times of unanticipated adversity. This is what has made Sri Lanka's offer of berthing facilities to China a sore point in bilateral relations with India.

Where from here?

The promised presidential poll had the potential to turn a new leaf in Sri Lanka's internal politics and dynamics, and also in external relations, especially with the Indian neighbour. Apart from security concerns centred on China and Pakistan, India also has problems flowing from the 'ethnic issue' in Sri Lanka and fishers' concerns, among others.

A negotiated solution to both eluded both issues in the Year-2014, what with the Rajapaksa Government making no fresh move to engage with the TNA on the ethnic issue, and the two rounds of fishers' talks in Chennai and Colombo, during the year producing no tangible results whatsoever.

If a new government at Delhi would make for a new beginning on both fronts, it was not to be. As the facilitator and under-writer of the Indo-Sri Lanka Accord of 1987 and the consequent Thirteenth Amendment to the Sri Lankan Constitution, providing for power-sharing with the Provinces in that country, India is duty-bound to follow up on it, whoever rules from Colombo and whatever the domestic political environment in the southern neighbourhood. Yet, there is increasing realisation in India that neither side to the ethnic issue could keep shifting the goal-post at will, and end up blaming only the other.

There is then the 'Tamil Nadu factor' to the ethnic issue and also the fishers' problem, which is more immediate to the south Indian State. All of it is going to take time to settle in the post-poll environment in Sri Lanka, whoever is the winner or loser. How, the Government of India manages its Tamil Nadu affairs nearer home would impact and impinge on the relative success of its missions in Sri Lanka in the New Year and the years that follow – the larger security issue included.

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Sri Lanka 2014 – A Timeline

- 05 January - Tropical Cyclone One (01B) makes landfall over northern Sri Lanka, causing thousands to be evacuated from coastal areas.
- 06 January - US Ambassador-at-Large for War Crimes Issues Stephen Rapp arrives in Sri Lanka for a six-day visit to discuss allegations of war crimes.
- 11 January - A number of churches, including two in Hikkaduwa and one in Homagama, are attacked by mobs including Buddhist monks.
- 16 January - 51 Indian fishermen are released by the Sri Lankan authorities but 236 remain in Sri Lankan custody and one remains in hospital.
- 31 January - US Assistant Secretary of State for South and Central Asian Affairs Nisha Desai Biswal arrives in Sri Lanka for a three-day visit to discuss reconciliation, justice and accountability issues ahead of the UNHRC session in March
- 01 February - Journalist Mel Gunasekera is stabbed to death at her home in Battaramulla.
- 02 February - Anura Kumara Dissanayaka is elected as the new leader of the Janatha Vimukthi Peramuna.
- 12 February - Sri Lanka drops two places to 165 out of 180 in the 2014 World Press Freedom Index.[57][58]
- 18 February - Assassination of Rajiv Gandhi: The Supreme Court of India commutes the death sentence of three men (V. Sriharan alias Murugan, A. G. Perarivlan alias Arivu and T. Suthendraraja alias Santhan) to life in prison.[59][60]
- 24 February - The Office of the United Nations High Commissioner for Human Rights recommends UNHRC-ordered "international inquiry" to further investigate the alleged violations of international human rights and humanitarian law in war-time Sri Lanka
- 27 February - A mass grave with at least nine skeletal remains is found in a garden in Puthukkudiyiruppu, in Tamil-majority North
- 4 March - Rail services resume on the Northern Line between Kilinochchi and Pallai after an interruption of 23 years due to the ethnic war
- 9 March - UK broadcaster Channel 4 airs more video which it claims shows Sinhala-speaking soldiers "laughing and cheering, as they celebrate the deaths of LTTE fighters and perform acts of grotesque sexual violation on the bodies". 19 March – Police fire tear gas and water cannons at around 5,000 University of Kelaniya students belonging to the Inter University Students' Federation who were protesting in the Colombo Fort area.[114][115]
- 20 March - The Sri Lankan government bans 15 Sri Lankan Tamil Diaspora groups, including the BTF, CTC, GTF TGTE and TYO, and 424 individuals as terrorists

- 27 March - The United Nations Human Rights Council votes by 23 to 12 to pass resolution 25/1 authorising an international investigation into alleged war crimes during the 2002-09 period, despite opposition from the Sri Lankan government.[125][126][127][128][129]
- 28 March - President Rajapaksa orders the release of all Indian fisherman detained for fishing illegally in Sri Lankan waters, as gratitude for India abstaining during the UNHRC vote
- 29 March - Provincial council election: The United People's Freedom Alliance retains control of Southern Provincial Council and Western Provincial Council.
- 02 April - 14 people including Galagoda Aththe Gnanasara, the leader of the Bodu Bala Sena, charged with attacking the Cavalry Church in Thalahena, Malabe in 2008 are acquitted by Colombo High Court.
- 08 April - Mannar mass grave: The Archeological Department claims that the site is an ordinary cemetery dating back to the 1930s.
- 11 April - The Sri Lankan military shoots dead three alleged members of the LTTE - Selvanayagam Kajeepan alias Gobi, Sundaralingam Kajeepan alias Thevihan and Navaratnam Navaneethan alias Appan - in Vedivachchikallu near Nedunkerni, Vavuniya district.
- 14 April - Canada suspends voluntary funding of C\$ 20 m to the Commonwealth whilst the chair is held by Sri Lanka for two years.
- 06 May - The army orders the Jaffna University to close between 16 and 20 May to prevent students from commemorating 'Mullivaikkal Day', the remembrance day for people killed in the final stages of the ethnic war
- 07 May - Three new Supreme Court judges - Sisira J. De Abrew, Sarath De Abrew and controversially Priyantha Jayawardena - are sworn in before President Rajapaksa at Temple Trees.
- 09 May - A Muslim owned supermarket in Aluthgama is attacked and burnt down by a mob led by Buddhist monks.
- 17 May - The police prevent Tamil National Alliance members of the Northern Provincial Council from holding a remembrance event in Kaithady for Tamils killed during the
- 26 May - Three Tamil refugees arrested by Malaysian police on 15 May for allegedly being LTTE members
- 02 June - Students at the University of Ruhuna campus in Matara are attacked by a mob of government supporters led allegedly by Deputy Minister and former international cricketer Sanath Jayasuriya.

- 03 June - At least 22 people are killed and over 27,000 displaced due to floods and landslides in south western Sri Lanka over the last few days.
- 12 June - A Sinhalese mob attack Muslim shops in Aluthgama following an alleged attack on a Buddhist monk.
- 16 June - Anti-Muslim riots: At least three people are killed and 80 injured in riots in Kalutara district. A fourth person is killed in Welipenna.[241][242]
- 20 June - The Kamaal Mosque in Navanthurai, Jaffna district is attacked by unidentified persons.
- 21 June - The Muslim owned No-Limit clothing store in Panadura is destroyed by fire in the early hours, causing Rs.400 million in damage.
- 04 July - Australia detains nearly 200 illegal migrants from Sri Lanka
- 04 July - Malaysian police said they have arrested four foreign nationals suspected of having links to the LTTE, the second such detention aimed at the group's militants
- 17 July - President Mahinda Rajapaksa extends the term of the commission investigating missing people and possible war crimes, bringing in foreign experts for the first time to advise on the inquiry
- 09 September - In his report to the 27th session, new UNHRC chief Prince Zeid Ra'ad Zeid Al-Hussein of Jordan says that he laid great importance on the Council-ordered probe into accountability issues in Sri Lanka and asks Colombo to cooperate with the investigations.
- 28 October - Over a hundred, mostly Upcountry Tamil estate labour and their family members, feared dead and army is rushed to assist in rescue operations following a huge landslide in Kosala village of hilly Badulla district
- 20 November - Ending weeks and months of speculation, President Rajapaksa orders fresh polls to the presidency, advanced by two years
- 21 November - President Rajapaksa's top ministerial and SLFP party aide, Maithripala Sirisena, quits Government and announces that he was the common Opposition candidate to fight the incumbent.
- 22 November - Elections Commission fixes presidential polls for 8 January 2015
- 06 December - The national convention of the Opposition United National Party (UNP) endorses the party leadership's backing for Sirisena
- 08 December - President Rajapaksa and common Opposition candidate, Maithripala Sirisena, file nomination papers for 8 January polls

- 13 December - Opposition UNP General Secretary Tissa Athanayake joins ruling UPFA, made Health Minister in the vacancy created by the exit of common Opposition candidate, Sirisena.
- 19 December - Common Opposition candidate Sirisena unveils a 'First 100-day programme', if he is elected president in a public rally in Colombo. The manifesto promises time-bound curtailment of presidential Executive powers, formation of a Westminster form of parliamentary government, culminating in fresh parliamentary polls to be ordered on 23 April, under a new, 'mixed' electoral scheme
- 28 December - The Sri Lanka Muslim Congress (SLMC) constituent of the ruling SLFP-UPFA quits the Government, backs Sirisena in the presidential polls
- 29 December - Tamil National Alliance (TNA), ruling the war-ravaged Northern Province, announces support for common Opposition candidate Sirisena in presidential polls, says the 'ethnic issue' will be taken up for discussion only after parliamentary polls

Country Data

	Units	
Government	-	Democratic, Socialist Republic
President	-	Maithripala Sirisena (Mahinda Rajapaksa-2014)
Prime Minister	-	Ranil Wickremesinghe (D M Jayaratne-2014)
Population	million	20
Urban Population	%	15.1
GDP	billion current US\$	70.96
GNI per capita	current US\$	3170
GDP Growth Rate	%	6.5
Consumer Price Index (CPI)	2005=100	180.2
Exports	million US\$	1008
Imports	million US\$	2009
Net Foreign Direct Investment (FDI)	million US\$	981
Adult literacy rate	%	91.8
Sex Ratio	males per 100 females	96
HDI Rank	Rank	145
Life Expectancy at birth	Years (females/males)	72.43/79.59
Infant Mortality rate	per 1000 live births	9.4
Sources		
World Bank	http://data.worldbank.org/country/nepal	
	http://devdata.worldbank.org/AAG/npl_aag.pdf	
UNICEF	http://www.unicef.org/search/search.php?q=en=nepal&go.x=0&go.y=0	
UN Data	https://data.un.org/Search.aspx?q=nepal	
Atlas	http://atlas.media.mit.edu/profile/country/npl/	

SAARC

Summit, fulfilling yet lacking

Geetanjali Nataraj and Garima Sahdev

Marking “Deeper Integration for Peace and Prosperity”, the 18th SAARC Summit was held in the capital of the Republic of Nepal, Kathmandu, on 26-27 November 2014, after a gap of three years. The last Summit was held in 2011, for the first time, south of the Equator, at Addu City, Maldives.

Though haltingly, and not as fast as other regional organisations of the kind elsewhere, the SAARC (South Asian Association for Regional Cooperation) has made its mark in multifarious areas, over the past nearly 30 years since inception at Dhaka, Bangladesh, on 8 December 1985. Starting with seven South Asian nations as members, it has gone on to include Afghanistan, since, the combined economy of the SAARC nations is the third largest in the world, in terms of GDP (PPP), after the US and China. It is also the eighth largest in terms of nominal GDP.

The constituent nations comprise three percent of the world’s area and 21 percent (around 1.7 billion) of the population, with India alone accounts for over 70 percent of the area and population among the SAARC member-nations. During 2005-10, the average GDP growth rate of SAARC stood at a promising 8.8 percent p.a. But this slowed to a sluggish 6.5 percent in 2011, largely because of the slowdown of the Indian economy.

The organisation has failed to take off in a big way. The SAARC Charter requires the member-nations to meet annually so that there is continuity and momentum in talks. However, there have been times when the Summits were not held in a year. The 18th summit itself was held after a gap of three years. This has slowed down progress in regional integration.

South Asia still remains one of the most poorly networked regions in the world, thus not meeting the huge potential it has as a dynamic economic zone. The intra-regional trade remains at a staggering five per cent of total trade.

Unsigned agreements

An attempt was made in this regard when the Regional Rail Agreement drafted by India in 2008 was discussed in three meetings and finalised in September 2014. The Agreement was however not signed at the Kathmandu Summit. The SAARC Motor Vehicles Agreement for regulation of passenger traffic between the member-countries also could not be signed due to tensions between India and Pakistan.

Further, the member-countries don’t share the same level of economic development. India, for one, enjoys a giant share of geographical area of South Asia, and while all the other countries share their borders with India, they don’t share borders with each other. On contentious issues and conflict resolution, there is no mechanism for joint and bilateral consultations.

It is important to note that all the countries in SAARC, with the exception of Afghanistan, which has remained war-torn for most part of its recent history, have more or less a similar level of human development, besides sharing historic cultural and economic links with each other. This allows them to identify common potential areas of cooperation with reciprocal benefits in the socio-economic development of the South Asian region.

Also, individually, the SAARC countries have good economic ties with the other regions in Asia, especially south East Asia. In such a scenario, the combined South Asian economy has a tremendous potential, if the political differences can be set aside.

Accordingly, the SAARC has evolved over the years. The cooperation started with non-

controversial areas like culture and society. It has now graduated to more complicated areas like enhancing cooperation in healthcare, education, energy security, rural development, food security and climate change.

In tune with this philosophy, the 18th AARC Summit was attended by four Heads of State or Government, who attended the Summit for the first time - Presidents Mohammad Asraf (Afghanistan) and Abdulla Yameen (Maldives), and also Prime Ministers Tshering Tobgay (Bhutan) and Narendra Modi (India). Other Summit participants included then Sri Lankan President Mahinda Rajapaksa, and Prime Ministers Sheikh Hasina (Bangladesh) and Nawaz Sharif (Pakistan). Another notable attendee was the Vice-Foreign Minister of China Liu Zhenmin, China, which currently holds 'observer' status in the SAARC, along with the US and a host of other nations.

Kathmandu Declaration

The constituent members recognised that after almost thirty years of the organisation's existence, the long over-due need to reinvigorate the SARRC could not be disregarded any further. They reaffirmed their commitment to the objectives and principles of the organisation for ensuring welfare and the quality of life of the people in the region. It was unanimously decided that the SAARC would be revitalised to create an effective vehicle to fulfil the aspirations of the people of South Asia.

Following are the important declarations made at the summit, and collectively titled the "Kathmandu Declaration":

- 1) Regional Cooperation- the Heads of State expressed their strong determination for the deepening of stability, prosperity, regional integration and peace in South Asia. They determined that the road to success is through intensifying cooperation *inter alia*, in investment, finance, security, energy, trade, infrastructure, culture and connectivity

between the nations. A resolution was made for the implementation of programmes, projects and activities in a prioritized, result-oriented and time bound manner.

- 2) SAFTA and Trade Facilitation- A direction was issued to the South Asia Free Trade Area (SAFTA) Ministerial Council and Committee of Experts for acceleration in services and free trade in goods by operationalizing transparent and simplified rules of origin; harmonization of standards relating to Technical Barriers to Trade (TBT); implementation of trade facilitation measures; streamlined and simplified customs procedures and smooth and efficient transit and transport procedures.

A call for comprehensive and time bound reforms of the global economic and financial architecture to make it responsive and wholly inclusive to the needs of the Least Developed, Land-Locked and Small Island Developing States (SIDS) was made.

- 3) South Asian Economic Union (SAEU) - The leaders acknowledged that SAARC Member states, specially the Land-locked and Least Developed members, face structural challenges and constraints that have resulted in their weak productive capacity affecting their external trade. Thus a commitment was made to enhance support for these States with a view of ensuring equitable benefits of free trade agreements. In this context, they agreed to effectively implement the existing preferential facilities under SAFTA (*South Asian Free Trade Area*) and SATIS (*SAARC Agreement on Trade in Services*). The Leaders of State also renewed their commitment to achieve SAEU in a phased and planned manner through a Customs Union, a Common Market, a Free Trade Area and a Monetary Union.

- emergency and normal time food difficulties.
- 4) SAARC Development Fund- It was agreed upon that strengthening of the Social Window of the SAARC Development Fund (SDF) and operationalizing its Economic Window and Infrastructure Window at the earliest is quickly needed for effective implementation of regional and sub-regional projects.
 - 5) Energy- The leaders issued directions to the relevant SAARC bodies and mechanisms to identify regional and sub-regional projects in the area of power generation, transmission and power trade with high priority to meet the increasing demand for power in the region. Notably, the SAARC Framework Agreement for Energy Cooperation was signed.
 - 6) Connectivity- Significant progress towards finalization of the SAARC Motor Vehicles Agreement and SAARC Regional Railways Agreements was appreciated and it was decided that a Meeting of the Transport Ministers would be held within three months in order to finalize the Agreements for approval.
 - 7) Poverty Alleviation- the Heads of State reiterated their strong commitment to free South Asia from poverty and directed Ministerial and Secretary level mechanisms on poverty alleviation to review the progress of the SAARC Plan of Action and its effective implementation.
 - 8) Agriculture and Food Security- It was agreed that it was important to increase investment, promote research and development, facilitate technical cooperation and apply innovation in the agriculture sector. The Leaders issued directions to eliminate the threshold criteria from the SAARC Food Bank Agreement so as to enable the Member States to avail food grains during both
 - 9) Post-2015 Development Goals- The leaders recognized the Post-2015 Development Agenda would present opportunities to complement national and regional efforts on sustainable development for the region as a whole.
 - 10) Environment-The SAARC Environment and Disaster Management Centre was established. The Leaders underlined the urgent need for the global community to arrive at a protocol with legal force applicable to all by the end of 2015. This protocol is to be based on the principles of Common but Differentiated Responsibility (CBDR), Respective Capabilities and Equity under the UNFCCC.
 - 11) Blue Economy- The contributions of ocean-based blue economy was recognized in the SAARC region and the need for greater collaboration and partnership in this area was acknowledged.
 - 12) Health- The leaders recognized the importance of achieving universal health coverage (UHC), preparedness for emerging and re-emerging diseases, improving health regulatory systems and the challenges posed by anti-microbial resistance and non-communicable diseases. They also urged that the remarkable progress made by the SAARC countries in the last decade in response to AIDS, with the aim to eradicate the AIDS epidemic in the region by 2030 be pursued with even greater vigour.
 - 13) Education- the Heads of Government expressed their resolve to eliminate illiteracy from the region and attaining the global goal of education for all. The leaders agreed to promote regional cooperation in the field of vocational education and training. A direction was

also issued that the various Ministers for Education are to develop a Regional Strategy for Enhancing the Quality of Education.

- 14) Women and Children- The leaders took note of the importance of women and child care and issued directions to take effective measures for preventing the trafficking of women and children and their exploitation.
- 15) Science, Technology and Telecommunication- It were agreed upon that the capacity of the Member States to apply space technology for socio-economic development and the welfare of the people through experience sharing among them was necessary. Collaboration to this regard among public authorities and private stakeholders is to be initiated. The Member States are also to lower telephone tariff rates for facilitating greater contact among the people of the region through rationalization of tariff structures. India's offer to develop and launch a satellite dedicated to SAARC countries was also appreciated and welcomed.
- 16) Tourism and Culture- A resolution for making South Asia an attractive common tourist destination in a sustainable manner was expressed by the various Leaders and a direction to relevant bodies for the effective implementation of the SAARC Action Plan on Tourism(2006) particularly through initiating appropriate public-private collaboration was issued. 2016 was declared as the SAARC Year of Cultural Heritage. Tourism Ministries of the various nations were tasked with developing a comprehensive plan for its success.
- 17) Combating Terrorism and Trans-National Crimes- the Heads of State unequivocally condemned terrorism and violent extremism and stressed

that effective cooperation from the member states was necessary to combat this growing menace effectively. Additional measures such as SAARC Regional Convention on Suppression of Terrorism and its Additional Protocol and a call for an early conclusion of the UN Convention on International Terrorism were made. It was unanimously agreed that stringent measures to combat illicit trafficking of narcotics, arms smuggling, money laundering and other transnational crimes was the need of the hour. A Cyber Crime Monitoring Desk was also to be established.

- 18) Strengthening SAARC processes – The need to enhance the visibility and stature of the SAARC in international fora was acknowledged. It was decided that it is to be achieved by forging common positions on issues of mutual interest, seeking group recognition in various multilateral institutions and the rationalization of the work of various SAARC mechanisms. The Leaders committed to enhance the institutional capacity of the SAARC Secretariat to enable it to fulfill the responsibilities entrusted to it, in an effective, efficient and time bound manner.
- 19) Nineteenth Summit- The offer made by the Islamic Republic of Pakistan to host the 19th SAARC summit was welcomed.

All-talk, no-action?

The SAARC was created with the hopes of forming a regional organization along the lines of the European Union (EU) and its remarkable success story. The unfortunate fact though remains that this dream is miles away from the reality. The SAARC with a substantial 30 year history is largely considered an "all talk-no action" body; this can largely be attributed to the frosty ties between its two biggest constituent members, India and Pakistan.

The 18th Summit which could have been historic one, in signing three major agreements on Energy, Road and Railways saw only one of them coming to fruition. The Pakistani government, obviously angered at being snubbed by India over terrorism issues and concerns, stalled the other two. This raises pertinent questions on the feasibility and effective utilisation of this forum, either the various governments agree to put aside egos and personal conflicts or we will definitely see this body becoming a redundant one.

A restructuring of the rule that all the nations must agree to all the projects, is a possible method of speeding up decision making. Getting all eight member-nations to agree is most defiantly a herculean task and Prime Minister Modi's hint that this restructuring is a necessity, is something all the governments must mull over. India and Pakistan seem to have decided that they will "agree to disagree" on every issue whether big or small, if this attitude persists it will not only worsen ties between the two nations but also affect the overall functionality of the SAARC.

Overcoming bilateral squabbles

Decisive steps must be taken by India, which is the largest nation in the organisation towards getting over its squabbles with Pakistan. A time has come when Modi has to realize that, if India wishes to attain the dream of being a South Asian Super power, then they have to be the one to give up on their ego. Not to belittle the border or terrorism issues but the SAARC is not the right place for the two governments to sort these out, so a segregation of where to do what is much needed. AECSEAN should be the benchmark for the SAARC; in contrast to its 5 per cent growth in trade between the member states, the ASEAN posted a laudable 50 per cent.

The condition of infrastructure to facilitate trade and development between the various constituent states can only be described as

pitiabile, with road connectivity, transport and power linkages being almost non-existent. Prime Minister Modi clearly brought this issue to light when he said "As SAARC, we have failed to move with the speed that our people expect and want. Nowhere in the world is collective effort more urgent than in South Asia, and nowhere else is it so modest."

Though most of the leaders realize that active changes are sorely needed, their acting on this need seems to be lacking. Unless measures to strengthen the SAARC's various bodies and an implementation of time bound agreements with a review of the progress on agreements is initiated, the SAARC may soon become a "dead" organization along with the broken dreams and aspirations of the people of South Asia.

Still cut off

The 18th SAARC Summit could be described as both fulfilling and lacking. Fulfilling because the member countries finally realized that more needs to be done and many things can be achieved through this organisation for the upliftment of the people of South Asia. Lacking it was, as no concrete steps were taken to attain the very agenda of the summit, "Deeper Integration for Peace and Prosperity".

The failure to sign the high-priority agreements on rail and road connectivity is most notable here, as it effectively still keeps Afghanistan cut-off from the rest of the bloc. One can only hope that the regional politics, instability and indecisiveness of the sovereign governments don't continue to jeopardize the idea of SAARC as an organization. The timing is perfect for the SAARC members to get their act together, with the slowdown of trade with the Western economies and China, and a slump in demand from these countries.

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