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SOUTH ASIA IN 2007: A REVIEW

Abstract

The year 2007 for South Asia has been a mixture of both turmoil and remarkable achievements, making it more talked about in world affairs. Almost all the nations in the region saw domestic political unrest during the period, and perhaps the single most incident that shook the region just by the end of the year was the assassination of Pakistan's ex -Prime Minister Benazir Bhutto. Other significant incidents throughout the year included declaration of the state of emergency in Bangladesh, instabilities in Nepal, stalled peace process in Sri Lanka, and wobbly move towards democratization in Bhutan and Maldives. On a regional plane, there were no significant regional initiatives under the aegis of SAARC, except some regular ministerial meetings and forums, and no initiatives for conflict resolution. For bilateral relationship, India-Pakistan relations maintained the status quo whereas an improvement in Bangladesh-India relationships was evident. Against this backdrop, the paper attempts to provide a review of all these events and issues that occurred in South Asia in 2007, with a focus on their implications for regional peace and security. Moreover, throughout the discussion, an attempt has also been made to assess the argument that the domestic and/or internal factors became prominent in South Asia in the year of 2007.

Key Words: South Asia, SAARC, Political Instabilities, Democracy, Maoists, LTTE.

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1. Introduction

In the year 2007, the region of South Asia witnessed both turmoil and remarkable achievements, making the region more talked about in the world affairs, compared to many other regions, in many other preceding years. Almost all the nations in the region saw domestic political unrest during the period, while at the same time, some landmark developments brought the region international laurels. Perhaps, the single most incident that shook the region at the end of the year was the assassination of Benazir Bhutto, Pakistan's ex-Prime Minister for two terms, and the Chairperson of Pakistan People's Party (PPP), and also the first Muslim women Prime Minister in the world. Other significant incidents that marked the year included declaration of the state of emergency in Bangladesh and the ensuing events that took place afterwards, stalled peace process in Sri Lanka, instabilities in Nepal, wobbly move towards democratization in Bhutan and Maldives, and finally compared to all other countries of the region, an appreciable political stability in India. On the regional plane, although there were regular regional initiatives under the aegis of South Asian Association for Regional Cooperation (SAARC), the successes were scanty with almost no progress in South Asian Free Trade Area (SAFTA) agreement, and no regional initiatives for conflict resolution, as well as to address the issues of regional significance viz., the issues of terrorism and climate change. So far bilateral relationships between the countries of the region are concerned, India-Pakistan relations maintained the status quo with routine dialogues under the 'irreversible' composite peace dialogue processes. And in view of the low level of relationship that was prevailing between Bangladesh and India in 2006, an upward improvement in their relationship in 2007 was in the offing. The paper, as its title suggests, attempts to provide a review of all these events and issues that occurred in South Asia in 2007, with a focus on their implications for regional peace and security.

However, given the myriad number of issues relating to the South Asian region in 2007, efforts have been made to limit the discussion to some specific issues and events in individual countries. On the other hand, being confronted with such question viz., what would be the appropriate 'framework of analysis' to review events in

the region – a region which is infuriatingly unpredictable¹ - in terms of ‘levels of analysis’, the paper, before getting involved in the analysis, reflects on the theoretical debate on ‘levels of analysis’ problem in international relations. Moreover, throughout the discussion, an attempt has also been made to reflect on the argument that domestic and/or internal factors became prominent in 2007 in the South Asian countries, rather than bilateral, regional and extra-regional issues. Therefore, the objectives of the paper are threefold. First, to reflect on the theoretical debate of ‘levels of analysis’ problem in international relations with an objective to identify the appropriate ‘levels of analysis’ for reviewing the events that occurred in South Asia in 2007. Second, to assess the ‘pre-dominance of domestic issues in 2007’ argument. And finally, through an appropriate ‘levels of analysis’ framework, provide an articulate and coherent analysis of the region of South Asia in the year of 2007. As such, while the ongoing discussion constitutes Section 1 of the paper, Section 2 discusses the ‘levels of analysis’ problem in international relations. Section 3 highlights the various significant events that occurred in the countries of South Asia in 2007 within a framework of analysis drawn from the theoretical discussion of section two. And finally Section 4 includes some concluding observations.

2. The ‘Levels of Analysis’ Problem in International Relations

The term ‘level’ is an integral feature of contemporary international relations discourse.² With the publications of Kenneth Waltz’s celebrated review³ of the causes of war by reference to three ‘images’, and David Singer’s no less celebrated discussion of *The*

¹ A diplomat turned academic Ross Masood Husain defined South Asia as such due to its propensity towards instability. See ‘Geo-Strategic Compulsions of Peace Dialogue in South Asia: Possibilities and Problems’, in *National Development and Security*, Vol. XIII, No. 4, Summer 2005, p. 40.

² Nicholas Onuf, ‘Levels’, in *European Journal of International Relations*, Vol. 1, No. 1, 1995, pp. 35-58. In fact, the theoretical discussion of this section draws extensively from Onuf’s deliberation.

³ Kenneth N. Waltz, *Man, the State and War: A Theoretical Analysis*. New York: Columbia University Press, 1959.

*Level-of-Analysis Problem in International Relations*⁴, the ‘levels of analysis’ issue emerged as a methodological problem in international relations literature. Since then, ‘levels of analysis’ schemes have proliferated and deliberation on levels has been ‘all-pervasive’.⁵ Waltz’s *Man, the State and War* argued to be corresponding to the level of individual behaviour, the level of state and society, and the level of interstate system. Singer had formulated the levels of analysis problem as a matter of methodological individualism and collectivism, and thus provided a scheme consisting of two levels – the behavioural and the systemic. However, there are a number of proposals put forward to extend or reconstruct Singer’s scheme.

To account for the ‘increasing complexity of world politics’, Ronald Yalem⁶ inserted a new level namely ‘a regional subsystem level of analysis’ between Singer’s two levels. Stephen Andriole⁷ identified five levels: ‘individual’, ‘group’, ‘composite group (or state)’, ‘inter-and/or multi-state’ and ‘global systemic’, although he neglected to identify distinguishing characteristics of the last two levels, or indeed of any of his five levels.⁸ Hans Mouritzen stipulated four levels i.e., ‘decision-making’, ‘domestic’, ‘actor’ and ‘international systemic’, and he pointed out the fact that levels function both as ‘explanans’ and ‘explanandum’, thus an analyst may stay at one level or move between any two levels for specific analytical purposes. Robert North⁹ adopted Waltz’s three images conceived as levels – the individual human being, the national

⁴ David J. Singer, ‘The Level-of-Analysis Problem in International Relations’, in *World Politics*, Vol. 14, No. 1, 1961, pp. 77-92.

⁵ R B J Walker, *Inside/Outside: International Relations as Political Theory*. Cambridge: Cambridge University Press, 1993, quoted in Nicholas Onuf, ‘Levels’, in *European Journal of International Relations*, Vol. 1, No. 1, 1995, p. 35.

⁶ Ronald J. Yalem, ‘The Level-of-Analysis Problem Reconsidered’, in *Year Book of World Affairs*, Vol. 31, pp. 306-326.

⁷ Stephen J. Andriole, ‘The Level of Analysis Problem and the Study of Foreign, International and Global Affairs: A Review Critique and another Final Solution’, in *International Interactions*, Vol. 5, No. 2-3, 1978, pp. 113-133.

⁸ Nicholas Onuf, *op. cit.* p. 36.

⁹ Robert C North, *War, Peace, Survival: Global Politics and Conceptual Synthesis*, Boulder, Westview Press, 1990.

system, the international system, and added a fourth – the global system. Considering the debate, Onuf eventually commented, “there would seem to be as many levels, or as few, as scholars consensually agree. At the minimum they accept Singer’s two levels. Beyond this there is no consensus.”¹⁰

The levels of analysis problem has become so pervasive in international relations discourse that even the ‘security analysis’ guru of international relations, Barry Buzan, could not remain aloof from the debate. Buzan divided levels into ‘units of analysis’ and ‘sources of explanation’. In the context of explicating Waltz’s structural theory of international politics, Buzan in collaboration with Charles Jones and Richard Little identified two ‘tiers’ in both the ‘structural level of analysis’ and the ‘unit level of analysis’. The first tier was ‘deep structure’ and the second ‘distributional structure’. Unit tiers were ‘process formations’ and ‘unit behaviour’ subject to ‘attribute analysis’. This scheme, Buzan et. al., argued may be extended inserting an ‘interaction level of analysis’ between structural and unit levels that ‘provides the essential third leg of a full system theory (units + interaction + structure).¹¹ Now while the levels of analysis schemes are proliferating, the situation becomes further complicated with the scholars being involved in defining the terms of ‘level’ and ‘unit’ interchangeably. Moul¹² decided to use the terms ‘level’ and ‘unit’ interchangeably, and Berkowitz¹³ identified three problems of analysis by reference to ‘level’, including the problem of defining the ‘primitive unit’ of analysis. Yurdusev¹⁴ proposed to restrict the term ‘level’ to the differentiation of analytic activities. From level to level – philosophical, theoretical and practical – analytic activity moves from the general to the concrete.

¹⁰ Nicholas Onuf, *op. cit.* p. 37.

¹¹ Barry Buzan, Charles Jones and Richard Little, *The Logic of Anarchy: Neorealism to Structural Realism*, New York: Columbia University Press, 1993.

¹² W. B Moul, ‘The Level of Analysis Problem Revisited’, in *Canadian Journal of Political Science*, Vol. 6, No. 3, pp. 404-513.

¹³ Bruce D Berkowitz, ‘The Level of Analysis Problem in International Studies’, in *International Interactions*, Vol. 12, No. 3, pp. 199-227.

¹⁴ Yuri A Yurdusev, ‘Level of Analysis’ and ‘Unit of Analysis: A Case for Distinction’, in *Millennium: Journal of International Studies*, Vol. 22, No. 1, pp. 77-88.

On the other hand, Yurdusev refers 'unit' to the object of analytic activity, the 'thing' to be studied, and identified three of such units: 1) the individual human person as actor, 2) the society or groups of individuals (agglomeration of actors), and 3) the universe or humanity (the all-inclusive actor). According to Yurdusev, any level may be used in the analysis of any unit, and levels and units are interwoven.

Reflecting on this contemporary discourse on the 'unit' and 'levels of analysis' problem in international relations, 'state' is embraced as the 'unit' of analysis in the paper, and 'four levels of analysis' framework is adopted for the purpose of discussion. These four levels are: the individual state level to discuss the events that occurred in individual countries of South Asia; the inter-state level where bilateral relations between the regional countries are analyzed; the regional subsystem level to focus on regional initiatives; and finally the regional extra-regional level to identify the developments/changes in the relations between South Asian countries and the sole global superpower i.e., the USA. This selection of 'state' as the 'unit of analysis' and the formulation of 'four-levels of analysis' are intended to provide a complete overview of the region in 2007.

3. Review of South Asia in 2007

3.1. Individual State Level: Review of South Asian Countries in 2007

The countries of South Asia witnessed a number of tumultuous events in their domestic affairs in the year of 2007. Almost all the countries have gone through political instabilities and uncertainties. The tragic death of Benazir Bhutto shook the region by the end of the year. The stalled peace process in Sri Lanka dismayed the optimists, instabilities in Nepal once again demonstrated that the consolidation of democracy is not an easy endeavour, and Bangladesh failed to hold the National Assembly election and drifted in the state of emergency. All these events at the individual state level are discussed below with a focus on their implications for regional peace and security in South Asia.

3.1.1. Pakistan: Political Instabilities throughout 2007

The most volatile country throughout the year 2007 in South Asia had been Pakistan, the second largest country of the region, with a number of developments, centering mainly on the general and the presidential elections of the country to be held in 2008. Though there was political opposition against the Musharraf regime, and the discontent among the people of Pakistan against the military regime was mounting, political instabilities in Pakistan in 2007 ensued with the dismissal of the Chief Justice of Pakistan Iftikhar Muhammad Chaudhry in March of 2007, by President General Parvez Musharraf, on allegation of misconduct. The event was criticised by the opposition political parties and the lawyers of Pakistan, as an attempt of President Musharraf to undermine the independence of the country's judiciary, and sparked nation-wide violence and stiff protest against the decision. In the face of country-wide protests, the Supreme Court of Pakistan reinstated Justice Chaudhry that in fact, directed a big blow to Musharraf regime. The political crisis deepened with the demand that General Musharraf should not hold two offices – the office of the President of Pakistan and the office of the Chief of Army Staff at the same time as it contradicts the Constitution of the country. Finding the political environment shaky, the two exiled ex-prime ministers of Pakistan, Nawaz Sharif and Benazir Bhutto attempted to return to the country to take advantage of the volatile political atmosphere in Pakistan. On 10 September 2007, former Prime Minister Nawaz Sharif was arrested at Islamabad airport after he attempted to enter Pakistan after seven years of exile, and was deported back to Saudi Arabia. On the other hand, former Prime Minister of Pakistan, Benazir Bhutto returned to her country after eight years of self-imposed exile on 19 October 2007, without any impediments from the government side. About 139 people were killed in an attempted suicide bomb assassination of Bhutto soon after her return to Karachi when she was leading a rally from the airport. In the meantime, General Musharraf designated Lt. General A Kiyani as his successor as Army Chief. In early November, the Supreme Court of Pakistan reconvened to hear challenges whether Musharraf was eligible to stand for re-election by the Parliament on October 6, while he was still an Army Chief. His term was to expire on 15 November 2007.

In addition to these political instabilities, the storming of the Red Mosque (Lal Masjid) by the security forces in July, 2007, followed by recurrent suicidal bombings in various parts of Pakistan particularly in the FATA¹⁵ and NWFP regions as well as in Karachi causing deaths of about 800 people,¹⁶ prompted General Musharraf to impose the state of emergency on 3 November 2007. Later on General Musharraf declared the date for Parliamentary elections on 8 January 2008. But the political process in Pakistan again witnessed a deadlock emanating from the suicidal assassination of Benazir Bhutto on 27 December 2007. This event had serious implications for Pakistan's politics and, for peace and security in the region. Though the leadership of the Pakistan People's Party (PPP) had been regained by Benazir's son and husband, the prospect of democratization in Pakistan became uncertain. Benazir with a background of western education believed to be a follower of democratic principles and norms, and there were expectations among the people that democracy will be restored this time in Pakistan.

3.1.2. Sri Lanka: War Defying the Peace Truce

Sri Lanka is in turmoil for the last three decades and the country paid in colossal at the altar of political expedience, ethnic fanaticism, and religious and language frenzy. Roughly the prolonged ethnic conflict in Sri Lanka cost the lives of over 80,000 people from Sri Lanka and India, displacement and dissipation of orderly lives of more than a million people, and destruction of billions of rupees of national wealth and private property, and ultimately the tragedy continues like serial killings.¹⁷ However, in an incredible turn of events since mid 2006, there had been a sharp increase in hostility and uncertainty. Several developments in the months of 2007 had accumulated to create the present, dangerous flashpoint in this strife-

¹⁵ Federally Administered Tribal Areas (FATA), North West Frontier Province (NWFP).

¹⁶ 'Chronology of some key political events in Pakistan since March 2007', available at www.dailyindia.com accessed on 30 January 2008.

¹⁷ Col. R Hariharan (retired), 'SRI LANKA: Caught Between Tweedledum and Tweedledee', *South Asia Analysis Group Paper No. 2566*, 26 January 2008, available online at www.southasiaanalysis.org accessed on 27 January 2008.

torn island nation. In fact, hostilities had reached to the level of taking each other at highest political stage as exemplified by the suicide attacks on Douglas Devananda, the Eelam People's Democratic Party (EPDP) leader and Minister of Social Services in Rajapaksa government, killing of Liberation Tigers of Tamil Eelam (LTTE) political commissar Tamilchelvam and reported attack on LTTE chief, Prabhakaran. All these created renewed political crisis and the LTTE had indeed demonstrated its resolve to take on the government of Sri Lanka with the aerial attack on Colombo on March 26th and April 29th of 2007, after its debacle in the east. The failure of the peace process, the indifference of international community towards the LTTE, and the passive support to the Rajapaksa government from various capitals had contributed to a shift in the LTTE's strategy since the Maavilaru crisis.¹⁸ Thus, the Tigers had relentlessly attempted to achieve major gains over the

¹⁸ Mavilaru sluice gate issue is a civil dispute between the people in the 'uncleared areas', the areas controlled by the LTTE and the government of Sri Lanka (GoSL). The GoSL created the Mavilaru reservoir to benefit government-sponsored Sinhalese settlements in Trincomalee district. During Eelam War III, the government forces lost the area to the LTTE and when the ceasefire agreement (CFA) was signed in 2002, the Mavilaru reservoir fell within the LTTE controlled areas. The recent crisis started with the ADB funded project on drinking water supply to the area along with the use of the reservoir. The tense situation in Trincomalee since early 2006 and the protest from the people of the LTTE controlled areas prevented the project to take off. But when the GoSL announced to go ahead with the project, people from the LTTE area closed the sluice gate, blocking water to some 30,000 acres of ripe paddy fields and 60,000 people. The situation aggravated and escalated into a crisis when the Sri Lankan Army launched 'Operation Watershed', an aerial attack in the areas of Mavilaru & Kathiraveli of Trincomalee on 26 July, 2006. The attack allegedly killed 7 people, all of whom were civilians, injured 8 and displaced nearly 3000 people. For details see, N Manoharan, *Mavilaru Crisis: Implication for Ceasefire Agreement in Sri Lanka*, Article No. 2088, Institute of Peace & Conflict Studies (IPCS), 6 August 2006, available online at <http://www.ipcs.org/whatsNewArticle11.jsp?action=showView&kValue=2103&status=article&mod=b> accessed on 29 January 2008.

Rajapaksa government, particularly to subjugate their ongoing air offensives in the northern areas.

Significantly, the present approach of the Rajapaksa government with its emphasis on militarily crushing the LTTE and the latter's belligerence has pushed the idea of resuming negotiations on the backburner. Furthermore, this approach has relegated the political process of addressing the ethnic question to the future, thus by which the hopes of peace loving civilians have been shattered. Indeed, if the conflict escalates, it would further accelerate the polarization in the Sri Lankan society and further plunge the country deeper into turmoil and strife. Be that as it may, it is imperative that the two warring parties should set aside their rhetoric military posture and spell out in concrete terms on how to proceed further on peace. If there is no constructive transformation of attitudes and approaches between the major protagonists, durable peace in the island nation will remain elusive.

3.1.3. Nepal: Instabilities amid the Comprehensive Peace Agreement

Ever since the Comprehensive Peace Agreement (CPA) came into effect in November of 2006, persisting political volatility as well as insurgent activity continued to increase Nepal's instability throughout the year of 2007. Though the number of insurgency-related fatalities had remained low, subversive activity of the CPN-Maoist continued to grow unchecked across the country. On January 15, 2007, all Members of the Interim Parliament, including 83 Maoist representatives, were sworn in, marking the commencement of a new phase in Nepal's politics. While in Parliament, however, the Maoists used various pressure tactics on the Government to weaken and subdue other parties in the Alliance. Finally, they quitted the Interim Government on September 18, stating that their twin demands – a proportional representation system to be adopted for the Constituent Assembly (CA) elections and the declaration of the country as a Republic by the Interim Parliament before the CA elections – were non-negotiable. The Maoists quitted the Government as no consensus could emerge on their demands even after repeated rounds of talks. On October 21, 2007, Prime Minister G. P. Koirala said that the Nepali Congress was ready for a

‘commitment proposal’ to announce a republic after the Constituent Assembly election, but was opposed to a fully proportional representation system as demanded by the Maoists. Koirala also stated that the Maoist proposal to adopt a fully proportional representation system would not be accepted by the Nepali Congress under any circumstances.

The much-hyped CA polls, which were originally scheduled for June 2007, and then rescheduled for November 22, were deferred indefinitely after the Eight Party Alliance [the Seven Party Alliance (SPA) plus the Maoists] failed to reach any consensus over the two key Maoist demands. Without any significant initiative in this direction by the Koirala Government, Prachanda issued a ‘48-hour ultimatum’ on December 13, 2007, stating that the Maoists would start a ‘new movement’ from December 16, 2007, and seek to reshuffle the Cabinet if their demand of abolition of the monarchy was not met. The emergence of armed groups in the volatile Terai region had multiplied the woes of the embattled Government, with sporadic violence and armed activity continuing throughout the year. Killings, abductions, violence, and disruptive political demonstrations, and strikes continued in the region without any sign of relief for its beleaguered people. Moreover, being dissatisfied with the Government, many marginalized groups and ethnicities were demanding their wider spaces in governance, bringing the Government under intense pressure from various indigenous communities. Their major demands included a federal restructuring of the state, based on ethnic lines, the ‘right to self determination’ and a proportional representation-based electoral system.

In retrospect, the peace process in Nepal hinged on several complex realities most of which were not amenable to solution. Nepal is going through a period of unstable transition. Many issues remained unresolved among the major parties since the postponement of the CA elections. Many groups want their space in the new arrangement and are exerting pressure on the Government. This has not even hesitated to resort to violence to push their demands. While the Maoists will not engage in a good-faith process to ensure long-term peace, the Government remains unable to contain or tackle the insurgents, and fears that the rebels may revert to the insurgency at any stage. So clearly Nepal is on the edge.

Nevertheless, the country capped the year with a momentous decision – the parliament approving the abolition of monarchy. The earlier governments had taken several measures to curtail the King's political and financial powers and facilities, which were highly disproportionate for the small and poverty-ridden country but were unsuccessful. More importantly, from a Hindu Kingdom, Nepal seems to move towards a secular republic.

3.1.4. Bhutan and Maldives: Move towards Democracy

The move towards democratization in the small Himalayan country of Bhutan is explicit, as the popular King is showing increasing signs of giving up his total grip on power by a long term plan. This is being well received in the calm and peaceful kingdom. The Election Commission released the draft electoral rolls of the country. There will be 303,650 voters out of an approximate total of 600,000 people although this did not take into account the refugees in the six camps in Nepal that numbered 108,744 as per the latest census results in the camps. In the run up to the elections scheduled in February and March 2008, Bhutan's Prime Minister along with six of his cabinet ministers resigned on 26 July, 2007 to join political parties as part of a move towards democracy. The Home Minister had also resigned. A care taker government under the Prime Minister Lyonpo Kinzang Dorji was in place to run the government until a new government is formed under the new dispensation. Besides the ministers, many others in different branches of the government had resigned to join the political parties. The Royal Advisory Council had also been dissolved as it would have no work to do with a care taker government that was in position.

Two major political parties have emerged so far for participation in the elections. As per the new constitution, there could only be two parties finally to contest the elections but at the stage, more could register. The People's Democratic Party (PDP) formally submitted its application for registration to the Registrar of political parties, Thinley Wangchuk on 7 August 2007, thus becoming the first party to do so. The other party DPT (Druk Phuensum Tshogpa) that had emerged with the merger of two parties, the Bhutan People United Party and the All People's Party submitted its application on 15 August 2007 for registration. The DPT elected the former Home

Minister as its President and former Prime Minister who was also the foreign Minister had joined the DPT. However, all the moves by the nation towards democratization raised such question as to whether the country was borrowing too much of foreign ideas or if there would be a unique Bhutanese democracy?

It can be said that the process of democratization in Bhutan had been revolutionary. The country is going to have a major political change from a constitutional monarchy to a democratic polity by the year 2008. Introduction of democracy and political parties with the right to stand for elections and represent the people of their constituencies would affect social and political life of the country. The present social structure in Bhutan with nobles at different hierarchy levels, commoners are bound to get blurred in course of time if not in the present elections but surely in the one that would follow. Whether it is good or bad for Bhutan only time can tell. But, for the present, the movement towards democracy is going ahead without any fault lines except for the refugee question and the emergence of Maoist communist party that is likely to draw its inspiration from the success of the Communist Party of Nepal (Maoist). Moreover, while preparations for conducting nation wide elections in 2008 are going on smoothly and at an even pace, the Bhutan communist Party (Maoist) is making steady inroads in the refugee camps and is poised to make its presence felt in southern Bhutan. This latter development is viewed unfortunate as this would in course of time affect adversely the lives of the remaining Bhutanese of Nepali origin in southern Bhutan, and also likely to slow down the process of third country settlement.

In the tiny Indian Ocean nation of the Maldives, a long serving president is giving up to the demand for multiparty democracy and this too marks growing signs of the strengthening of representative government in South Asia. However, the move towards democracy in Maldives was not smooth enough rather it received occasional shocks and also witnessed roadblocks as were evident from two significant events: the prevailing indecision regarding the form of government, and the failure to meet the deadline in drafting the new Constitution of the country. Moreover, the situation became further complicated with the projected aspiration of President Gaiyoom to run the election as a Presidential candidate that undermined his

willingness to give up power in favour of strengthening and facilitating democratic transition in the country.

3.1.5. Bangladesh: Ushered in a New Hope in 2007

For Bangladesh, the year 2007 has become one of the most significant years since its independence in 1971. By the end of 2006, the country was besieged in political turmoil due to the effort by the departing government of four-party alliance to win the following Parliamentary elections to be held under a Neutral Caretaker Government within 90 days from the dissolution of Parliament. The four-party alliance's effort to get re-elected resulted mainly in the alleged manipulations of the Election Commission by appointing a disputed Chief Election Commissioner (CEC), and the attempt to manipulate the position of the Chief Adviser, Head of the Caretaker Government that was to conduct the election. Opposition political parties, mainly the Awami League resorted to violent protests demanding free and fair election, and finally withdrew from the parliamentary election scheduled to be held on 22 January 2008. The political situation deteriorated to such an extent that the President of Bangladesh, Professor Iajuddin Ahmed dismissed the caretaker government, and declared the state of emergency on 11 January 2007.

After being sworn in to power, the present caretaker government (CTG), following the people's expectations undertook a number of initiatives to address the pitfalls of the political system and the society. The CTG, backed by the army, commenced a stringent drive against corruption in the society. The effort was complemented by re-manning a number of constitutional bodies viz., the Public Service Commission (PSC), the Election Commission and other bodies as well as re-invigorating the Anti-Corruption Commission (ACC). Other positive developments involved institution-building, preparation of national and voter identity card, granting independence to the judiciary, and finally the absence of any political violence in the year of 2007, such as hartals and strikes. However, an exception to the calm political atmosphere has been made by the sporadic event of 22 August 2007, when the Dhaka University (DU) students staged protests and demonstrations

following a trivial incident of tussle between the DU students and some military personnel.

However, the government also had some drawbacks. It was claimed that the government failed to control the price of essentials with appropriate policies, and could not affect reform in the political parties that left scope for drifting again in political instabilities, similar to a situation prior to January 2007. Moreover, the economy also witnessed a downturn. Although, the CTG took initiatives like establishment of the Truth Commission and Better Business Forum, the prospect appears dim as many politicians who are in custody now on allegation of corruption are in fact, two-in-one and general amnesty may create further problem for political reform in the country. The CTG has given a roadmap for holding the National Assembly election with a deadline of December 2008. However, two important issues are creating serious hindrances in attaining the deadline, first, the completion of the voter identity card within the scheduled period and second, ensuring participation of all the major parties in the election.

3.1.6. India: An Appreciable Political Stability throughout the Year

India, the largest country in the region both geographically and economically, suffered the least political instabilities in 2007. Except for some insurgent skirmishes in the peripheral regions of the country, government at the centre remained unaffected by any sort of political activism. The significant issue that attracted attention both internally and externally during the year 2007 was the uncertainty surrounding the US-India civil nuclear deal due to the stringent opposition to such agreement from the leftist parties of India. This opposition had also created the only risk to India's stability as the leftist parties declared that they would withdraw their support from the alliance government if the US-India civil nuclear deal is materialized, on the pretext that the deal may curb India's liberty in deciding its nuclear policy as well as the foreign policy of the country. The government tried to contend the opposition but failed. As a result, it failed to get the approval from the parliament that created uncertainty for the deal itself. However, one would wonder about how far the leftist parties of India would act on their demand

and withdraw from the Congress coalition since any such attempt would leave the space vacant for the Bharatiya Janata Party (BJP) to take the opportunity. So it is on the part of the government as to how it maneuvers with its coalition partner in realizing the US-India civil nuclear deal for which India is hoping a lot.

3.2. Inter-State Level: Developments in the Bilateral Relationships

In this section, developments in the significant bilateral relationships between countries will be analyzed with specific attention to the India-Pakistan, Bangladesh-India and Bangladesh-Pakistan relationships. Reasons for selection of these three relationships are twofold – to limit the scope of the paper, as well as no significant developments are evident in case of bilateral relationships between other countries of the region.

3.2.1. India-Pakistan Relations: The Composite Peace Dialogue Continues

India and Pakistan maintained the status quo in their relations throughout 2007 with routine bilateral talks and exchanges under the Comprehensive Composite Peace Dialogue Process. Needless to say, India-Pakistan bilateral relations have serious bearing on the regional scenario, which is largely contingent upon the state of their relationship. During 2007, a number of bilateral talks, exchanges, and visits have taken place between Pakistan and India, and there were encouraging outcomes of such exchanges resulting in an improvement in their relations. There were specific decisions for nuclear confidence-building measures and on their disputed issues. No such incident occurred during 2007, like the one in 2006 viz., the terrorist bomb blast on the *Samjhota* train that shook the relations between the two countries. India-Pakistan relations are in the process of normalization and several meetings between the two countries on a variety of bilateral issues were seen as further developments in their often-battered relationship. And obviously, the current state of New Delhi-Islamabad relations provides encouragement to the overall South Asian political milieu.

3.2.2. Bangladesh-India Relations: Upward Improvement is in the Offing

Bangladesh and India share both historic and cultural relations since long. However, since independence of Bangladesh in 1971, a number of outstanding issues between the two countries remained unsettled that are hampering the development of close bilateral ties between the two countries. Being surrounded by India from three sides and the Bay of Bengal to the South where the Indian Navy has a dominant presence, Bangladesh has a geographical compulsion to maintain stable relations with India. However, during the Four-Party Alliance Regime (2001-2006) in Bangladesh both the countries, Bangladesh and India, failed to make substantive developments in their relations. No major attempts have been made during the period to solve bilateral disputes, rather misunderstandings and mistrust between the two countries remained entrenched. Following the political change in January of 2007 in Bangladesh, expectations were raised for strengthening Bangladesh's relations with neighbouring countries.

As the later events demonstrate, the bilateral relationship between Bangladesh and India during 2007 improved. Within few weeks of coming to power, the caretaker government approved the proposal of the Indian state-owned Bharat Heavy Electricals Ltd. to set up a 420 MW power plant at Siddhirganj at a cost of Taka 1.10 crore. It was also decided that Bangladesh will import oil in increased quantity from India through river ways. Moreover, there were also official visits between the two countries. The Indian External Affairs Minister, Pranab Mukherjee visited Dhaka to invite Bangladesh in the 14th SAARC Summit. Though it was a routine visit, his statements and observations have shown keen desire for forging a strong relation with Bangladesh. In a press conference before leaving for New Delhi, he said that both sides agreed to take steps to place bilateral relations on an "irreversible higher trajectory". Moreover, there were official visits of Indian State Minister for Commerce, and Indian Foreign Secretary to Dhaka. Home Secretary level talks between the two countries took place too. Chief Adviser of Bangladesh Dr. Fakhruddin Ahmed and Indian Prime Minister Dr. Manmohan Singh also met in the retreat during the 14th SAARC Summit. Some major decisions taken in the year

2007 concerning the bilateral relationship include granting “duty free access” to eight million pieces of Bangladeshi readymade garments to Indian market, lifting of ban by the Indian authority on Bangladeshi investment in India, decision to provide 0.5 million metric tons of rice to Bangladesh in the post-Sidr disaster management and finally the landmark decision to commence Dhaka-Kolkata train service. All these lead to a sense of optimism concerning the bilateral relationship between Bangladesh and India in the days to come.

3.2.3. Bangladesh-Pakistan Relations: Commitment for Cooperation

The Pakistan Foreign Secretary Riaz Mohammad Khan visited Bangladesh during 29-30 August in 2007. During the visit some important bilateral issues were discussed. Some significant outcomes of the visit include an agreement to raise the annual bilateral trade up to US\$ 1 billion from the current one of less than US\$ 300 million, increased cooperation through Early Harvest Programme which would give duty free access to some products from each country, and restarting shipping line between Bangladesh’s South Eastern Chittagong port and Karachi in Pakistan, which was postponed in 1987. While these decisions are positive and assure both sides’ commitment for increased cooperation, some issues remain unsettled. The repatriation of nearly 250,000 stranded Pakistanis from Bangladesh, and a formal apology from the Pakistani side for the atrocities committed in the Liberation War of 1971 are some of the important issues that need to be settled for a meaningful and strong bilateral relationship between Bangladesh and Pakistan.

3.3. Regional Subsystem Level

Developments at the regional subsystem level in South Asia in 2007 involved developments surrounding the sole regional grouping in South Asia viz., the South Asian Association for Regional Cooperation (SAARC) and its most important initiatives, the South Asian Free Trade Area (SAFTA). Moreover, the issue of terrorism, particularly religious extremism had also become a serious concern for the countries of the region in the year of 2007. These issues are analyzed below.

3.3.1. SAARC & SAFTA

The successful conclusion of the 14th SAARC Summit in New Delhi, India, in April of 2007, augured well for the region, with the next summit scheduled to be held in Sri Lanka in the year 2008. Though the summits of SAARC leaders often suffer postponements, the 14th Summit in April, 2007 remained on the track. Among the major decisions that were agreed upon during the Summit by the Heads of the State and/or Governments included, granting membership to Afghanistan and observer status to United States, China, Japan, South Korea, European Union and Iran, creation of the South Asian Development Fund (SADF), and India's declaration of zero-duty access to least developed (LDCs) countries of South Asian. However, the Summit could not make substantial progress in the areas of regional trade and no significant move was evident for the immediate implementation of SAFTA. Though the importance of implementing trade facilitation measures, especially standardization of basic customs nomenclature, documentation and clearing procedures was stressed, there is a serious need to develop at an early date, a roadmap for a South Asian Customs Union and a South Asian Economic Union in a planned and phased manner. The major deficiency and elements of uncertainty in the SAFTA agreement is that it leaves too many things unsettled which remain critical for the success of the regional FTA. These are the establishment of rules of origin, agreement on the 'sensitive' or 'negative' lists products, the creation of a fund for providing compensation to the LDCs for the loss of revenues due to the elimination of custom duties and the identification of areas for providing technical assistance to the LDCs. Some other important issues that were left undecided by the summit included: (a) ignoring specific time frame work for phasing out sensitive lists which is very important to ensure free trade regime; (b) ignoring transport and infrastructure facilities to increase the pace of trade; and (c) protectionism in trade in service. Success of SAARC undoubtedly hinges to a great extent on the successes of SAFTA.

3.3.2. Terrorism and Religious Extremism

The region of South Asia is experiencing violent activities both armed and suicidal, against its security forces, political leaders and

the civilians since the decolonization process of the sub-continent started in the middle of the twentieth century. For decades, the Kashmir conflict and the ethnic conflict in Sri Lanka created political instabilities and severe security concerns for India, Pakistan and Sri Lanka respectively as well as for the region. The violent armed activities perpetrated by the Tamil guerrillas in Sri Lanka, and by the freedom fighters in the Jammu and Kashmir areas are viewed by the parties as fighting for autonomy and independence, whereas the governments of India and Sri Lanka term them as terrorist activities. In the post-Cold War era, with a worldwide resurgence of ethnic conflicts, the conflicts in Sri Lanka and Kashmir gained new momentum.

The region also did not remain aloof from religious extremism that proliferated in the post-9/11 period. The countries of Pakistan, India and Bangladesh are affected by religious extremism, and terrorist activities created serious challenges for the governments of these countries. In 2007, there were no significant terrorist activities in Bangladesh, after the government's successful anti-terrorism campaign by hanging the six leaders of Jamaatul Mujahideen Bangladesh (JMB). On the contrary, in Pakistan, following the Red Mosque massacre, terrorist incidents have increased drastically. In fact, suicidal terrorism was not very common in Pakistan, but following Red Mosque raid by the security forces that resulted in the staggering deaths of 105 people, suicidal terrorist attacks have become a regular phenomenon in Pakistani life, mostly in the FATA and NWFP region and few other areas of Pakistan. As a South Asian security analyst commented, "the cross-border terrorist attack is getting internalized"¹⁹ in Pakistan. Pakistan has now become a major target of jihadi terrorism.

There were terrorist activities in India, Sri Lanka and Nepal too in 2007. In a statistics provided by the Institute of Conflict Management, India, total deaths due to terrorist activities in India were 2,598 people. In Pakistan 3,599 people died in such attacks; in Nepal 97, and in Sri Lanka, the highest number i.e., 4,377 people died due to ethnic conflict based terrorist activities. Compared to this

¹⁹ P R Chari, 'South Asia in November 2007 – An Overview', in *IPCS Strategic Review*, No. 29, December 2007, p.1.

large death toll in India, Pakistan and Sri Lanka, only eight people died in Bangladesh in 2007 as reported by that institute.²⁰ However, the scenario warrants regional initiatives in addition to national initiatives by the government of individual countries. Regional initiatives can be sought under the aegis of SAARC.

3.4. Regional Extra-regional Level

The US - South Asia relations in 2007 maintained continuity and no significant change in the US policy towards South Asia was evident in the year, except some challenges it experienced in case of New Delhi and Islamabad. The US-India relations witnessed challenges due to the opposition of the leftist parties of India to the US-India civil nuclear deal. However, the issue has not been decided yet. In Pakistan, the US policy was confronted with the strongest criticism in 2007, particularly due to its incessant support towards the Musharraf regime. Pakistan is an ally, in fact, a collaborator with the US in the 'war against terrorism' in Afghanistan. In exchange, the US provided support to the undemocratic Musharraf regime. When the government of Musharraf was experiencing severe opposition domestically, all were expecting the US to withdraw its support. However, there was no shift in the US policy towards Pakistan and towards the Musharraf government although there was concern in the Bush administration regarding the increase of suicidal terrorism in Pakistan and at one point it intended for military intervention in Pakistan to curb terrorism. Following this, the Musharraf government took stern steps in countering terrorism and finally, the US did not intervene militarily in Pakistan since there was also serious concern in other countries of South Asia about the military presence of the USA in the region.

On the other hand, there was also no change in the US policy towards Bangladesh following the declaration of the state of emergency in January of 2007. The state department sought a clarification, and afterwards convinced that it is an interim arrangement to facilitate general election in a free and fair manner,

²⁰ *South Asia Terrorism Portal*, Institute of Conflict Management, India, available at <http://www.satp.org/satporgtp/satp/index.html>, accessed on December, 2007.

and to ensure the level playing fields for all political parties. All the donor partners including the USA supported the CTG's anti-corruption initiatives and the initiatives needed for political reforms but continuously pressed the government to hold national election in time.

4. Conclusion

Compared to the last couple of years, the year of 2007 for South Asia has been a turbulent year. It appears that the political environment in the countries of the South Asian region has both happily improved and unfortunately nose-dived in recent times.²¹ For some, the year ushered in with new hopes and expectations, and for others the year ended up with a reversal of past achievements. While for Bangladesh the developments are significant and positive, instabilities continue in all other countries of the region except in India. The move towards democratization in the Himalayan country of Bhutan and in the Islands of Maldives is encouraging, whereas the backlash in Nepal by the Maoists and the failure of the nation to sustain the achievements of 2006 frustrated the expectation of the general people. Throughout 2007, India remained stable at the political front, except some occasional uncertainties on the issues of Indo-US civil nuclear deal. The most heartening events occurred in Pakistan with deepening of political instabilities throughout the year that ultimately resulted in defining the country as a 'failed state' and the year ended up with the assassination of another national leader of Pakistan, a mere repetition of South Asian tradition, as almost all the countries of the region witnessed several times the assassination of their national leaders.

However, as it appears, a distinguishing characteristic of the year 2007, for the region of South Asia, is that, the regional and extra-regional issues received less attention or were of less importance compared to the domestic and/or internal issues of the individual countries. The domestic and/or internal political issues particularly, the political instabilities were predominant in the region in the year of 2007.

²¹ Zaglul Ahmed Chowdhury, '2007–South Asia was in focus in contrasting ways', *The Daily Star*, 06 January 2008.

The region – the most densely populated in the world – is fighting to improve the living standard of most of its 1.4 billion people who are mired in abject poverty. Political problems, unbridled corruption and lack of good governance are among the problems that thwart expected progress in South Asia. Nevertheless, on a positive note, the region, evidently, will wait in the New Year for many developments in right directions as a sequel to healthy trends of 2007. Thus, it is also expected that the unhealthy and divisive ones, both nationally and regionally, will take a back seat and be discouraged in the year 2008.