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INDIA STRATEGIC REVIEW

The ISR features an assessment of key developments, trends, and policies pertaining to India’s immediate and continental neighbourhood, and is authored by Lt. Gen. Deependra Singh Hooda (Retd.), Senior Fellow for Military Strategy. The research team includes Shreyas Deshmukh, Research Associate. Your comments and feedback may be addressed to Shreyas Deshmukh at shreyas@dpg.org.in. To subscribe, please click here.

Cover Image:
State Councillor and Foreign Minister of China Qin Gang, Pakistani Foreign Minister Bilawal Bhutto Zardari, and Acting Foreign Minister of the Taliban Amir Khan Muttaqi at the fifth China-Afghanistan-Pakistan Foreign Ministers’ Dialogue in Islamabad, Pakistan on May 6, 2023. Source: MOFA PRC

Former Prime Minister of Pakistan Imran Khan following his arrest arrived at Islamabad High Court on May 12, 2023. Source: Indian Express

Indian Prime Minister Shri Narendra Modi greeted Prime Minister of Nepal, H.E. Mr. Pushpa Kamal Dahal ‘Prachanda’ at Hyderabad House in New Delhi, June 1, 2023. Source: Flickr MEA

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Contents

AFGHANISTAN .................................................................................................................. 1
  Humanitarian and Human Rights Situation ................................................................. 1
  Growing Acceptance of Taliban .................................................................................... 2

PAKISTAN .......................................................................................................................... 3
  Political Crisis Intensifies ............................................................................................. 3
  Challenges before the Pakistan Army .......................................................................... 5
  India-Pakistan Relations ............................................................................................... 6

STANDOFF AT THE INDIA-CHINA LINE OF ACTUAL CONTROL (LAC) ............. 7
  Situation at the LAC ..................................................................................................... 7

BANGLADESH ................................................................................................................ 9
  Economic Situation ..................................................................................................... 9
  India-Bangladesh Cooperation ..................................................................................... 9

NEPAL ............................................................................................................................... 10
  Prime Minister’s Visit to India ...................................................................................... 10
India’s Strategic Neighbourhood

by

Lt. Gen. Deependra Singh Hooda (Retd.)

AFGHANISTAN

Humanitarian and Human Rights Situation

A ‘Humanitarian Update’ issued by the United Nations Office for the Coordination of Humanitarian Affairs on May 24 noted that Afghanistan is experiencing absolute levels of poverty, impacting more than 90 per cent of the population, and where nine out of ten families cannot afford enough food – the highest proportion in the world.¹

Despite the severe humanitarian crisis, the Taliban’s suppression of women’s rights has led to a significant reduction in humanitarian aid. A $4.62 billion humanitarian appeal to assist 23.7 million people with lifesaving aid and fend off catastrophic hunger in 2023 has received a mere $295 million by April – just over 6.4 per cent of the total funding required.²

While it would be unrealistic to expect the Taliban to reverse their hardline ideology, some of the pressure applied on the Taliban appears to be having an impact. Reports have emerged from Herat province indicating that the Taliban has allowed the reopening of several girls’ high schools and middle schools. While the exact number of schools remains unconfirmed, it is known that at least three girls’ schools have recently commenced operations.³

Jan Egeland, the secretary-general of the Norwegian Refugee Council, has stated that the Taliban have agreed to consider allowing Afghan women to resume work at the agency in the southern province of Kandahar. Egeland said to the Associated Press, "We have an agreement to start immediate talks on a temporary arrangement that will enable our female colleagues to work with and for women and others in Kandahar. If we get a provincial exemption in Kandahar, we should be able to replicate it elsewhere."⁴

Continued international pressure would be helpful, but at this stage, it appears that there is a growing acceptance of the Taliban regime, and this could encourage it to continue its hardline policies.
Growing Acceptance of Taliban

No country has yet given official recognition to the Taliban regime, but more and more countries are showing acceptance of the current government in Afghanistan. The United Nations hosted a two-day, closed-door meeting in Qatar to “achieve a common understanding within the international community on how to engage with the Taliban” on issues including “human rights, in particular women’s and girls’ rights, inclusive governance, countering terrorism and drug trafficking.”5

While criticizing the Taliban’s "grave violation of fundamental human rights," UN Secretary-General António Guterres stated, "To achieve our objectives, we cannot disengage." China’s representative at the meeting, Yue Xiaoyong, wanted the Taliban to participate in future meetings.6

Although the Taliban was not invited to the UN meeting in Qatar, the Security Council’s Taliban sanctions committee agreed to allow the Taliban administration’s foreign minister, Amir Khan Muttaqi, to travel to Pakistan from Afghanistan to meet with the foreign ministers of Pakistan and China in the first week of May.7

Following the China-Pakistan-Afghanistan dialogue, a joint statement was issued that “stressed the importance of preventing any individual, group, or party, including the banned Tehreek-e-Taliban Pakistan (TTP) and the Eastern Turkistan Islamic Movement (ETIM), from using their territories to harm or threaten regional security and interests or carry out terrorist activities.” The three sides also agreed to strengthen trilateral cooperation under the Belt and Road Initiative (BRI) and jointly extend the China-Pakistan Economic Corridor (CPEC) to Afghanistan.8

The ministers also urged the international community to engage constructively with Afghanistan and lift their unilateral sanctions against Afghanistan, return assets overseas for the benefit of the Afghan people, and create opportunities for economic development and prosperity in Afghanistan.

China is looking to increase its investment in Afghanistan. China-based Gochin Company has offered to invest $10 billion in Afghanistan’s lithium mining industry. In January, the Taliban signed a contract with the Xinjiang Central Asia Petroleum and Gas Company to extract oil from the Amu Darya basin. One hundred fifty million dollars will be invested in the agreement in the first year, and 540 million dollars will be invested over the next three years.9
On May 12, Qatar’s Prime Minister Mohammed bin Abdulrahman Al Thani visited Kandahar province in the south of Afghanistan and met Mullah Mohammad Hassan Akhund, the acting Prime Minister in the Taliban's new government. Reports later emerged that Al Thani had also held secret talks with the supreme leader of the Taliban, Haibatullah Akhunzada. Al Thani’s visit was apparently to facilitate the relations between the caretaker government and the international community.

**PAKISTAN**

**Political Crisis Intensifies**

On May 9, Former Pakistan Prime Minister Imran Khan was arrested by paramilitary troops who smashed their way into the Islamabad High Court to detain him on corruption charges. The Islamabad police announced on Twitter that he was arrested in the Qadir Trust case, in which land was allegedly allocated for the Al Qadir Trust University in exchange for ensuring the return of £190 million seized in the UK to Pakistani real estate tycoon Malik Riaz.

As videos emerged of Imran surrounded by Pakistani Rangers being bundled into a prison van, Pakistan Tehreek-e-Insaf (PTI) supporters took to the streets. In the violence that followed, there were unprecedented attacks on military establishments. The first attack occurred at the Pakistan Army General Headquarters in Rawalpindi. PTI supporters broke into the compound and vandalized property. Another attack took place at the Lahore Corps Commander’s residence, which was ransacked and set on fire. There were also reports of attacks on other military installations, including Alam Airbase at Mianwali and the ISI building in Faisalabad.

On May 10, the military’s media wing, Inter-Services Public Relations (ISPR), released a statement headlined: "May 9 will be remembered as a dark chapter." The military said that in the country’s "larger interest," it showed patience and restraint and exercised extreme tolerance without even caring about its reputation. However, the statement warned, "Any further attack on the army, including all law enforcement agencies, military and state installations, and properties, will be severely retaliated, the responsibility of which will be on this very group that wants to push Pakistan into a civil war."

On May 11, Pakistan’s Supreme Court deemed Khan’s arrest from the premises of a court unlawful, and the Islamabad High Court granted him bail the following day. However, the May 9 violence triggered a wave of arrests of PTI leaders and supporters. Almost the entire PTI leadership was arrested, including Vice Chairman Shah Mehmood Qureshi, Secretary General Asad
Umar, Fawad Chaudhry, Shireen Mazari, Ali Muhammad Khan, and Ejaz Chaudhry.

Putting further pressure on the PTI, Pakistan’s National Assembly passed a resolution to hold the trial of individuals involved in the recent attacks on military and state installations under the existing laws, including the Army Act and the Anti-Terrorism Act. On May 25, an anti-terrorism court in Lahore ordered the handing over of 16 people to the army in the case of the attack on the Lahore corps commander’s residence during the May 9 protests.

Buckling under pressure, several arrested PTI leaders have quit the party. Some of the prominent names are former information minister Fawad Chaudhry, former human rights minister Shireen Mazari, Secretary General Asad Umar, and former Cabinet ministers Aamir Kiani and Malik Amin Aslam. Many of these leaders have condemned the May 9 incidents, toeing the line of the military.

Imran Khan has alleged that people are not quitting the PTI but are being “forced to leave the party at gunpoint.” This may be true, but Pakistani politicians have rarely resisted the pressure mounted on them by the military establishment to switch political loyalties.

The break between Imran Khan and the Pakistan Army appears complete. Emboldened by this, the government has taken a hardline stance. Pakistan’s defence minister Khawaja Asif has said that the government was exploring a ban on the PTI. Pakistan’s ruling coalition has rejected Imran’s offer for dialogue, saying that talks were held with politicians, not with a group of terrorists and saboteurs who burn memorials of martyrs and set the country on fire.

The government is also taking a confrontationist stance against the judiciary. On May 15, PML-N chief organiser Maryam Nawaz Sharif demanded the resignation of Chief Justice Umar Ata Bandial and blamed him for the “anarchy” and “crisis” in Pakistan. Addressing a gathering of protesters outside the Supreme Court here, Maryam said that “free and fair elections are not possible until Umar Ata Bandial remains the country’s top judge” and that polls will be held at its scheduled time “after you (Bandial) step down.”

The same day, the parliament passed a resolution to set up a five-member committee to prepare and file cases against Chief Justice Umar Ata Bandial in the Supreme Judicial Council for his “misconduct and deviating from oath.”
On May 19, the federal government announced the formation of a three-man commission headed by a Supreme Court judge, Justice Qazi Faez Isa, to probe audio clips leaked on social media, with some of the clips raising concerns regarding the independence of the judiciary. On May 26, a Supreme Court bench, headed by Chief Justice of Pakistan Umar Ata Bandial, stayed the proceedings of the judicial commission and suspended the government’s May 19 notification of its appointment.

The May 9 violence has provided an opportunity for the beleaguered government to launch a massive clampdown on PTI supporters. Imran Khan appears to have overplayed his hand in taking on the powerful army. The former prime minister still retains a sizeable popular base, but whether this remains intact after the exodus of PTI leaders is uncertain. The role of the judiciary in elections in Punjab, which were earlier ordered to be held on May 14, will also be closely watched and could have a profound political impact.

**Challenges before the Pakistan Army**

The Pakistan Army faces two main challenges. The first is a challenge to its cohesion. While there is no clear Faultline, there are reports of divisions between those who are hostile to Khan and those who support him. Many retired officers have publicly come out in favour of Imran.

After the May 9 violence, the Lahore Corps Commander, Lt Gen Salman Fayyaz Ghanni, was removed from his post. There were also reports coming in from Pakistan that several Brigadier, Colonel, and Major level officers of the Pakistan Army had been sacked because they refused to open fire at PTI protestors and Imran Khan supporters. A News 18 report quoted a top Pakistan military official as stating that highly-placed commanders have expressed their reservations regarding the ongoing crisis as well as the current political situation.

Amidst reports of disunity, ISPR Director General Maj-Gen Ahmed Sharif Chaudhry told Geo News that despite internal disturbance and external conspiracies, the armed forces of the country were united. He said no army official had tendered his resignation, and no order of the army chief had been disobeyed.

Institutional interests and discipline could keep the military from showing overt signs of dissent. Still, if the crackdown on Imran continues, it would be important to see if this has any impact on the army’s cohesion.
The second challenge is related to internal security. After the Tehreek-e-Taliban Pakistan (TTP) called off its ceasefire with the government in November 2022, there has been a resurgence of terrorism in Pakistan. Moreover, the Baloch insurgents have also stepped up their attacks, with Balochistan Liberation Army (BLA) emerging as the deadliest terrorist group in Pakistan, accounting for 36 per cent of terror-related deaths in Pakistan in 2022.27

On May 4, six soldiers and three militants were killed during a gun battle in North Waziristan. On May 12, seven militants and two soldiers were killed in separate incidents in Balochistan. On May 23, TTP militants stormed a security outpost guarding an oil and gas extraction plant in the Hangu district in the Khyber Pakhtunkhwa province abutting Afghanistan. Four paramilitary Frontier Constabulary force members and two private company guards were killed in the ensuing clash.28

On May 24, two soldiers of the Pakistan Army, a police constable, and a civilian were killed when a vehicle-borne suicide bomber was intercepted by security personnel in the Datta Khel area of North Waziristan.29 Three days later, at least 19 Pakistan security forces members were critically injured when a suicide bomber with an explosive-laden motorcycle targeted their convoy travelling to the Asman Manza area of South Waziristan from DI Khan in Khyber Pakhtunkhwa province.30

Despite facing the grave menace of terrorism, the Pakistani government’s focus appears to be entirely on the PTI. A National Security Committee meeting held on May 16 primarily discussed the rioting and attacks on military installations on May 9 by PTI supporters. A statement on the meeting read, “the participants reiterated the resolve of not tolerating any violation of the sanctity and honour of military installations and public property and to bring all elements involved in the black day of May 9 to justice.”31

**India-Pakistan Relations**

Pakistan’s Foreign Minister Bilawal Bhutto-Zardari visited India to attend the Shanghai Cooperation Organisation’s (SCO) Council of Foreign Ministers meeting in Goa on May 5. It was the first visit by a Pakistani minister to India in seven years. Due to deep-rooted differences on the issues of terrorism and Kashmir, the visit was not expected to yield any results.

In his opening remarks, Minister of External Affairs Dr. S. Jaishankar said, “We firmly believe that there can be no justification for terrorism, and it must be stopped in all its forms and manifestations, including cross-border terrorism.”
He also urged the members of the SCO to crack down on non-state actors and terror funding.\textsuperscript{32}

Bilawal Bhutto responded by claiming that countries should not get caught up in “weaponising terrorism for diplomatic point scoring.” He also sought to rake up the issue of Kashmir when he said, “Unilateral and illegal measures by states in violation of international law and Security Council resolutions run counter to the SCO objectives.”\textsuperscript{33}

Later, at the respective press conferences, the tone became sharper. On Bhutto’s visit, Jaishankar said, “As a foreign minister of an SCO member state, Mr Bhutto Zardari was treated accordingly. As a promoter, justifier, and I’m sorry to say, spokesperson of a terrorism industry which is the mainstay of Pakistan, his positions were called out, and they were countered, including at the SCO meeting itself.” On Kashmir, he stated, "There is only one issue to discuss on Kashmir, which is when does Pakistan vacate its illegal occupation of Pakistan-occupied Kashmir." \textsuperscript{34}

Speaking to journalists, Bilawal Bhutto said the onus was on India to build a "conducive environment for talks." In response to a question on India’s decision to host G20 meetings in occupied Kashmir, he said, "Obviously, we condemn it, and at the time we will give such a response that it will be remembered."\textsuperscript{35}

Although Bilawal termed his visit a “success,” the reality is that there is no meeting ground between the two countries at this stage.

**STANDOFF AT THE INDIA-CHINA LINE OF ACTUAL CONTROL (LAC)**

**Situation at the LAC**

Stalemate at the LAC continues. On May 4, Dr. Jaishankar met his Chinese counterpart, Qin Gang, on the sidelines of the SCO Foreign Ministers’ Meeting in Goa. There was no official readout of the meeting from the Indian side. Jaishankar tweeted that the two leaders discussed the bilateral relationship while the focus remained “on resolving outstanding issues and ensuring peace and tranquility in the border areas.”\textsuperscript{36}

As usual, the Chinese side sought to downplay the situation at the LAC. Their official handout of the meeting stated, “Qin Gang pointed out that the China-India border situation is generally stable. The two sides should continue to implement the important common understandings reached between leaders..."
of the two countries, consolidate existing outcomes, strictly abide by relevant agreements and protocols, work to ease and cool down the border situation, and maintain sustained peace and tranquility in the border areas.\(^{37}\)

An in-person meeting of the Working Mechanism for Consultation and Coordination on India-China Border Affairs (WMCC) was held on May 31 in New Delhi. The Ministry of External Affairs (MEA) statement issued after the meeting read, “The two sides reviewed the situation along the LAC in the Western Sector of India-China border areas and discussed proposals for disengagement in remaining areas in a frank and open manner. Restoration of peace and tranquility will create conditions for normalising bilateral relations.” Besides, the two sides agreed to hold the next round of senior commanders’ meeting at an early date.\(^{38}\)

After Indian and Chinese troops disengaged at Patrol Point 15 in September 2022, there has been no further progress in the two outstanding areas of Depsang and Demchok. The Telegraph, quoting an official from the intelligence wing of the Indo-Tibetan Border Police, reported that the Chinese army had demanded the creation of a 15-20 km buffer zone inside Indian territory as a precondition for disengagement from Depsang Plains.\(^{39}\) This proposal was reportedly made during the 18th round of Corps Commander level talks held in April.

People’s Liberation Army (PLA) troops are currently blocking Indian patrols at a place called Bottleneck, which is approximately 18 km inside India’s claim line in this area. Any additional buffer zone will be entirely in Indian territory and prevent access to a very large area in the strategically important Depsang plains. The Telegraph reported an Indian Army official saying that the Chinese army’s “illegitimate” demand for a 15-20km buffer zone would never be accepted.

The veracity of The Telegraph report is not known, but it is clear that negotiations on Depsang are going to be difficult and prolonged. Dr. Jaishankar has summed up the current situation: “If India sees respect, sensitivity, and recognition, it can think of a better relationship with China. But if we do not, I think we need to stand up for our rights, and we need to be firm in asserting opposition. And that, unfortunately, currently is the situation.”\(^{40}\)
BANGLADESH

Economic Situation

In January, Bangladesh secured a $4.7 billion loan from the International Monetary Fund (IMF) to help address its economic troubles. After a recent visit to Bangladesh to assess the state of the economy, the IMF has warned that the country still faces significant economic challenges. The fall in exports and remittances, two critical sources of foreign currency, have not helped improve Bangladesh’s current account deficit. Exports fell 16.5 percent to $3.95 billion in April from a year earlier, while inward remittances have declined 16 percent year-on-year to $1.68 billion in April.41

The gap between the inflow and outflow of our foreign currency has led to Bangladesh’s foreign exchange reserves falling below $30 billion for the first time in seven years.42 Bangladesh is now struggling to pay for imported fuel because of a dollar shortage. It owes more than $300 million to six overseas companies, some of which have either sent fewer cargoes than scheduled or threatened to halt supplies.43

Provisional estimates show that Bangladesh’s per capita income has fallen by $28, or 1 per cent, to $2,765 year-on-year. The income counted in dollars slipped as the taka depreciated against the dollar, and the population grew from 169.8 million when the 2021-22 per capita income was counted to 170.7 million.44

Despite the current problems, the future holds promise. According to the World Bank, Economic growth is expected to accelerate in FY24 to around 6.5 percent over the medium term as inflation eases, external economic conditions improve, and reform implementation gains momentum.45

India-Bangladesh Cooperation

India Foundation organised the 6th edition of the Indian Ocean Conference in association with the Ministry of Foreign Affairs, Government of Bangladesh, at Dhaka from 12 to 13 May. A document related to the conference stated that the Indian Ocean Region (IOR) is no longer an idea based on “power equations” but rather a natural construct based on principles of “inclusivity, comradery, and multi-stakeholderism.” As two responsible states, Bangladesh and India are committed to ensuring the rise of a “free, open, inclusive and rules-based” IOR.46
While speaking at the inaugural session, Dr. S Jaishankar said that a seamless transition into an Indo-Pacific is to their collective advantage. He reiterated India’s commitment to the well-being and progress of all nations of the Indian Ocean. “We have dedicated bodies like the Indian Ocean Rim Association or the Indian Ocean Naval Symposium, with their specific mandates. We expand on that belief through the Neighbourhood First policy, the SAGAR outlook and our approach to the extended neighbourhood.”

On September 10, 2018, Bangladesh Prime Minister Sheikh Hasina and Indian Prime Minister Narendra Modi inaugurated the Agartala-Akhaura new railway link project through video conference. So far, 85% of the work on the Indian side and 73% on the Bangladesh side has been completed. The railway connectivity is expected to begin its operations in September.

While the India-Bangladesh cooperation is strengthening, Dhaka also remains committed to its relationship with China. At the 12th Foreign Office Consultations (FOC) in Dhaka on May 27, Bangladesh and China showed interest in contributing to regional connectivity in South and South East Asia under the auspices of China’s Belt and Road Initiative. The Chinese side reiterated its appreciation to Bangladesh for its continued support of the One China Policy. The two sides also discussed defence cooperation and the possibilities of regular staff-level talks and specialised training programmes. Bangladesh also seeks China’s support to facilitate the early and voluntary repatriation of the Rohingyas to Rakhine State from Bangladesh.

**NEPAL**

**Prime Minister’s Visit to India**

Prime Minister Pushpa Kamal Dahal ‘Prachanda’ of Nepal arrived in New Delhi for a four-day visit on May 31. This is Prachanda's first bilateral visit abroad since assuming office in December 2022.

On June 1, Prachanda held talks with Prime Minister Narendra Modi. During the meeting, seven agreements were signed to boost cooperation in several areas, including trade and energy. India has agreed to purchase 10,000 megawatts of electricity from Nepal in the next ten years. The two leaders virtually inaugurated integrated check posts at Rupaidiha in India and Nepalgunj in Nepal and also virtually flagged off a cargo train from Bathnaha in Bihar to the Nepal custom yard.

At the joint press conference following the meeting, Prachanda urged Prime Minister Modi to resolve the boundary matters through established bilateral
diplomatic mechanisms. Prime Minister Modi responded, "We will continue to work to take our relations to the height of the Himalayas. And in this spirit, we will resolve all the issues, be it the boundary issue or any other issue. I am happy to share that the partnership between India and Nepal has been a super hit." 51

In the recent past, India-Nepal relations have seen some discord over issues of the boundary at Kalapani, the Agnipath scheme, the 1950 Treaty of Peace and Friendship, and growing Chinese influence in Nepal. Prachanda has said that upon his return to Nepal, he will tell his countrymen that the ties between the two neighbours have entered a new phase of history with a new dimension added to it which needs to be nurtured. A realistic understanding of the concerns of the two countries will go a long way in strengthening bilateral relations.

***
ENDNOTES


2 Ibid.


33. Ibid


45. WION. "IMF Flags Risks to Bangladesh Economy as Foreign Reserves Fall Further."


