



Forecast INDIA

India is a nation of extremes – a nuclear power with 700 million rural population living in 550,000 traditional villages; the world's largest democracy; the world's second largest population; one of the most religious of populations; one of the most secular of nations; a nation that many regard as a friend but a nation aligned with none. India, now growing almost as quickly as **China**, is on the brink of becoming a world power but with a population facing poverty and disease, environmental degradation, localized ethnic and religious strife including terrorism, and an acrimonious dispute with **Pakistan**.

Civilization

Cultural overlays began in India at least 3,500 years ago when mysterious, probably *Dravidian*, highly organized urban civilizations such as the *Indus Valley* civilization were supplanted by warlike herd-based *Aryans*. Earliest decipherable records show old gods alongside new Aryan gods, a multiplicity of gods that converged as a singular Godhead. Waves of foreigners -- *Muslim Arabs* from the 8th century and *Ottomans* from the 12th century, *Europeans* (mainly **British, French**) from the late 16th century -- all left their traces in India but were ultimately assimilated by Indian culture. Only **China** and **Iran** have comparable cultural longevity, but it is India that has been most tested by forces that obliterated indigenous civilizations elsewhere. This *resilience* is a key to appreciating India's possible future.

People and Public Health

The population of around 1,100 million, about 15% of the world's population, has a median age of 25 years and a mean life expectancy of 65 years. Its broad ethnicity is **Indo-Aryan** 72%, **Dravidian** 25%, and 3% other ethnic groups including **Mongol**, but this conceals a great cultural diversity of a multitude of ancient cultures. Although **Hindi** is the official national language, it is the first language of only 30% of the population and there are 14 other official languages including *Bengali, Tamil, Urdu, Gujarati, Punjabi, Kashmiri, Sindhi*, and *Sanskrit*. *Hindustani*, a widely-spoken vernacular throughout northern India, is not an official language. **English** also is not an official language but is the *lingua franca* of the elites and is used for international and much national communication; Indian English is one of the richest and most literate English variants in the world. The predominant religion is **Hindu** (81%). The 13%





Muslim population of around 145 million is the third largest Islamic population in the world after **Indonesia** (200 million) and **Pakistan** (165 million). Two religious minorities, **Sikh** (around 2%) and **Parsi** (a negligible 70,000) have played an inordinately important role throughout Indian public affairs. The first field marshal of India, **Sam Manekshaw**, and India's greatest industrialist, **J. R. D. Tata** (not to mention **Zubin Mehta** and **Freddie Mercury**) are examples of prominent Parsis.

People's Assembly (May 2004) - party	seats	
Indian National Congress (INC)	145	27%
Bharatiya Janata Party (BJP)	138	25%
Communist Party of India – Marxist (CPI-M)	43	8%
Samajwadi Party (SP)	36	7%
Rashtriya Janata Dal (RJD)	24	4%
Bahujan Samaj Party (BSP)	19	3%
Dravida Munnetra Kazagham (DMK)	16	3%
Shiv Sena (SS)	12	2%
Biju Janata Dal (BJD)	11	2%
Communist Party of India (CPI)	10	2%
other – all parties with less than 10 seats	89	16%

About 65% of the population live in traditional rural villages. The **average GDP** per capita (parity adjusted) of \$3,300 is virtually meaningless because there is a wide and widening disparity between a prosperous urban middle-class in over 200 major cities and towns and the poorest of subsistence villagers who rely partly on **barter** trade outside the formal economy. Similarly, the declared **unemployment** rate of 9% does not capture high **underemployment** rates throughout the country or the nature of subsistence activities. The estimate of 25% below the poverty line – significant by any standards – does not capture that in some regions this means village life that is slowly improving and in other places means life-threatening food shortage and endemic disease. **Disease** is a ubiquitous challenge in India where hot climate and poor sanitation brings an almost universal high risk from infectious diseases (such as **bacterial diarrhea, hepatitis A, hepatitis E, typhoid**) and vector diseases (largely mosquito transmitted, such as **dengue, malaria, encephalitis**). With the lack of advanced **medical facilities** in most parts of India, most of these diseases have high **mortality**. The vast rural population of India living among animals in relatively unsanitary conditions leaves it particularly vulnerable to global pandemics such as mutated **H5N1**.

Government

Under its constitution, India is a "**sovereign, socialist, secular, democratic republic**". The interests of the states is represented in the **Rajya Sabha** but the authority of government rests, Westminster-style, with the Prime Minister in the **Lok Sabha** (People's House). Voter involvement in India is moderately high, at about 66% election turnout. The secular **center-left Congress Party (INC)** has ruled most of the years since Independence in 1947. The INC regained power in 2004 by forging a coalition of 12 parties, the **United Progressive Alliance (UPA)**. The victory was attributed to impatience among the rural poor with lack of development, and eventual rejection of the Hindu **Bharatiya Janata Party BJP's** nationalist agenda. The Congress and BJP are still the two largest parties but it is likely neither can again rule without support of several smaller parties, which will be a moderating factor. **Manmohan Singh** – an Oxford-educated economist and a **Sikh** is the UPA elected Prime Minister. The BJP is by no means a spent force in Indian politics but its fortunes will depend on how convincingly it balances the main planks of its agenda as a Hindu religious party with a power-base in the "Hindi Belt" in the north and west states and as a **center-right** modernizing party of economic and political reform.

Opposition

The main parliamentary opposition is the Hindu **BJP**. The BJP had tacitly supported the destruction of the **Ayodhya mosque** in Uttar Pradesh in 1992 prompting the death of over 2,000 in the worst bout of nationwide religious rioting between Hindus and Muslim since Partition.¹ It also presided over nuclear tests in 1998 which led to the **US** imposing sanctions which were fully relaxed only in 2006. Also it presided over the **Kargil conflict** with **Pakistan** in 1999 which led to a battle and almost full-scale war. The BJP became seen as an extreme and divisive force, and after several failed coalitions, it lost power in



May 2004 back to the INC-led UPA. Also in opposition but with little in common with the BJP is the "Left Front" -- a grouping of four Communist and Marxist parties which control 59 seats. The grouping rules *West Bengal* and shares power in *Kerala*. Although the Front has not joined the UPA coalition it often supports the government in parliament. Smaller parties include regional interest groups such as the *All Parties Hurriyat Conference* a coalition of over 20 parties in **Kashmir** seeking independence or accession to Pakistan, and *National Socialist Council of Nagaland* which is struggling for independence for **Nagaland** in the extreme north-east.

Social Stability

There have been numerous forces of instability in India throughout its history; waves of invasion and endless rivalry between kingdoms and dynasties served to define and reinforce rather than weaken the social fabric. Most forces of instability today are readily identified and localized and unable to challenge the central administration. Today there are two major persistent security issues built upon social weak-spots -- Muslim separatism in **Kashmir** which is linked to historical Hindu-Muslim tensions in the north-west, and the radical Maoist **Naxalites** insurgency in several Indian states. India accuses **Pakistan** and **China** respectively of supporting these conflicts. Although insurgents crossing the Kashmir Line of Control into India are responsible for most deaths, the **Naxalite** insurgency has an almost daily low-level death toll and makes it unsafe for landowners, government forces and outsiders in several pockets in the west.

The **caste system** is synonymous with India. For millennia it was the basis of a stable, if inequitable, social system. The original Sanskrit **varna** (castes) of *Brahmin* (priests), *Kshatriya* (warriors, officials), *Vaishya* (merchants) and *Shudra* (farmers) -- and those beyond these castes, the *Dalits* (out-caste, the "untouchables") -- is a simplistic expression of an immensely complex system of thousands of **jatis** (*birth*; echoed in English terms such as "well born"). Ghandi condemned the inequities of the caste system but interestingly has much to say on the social cohesiveness that the complex *varna-jati* system brought to Indo-Aryan society. In modern India the government has legislated against caste-based discrimination and has implemented positive discrimination policies in government employment. One measure of success was the election of K. R. Narayanan, a *dalit*, as that the President of India 1997-2002. The force that is eroding unjust aspects of *varna-jati* more than legislation is the process of urbanization where skills, merit and money form new dominant hierarchies. In a recent development, *dalits* discontented with the pace of improvement in their lot have publicly repudiated *Hinduism* and converted to *Buddhism* or *Christianity*. This move seems unremarkable given the *dalit* is "beyond caste", but public apostasy in this way would likely be seen by conservative Hindus of the **BJP** as a deep erosion of Indian society.

Sikhs

Sikhism originates in the early 16th century in the *Punjab* with the *guru* Nanak Dev. It is a devoutly deist philosophy built on the proposition "*There is no Hindu, there is no Muslim*". Sikhism is a warrior culture, particularly in defense of the religion, and calls for a conspicuously high level of integrity in its adherents which has led to Sikhs to be employed in trust occupations throughout India. The present Prime Minister, *Dr. Manmohan Singh*, is a Sikh. A **Sikh** separatist movement in modern times dates from April 1983 when the Sikhs declared the free state of **Khalistan** (a union of **Punjab** and **Haryana**). A standoff continued for about 10 years, culminating in the storming of the Sikh's holiest place, the *Harmandir Sahib* (*Golden Temple*) in *Amritsar*, by Indian forces in June 1984, followed by an exchange of concessions. Four months later, the Prime Minister, *Indira Gandhi*, was killed by two of her own Sikh bodyguard. Years later, the Indian government apologized for the affront on the temple. Future agitation





for greater *Punjabi* or Sikh autonomy is possible but it will be in the form of direct political (or armed) confrontation rather than terrorist attacks.

Naxalites

Naxalites arose in the late 1960s as a radical Maoist land reform movement led by middle-class students asserting the rights of casteless and landless labourers.ⁱⁱ Today's Beijing denies any association with "Maoism" in India or other parts of the world but historically there probably was fraternal encouragement for the student/peasant struggle against land-owners. The Naxalites continue to operate in **Jharkhand** and surrounding states. They operate with deadly force, sometimes mining roads or deploying claymore mines against government forces. Their activities have prompted landlords to form local militias – the most active of these, *Ranvir Sena*, are as ruthless and lethal as the Naxalites and often kill landless laborers they suspect of collaborating with the insurgents.ⁱⁱⁱ The Naxalites are active in *Andhra Pradesh, Bihar, Jharkhand, and Chhattisgarh* and to a lesser extent in *Madhya Pradesh, Maharashtra, Orissa, Uttar Pradesh and West Bengal*.^{iv} The Naxalite cause is based on the palpable truth of grinding poverty and a feudal land system. Only development and a government attack on social inequity in the eastern regions is likely to defuse the movement.

Separatism

The provinces in the far east beyond **Bangladesh, Assam, Nagaland, Tripura, Manipur**, have been the source of varying types of separatist dissent and inter-tribal conflict for decades that -- visitors to these areas face a high risk of robbery, extortion and terrorism related violence. India accuses **Bangladesh** for fomenting some of these conflicts, but others believe much of the conflict is a cover for drug trafficking from **Myanmar** (Burma) and claim some of the killing results from feuding between *drug gangs*.

The Tamils

India has from time to time tried to use its influence to resolve the bitter *Tamil* independence insurgency in **Sri Lanka** but has also tried to avoid being embroiled in the conflict. Some sensitivity to the insurgency is unavoidable because the Tamils of *Tamil Nadu* in southern India see themselves as an undivided group with the Tamils of Sri Lanka. One legacy of this *de facto* involvement in the Sri Lanka was the assassination in 1991 of **Rajiv Gandhi** by a female suicide bomber during a political campaign in Tamil Nadu in retribution for sending Indian peace-keeping troops to Sri Lanka while he was Prime Minister.

Islamic Militancy

There was serious Muslim/Hindu inter-ethnic violence before and after the partition that created Pakistan, but the Muslim population of India (around 13%), approximately equal to the population of Pakistan, has generally lived in peace among the predominantly Hindu population. Incidents such as the 1992 destruction of the Babri mosque in *Ayodhya*, while the conservative Hindu **BJP** was in government, threw this peaceful coexistence into serious inter-religious conflict and, in that case, over 2,000 deaths. As a sequel to that incident in February 2002 more than 50 Hindus died in a fire on a train returning to Gujarat from Ayodhya. Although the fire may have been an accident, Hindus blamed Muslims and 1,000 to 2,000 people (mainly Muslim) were killed in retribution in ensuing riots. A court later found the BJP government culpable in not limiting the fatalities. But these incidents are the exception to relative religious stability throughout India. By contrast, politically-motivated Islamic violence is a daily occurrence in Indian *Kashmir*.

"Global" Islamic insurgency such as seen in **Indonesia, the US, Spain, and the UK** have been rare in India until recently. Bombings in October 2005 in *Delhi* which killed over 60 and injured 200 were blamed on **Lashkar-e-Toiba** (Lashkar-e-Taiba), a group in the *al Qaeda* mould that has the goal of Muslim domination of all India. Similarly the attack on *Mumbai* trains at rush-hour with seven well-coordinated high-explosive bombs in July 2006 was the sort of attack until then foreign to India. A



bombing attack, presumably by Hindu militants, on Muslims leaving prayers in Maharashtra later in the year in September was, at minimum, unhelpful. Although India has a wealth of experience of acting against insurgent groups -- in Kashmir, against the Naxalites, and separatists in the far east – these *al Qaeda* type of attacks pose a new dimension of threat. India has already taken action to ban web content that is an incitement to violence but is aware that any draconian action against the Muslim minority will drive more young men to *jihad* in defense of Islam with groups such as *al-Qaeda* and *Lashkar-e-Toiba*. The first major policy initiative of the **Singh** government after assuming power in 2004 was the repeal of the *Prevention of Terrorism Act (POTA)* promulgated by the previous BJP-led coalition. Singh's government claims that existing criminal laws are sufficient to control terrorism, particularly when used along with the *Foreign Exchange Management Act (FEMA)* which monitors money transfers. FEMA however has no insight into terrorists monies moving around in the *hawala* (underground) money transfers network.^v The state with most arrests under POTA was *Jharkhand* with over 250 people detained, mainly for involvement in *Naxalite* (Maoist) activities, rather than *al Qaeda* associated activities.

Economy

India has the fifth largest economy in the world (\$3.6T PPP), behind the **US**, the **EU**, **China**, **Japan**. The three Asian economies, China, Japan, India, have a larger combined GDP than the US and India's growth is now closing in on China's rate of 10%. India is battling a huge and growing population, water shortage, an energy deficit, and a decrepit infrastructure. **China** shares many of these problems but has the advantage of constructing much of its capital infrastructure newly in the last decade or two, whereas India is beset with factories, railways, electricity and water reticulation and drainage systems that in some cases date back over a century. India has run an intensive birth control program for several decades with some success but there is still an immense development deficit in basic services in both urban and rural areas. Against all of this, India is poised to become a key player in the new globalized world. Some say this will be the "Century of India" (eclipsing the Chinese Century) based on India's *soft power*.^{vi} India's soft power resides in its history of non-aggression, the pervasive value-based nature of its culture, its high reputation for education and intellectual achievement and, importantly, its *English-speaking* elite. Some of this character gives it an intrinsic trading advantage over China. It is well positioned to offer competitive education and health-care services to a world market, and to compete in high-technology areas such as *software* and *biotechnology*. The software industry is already worth around \$17.2 billion in exports and is set to play an increasingly important part in India's balance of trade.

In its immediate area, India is a key member of the *South Asia Association for Regional Cooperation (SAARC)*, which recently agreed to establish a *South Asia Free Trade Area (SAFTA)*. In recent years India has also reached out to the **ASEAN** region and into east Asia with trade agreements with **Japan** and **South Korea**. Although India and **Japan** are pursuing genuine détente with **China**, old diplomatic positions (and enmities) die hard. Japan has increased development assistance to India (at the expense of China), has supported India's admission to the new **East Asian Community**, and plans to establish free-trade with India two years ahead of free-trade with China.^{vii}

There are calls to liberalize labor laws in the formal economy to permit greater worker mobility and reduce "too much *job security*" that is thought to be hampering growth.^{viii} Similarly there are calls to further reduce the remaining tight restrictions on private and foreign investment in utilities and other "strategic" industries such as coal.^{ix} Indian *socialism* runs deep, as in the **UK** and much of *Europe*. As a **US** trade official says – "You find more socialism in India than in China. You don't find someone arguing against you on the basis of Marxism in China."

India's *environmental* problems in some places are already emergencies of a macro-economic scale. India, like **China**, has the burden in implementing maximum possible development and improvement in the standard of living without continued negative impact on its environmental systems. Due to water shortages (both within and beyond India's control), land degradation, and poor support for the agricultural



sector, India is compelled now to import food grain for the first time. This and the volatile cost of imported crude oil ensures India's continued development is under a shadow of precarious **food, water** and **energy security**. Monetarists insist that continued deregulation throughout the economy would attract additional foreign capital and better loan arrangements necessary for massive infrastructure investment. The national **poverty level** has been reduced by only about 1% in the last decade. Basic government programs are clearly not enough to achieve the gains necessary and the World Bank is providing annual aid of around \$3B for infrastructure, education, health, and rural livelihoods. India's impressive growth figures come with the caveat that economic growth is almost exclusively in the **cities** with few comparable benefits reaching the majority rural poor.

Energy

India uses about 3% of total world energy consumption, the same amount as **Germany**. It has the fourth largest **coal** reserves in the world, and has substantial reserves of both oil and gas but these petroleum reserves are not being substantially exploited. As India undertakes industrial development and improvement in the standard of living, it is becoming increasingly energy hungry, as is **China** and the two countries are increasingly competing in the world market for primary energy sources. **Nuclear energy** may be an effective answer to these energy needs and both **France** and the **US** have committed to assist India with domestic **nuclear energy** needs within non-proliferation frameworks to reduce the nexus between its high rate of industrial development and greenhouse gases.^x One reason behind the US nuclear accord with India (yet to be ratified) is to obviate the need for India to take part in the **Iranian gas** project that would bring gas through **Pakistan** into India. However, both India and Pakistan are aware that gas is a uniquely useful portable energy source for an under-developed rural population. Electricity, nuclear or coal-fired, only has value if reticulated through capital-intensive works, whereas **bottled gas** can be distributed to the remotest village for cooking, lighting, heating or refrigeration. India is also looking to a future when present energy modalities will be insufficient and it has joined an elite group of nations involved with the **ITER** project (*International Thermonuclear Experimental Reactor*) comprising the **EU's EURATOM, Japan, China, India, South Korea, Russia, USA**. Seemingly at the other end of the technology spectrum is India's involvement in "low technology" energy solutions for its rural population. One famous example from decades ago is the cow-dung radio which uses burning cow-dung to run a village radio. Many research institutes such as the *Appropriate Rural Technology Institute* in Puna has designed a range of systems that produce energy in a low-tech environment.

India – Energy Report Card	
<i>Electricity</i>	
production	556.8 billion kWh
consumption	519 billion kWh
exports	187 million kWh
imports	1.4 billion kWh
<i>Oil</i>	
production	785,000 bbl/day
consumption	2.32 million bbl/day
exports	350,000 bbl/day
imports	2.09 million bbl/day
proved reserves	5.7 billion bbl
<i>Natural gas</i>	
production	27.1 billion cu m
consumption	27.1 billion cu m
exports	nil
imports	nil
proved reserves	853.5 billion cu m

Water and Environment

Severe **overpopulation** and land over-use in many areas has led to deforestation and **desertification**, and air and water **pollution** from industrial effluent, untreated **sewage**, and agricultural runoff. India is the greatest user of water in the world in absolute terms, but has a below world average use per capita. India is already in a more precarious situation than **China**. The average minimum diet is very close to the level necessary to sustain life. **Grain** harvests are still increasing but water supply for irrigation is at high stress levels. As elsewhere, farmers have augmented surface water irrigation by pumping groundwater from under their own land. There are no restrictions in India on this use of groundwater but the farmers are depleting everyone's water not just their own. Village wells must go deeper and deeper each year to



supply drinking water. But for India's 1,100 million there may be lifesaving hidden capacity. India's water handling infrastructure is so severely inefficient that capital upgrades anywhere in the vast archaic irrigation and reticulation system will conserve the water presently being wasted. Large cities such as *New Delhi* have water shortages but at least 40% of water brought into New Delhi is lost through *leaking pipes*. Immense capital intensive projects on water supply are easier said than done in India where World Bank funds full of capital could be spent in every direction but the situation does afford India some hope of staying just behind the disaster curve through refurbishment. Drinking water, not just irrigation water, is a severe problem in India. Only about 10% of sewage is treated and both urban and industrial pollutants (and corpses) are commonly dumped directly into waterways which in turn severely contaminates ground water. This is a classic demonstration that *sanitation* is an inseparable aspect of water supply.

The *Ganges*, running across India to the sea to the east in **Bangladesh**, is so depleted and polluted that coastal mangroves are dying. Global warming is disrupting the annual freeze and thaw cycle that feeds the river threatening an ever diminishing flow. To the west, **Pakistan** accuses India of depleting the flow of the *Chenab* (a major tributary of the *Indus*) and threatening to deplete it further by building a US\$1B dam at Baglihar in disputed Indian-controlled Kashmir.

The *Bhopal Disaster* of 1984, which killed around 20,000, can be partly attributed to shortcomings in regulatory and inspection systems. If India is to avoid more Bhopals – or the environmental disasters now almost commonplace in China – it will be necessary to find the correct middle way between prudent oversight and the “regulation” that is anathema to monetarists and the World Bank.

Transnational Crime

India is the world's largest producer of licensed *opium* for pharmaceuticals, but some quantities of top-grade product is diverted to international illicit drug markets. India is also an historical transit point for the eastward movement of opium from **Afghanistan**. It is also a producer of illicit *methaqualone* (a sedative barbiturate-like recreational drug since the 1960s) and large quantities of *ephedrine*, precursor to *methamphetamine* (a stimulant sweeping Western countries as *ice* or *crystal meth*, and south-east Asia as *shabu*). Money-laundering for transnational trade in black-market drugs is generally through the age-old *hawala* underground money transfer system that spans the world.

Foreign Relations

India has 14,103 km of borders with six countries -- **China** (3,380 km), **Bangladesh** (4,053 km), **Pakistan** (2,912 km), **Nepal** (1,690 km), **Myanmar-Burma** (1,463 km), **Bhutan** (605 km). India faces a fortunate time in its history. It is being courted by Japan and USA as an ally in Asia and is seen as a friendly power by the ASEAN grouping. It is suddenly seen as a key player in Asia and on the brink of becoming a world power in the *anglophone world*. India has been an active member of the **United Nations** and UN *peacekeeping* missions and is now lobbying for a *permanent* seat on the UN Security Council. It is a leading member of the *Non-Aligned Movement (NAM)* and of the *South Asia Association for Regional Cooperation (SAARC)*. SAARC was established in 1985 comprising **Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka**. It takes pains to be a cooperation forum for technical, cultural, and law enforcement matters rather than a “political” forum; however political business is now often done on the sidelines of SAARC meetings. In January 2004 SAARC agreed to establish a *South Asia Free Trade Area (SAFTA)* but this is still to be ratified by all members. Of late, India has been strengthening ties with the ASEAN grouping, **Japan**, and **USA**. It has long-standing close relations with **Russia** which continues to be the largest supplier of military systems. The **US** imposed sanctions on India for breaches of nuclear proliferation after the nuclear tests of 1998 but these policies have been reversed in recent years since the issue of **Iran's** nuclear program gained prominence. Prime Minister Singh visited the US in July 2005 and President Bush reciprocated in March 2006. The two nations have completed a range of agreements including the supply of US nuclear technology to boost India's domestic nuclear energy programs. India is increasingly seen in several quarters as a counterweight to **China's** influence in



East Asia and in the *Indian Ocean* region and, for this reason among others, **Japan** and the **US** are anxious to establish closer relations.

Pakistan

Since *Partition* in 1947, India and Pakistan have disputed *Kashmir*, whose Hindu Maharaja at that time chose to join India, although a majority of his subjects were Muslim. India maintains that his decision and the subsequent elections in Kashmir have made it an integral part of India; Pakistan says it is the choice of the 947 population to join Pakistan that should prevail. This dispute erupted into war in 1947, 1965, 1971 (that led to the creation of **Bangladesh** from East Pakistan) and the *Kargil conflict* in 1999. A border standoff along the *Line of Control* agreed in 1972 with almost daily insurgent attacks continues to the present day. Kashmir has been the main, but not only, reason for difficult relations with **Pakistan** since *Partition*. India accuses Pakistan of fomenting the separatism in Kashmir and **Sikh** separatism in *Indian Punjab*, and for terrorist incidents in India such as the attack on the Indian Parliament in December 2001. Following years of negotiation, diplomatic and trade relations were re-established in 1976. But the 1979 **Soviet** invasion of **Afghanistan** imposed a new polarization -- Pakistan had strong ethnic links with the Afghans and supported the Afghan resistance which left India almost by default to support the Soviets. The **US** supplied the *Taliban* fighting the Soviets through Pakistan and, to India's consternation, also supplied Pakistan's armed forces. The next attempt at détente was in 1998 when the form of dialogue was agreed – a *Composite Dialogue* embracing eight issues but it was not until February 2004 that India and Pakistan restarted talks using the agreed framework. *Jammu and Kashmir* was certainly the key topic and deal-breaker but close behind was the *Siachen Glacier* (where India, Pakistan and China meet) and various water sharing issues. A cease-fire established in Kashmir in 2004 is still in place over a year later and, of both symbolic and practical value, a bus service across the Line of Control was commenced in 2005. Pakistan has taken the issue of India building the *Baglihar Dam* on the *Chenab* River in Kashmir to World Bank arbitration. The *Chenab* is a major tributary of the *Indus* and its waters are vital to Pakistan's agricultural heartland in the Punjab.

With the present leaders, *Pervez Musharraf* and *Manmohan Singh*, India and Pakistan have the best chance in 60 years of progressing the Kashmir issue or, at minimum, of maintaining a peaceful *status quo*. Both have extremist electorates which would relish a full-scale fight to the death over Kashmir but on this and other issues the leaders have been able to sideline the extremists. The rapid and unprecedented cooperation between the two countries in the relief effort after the October 2005 *earthquake* in Kashmir left a lasting impression on both governments that constructive joint endeavors were possible. As with similar long-standing border disputes throughout the world, the issue has been cast as a *zero-sum game* for so long that imaginative solutions elude all parties. More significantly, Jammu-Kashmir is not simply a matter of principle – control of the area is about control of the headwaters of vast rivers. *Water*, rather than principle, is something both India and Pakistan would fight a war for.

China

India had a serious border conflict with **China** in 1962 but relations have slowly improved over the subsequent 40 years. India and **China** are the *two fat kids in the canoe* (to re-use a phrase of Dean Rusk) – if they argue, all of Asia, and beyond, ends up wet. Unfortunately geography, rather than intrinsic rivalry, placed them at loggerheads. By 1988, both countries sought to put the border issues aside and move towards normalized relations. Of late this has progressed quickly; the Indian Prime Minister visited China in June 2003 and in 2005 China and India launched a foreign policy dialogue on the border issue, regional nuclear proliferation, and India's concerns over supply of Chinese missiles to **Pakistan**. Evidence of new thinking on both sides was the reopening in July 2006 of the ancient *Southern Silk Road* border pass between Indian *Sikkim* and Chinese Tibet that had been closed for 44 years. Despite current warming relations, in different times and different circumstances, China and India and the nuclear weapons capability of both are a worrying mix. It is an open secret that China began installing nuclear ICBMs along the **Nepal** border (in annexed **Tibet**) in 1961. As a major gateway to China, Tibet is of crucial



strategic importance, to China or India, but it is also unsurpassed as a location for forward-deployed ICBMs. This adds to the risk that a future misunderstanding could lead either India or China to a pre-emptive first strike.

Russia (USSR, CIS)

In 1971 Russia and India agreed not to renew the *Indo-Soviet Peace and Friendship Treaty*. India sought a “less ideological”, more practical, relationship. President Yeltsin's visit to India in January 1993, and subsequent high-level exchanges, have confirmed Russia as equal partners in a relationship valuable to both. Russia remains a major military supplier to India.

Refugees

India is host to refugees from nearby conflicts or displacements, over 92,000 from **China's** annexation of **Tibet**, 60,000 from the **Sri Lanka Tamil** conflict, and 10,000 from the war in **Afghanistan**. The *Jammu and Kashmir* conflict has brought the arrival of about 500,000 Internally Displaced Persons (**IDPs**).

International Disputes

Apart from profound disagreement with Pakistan over Kashmir, India has minor disagreements with several other of its neighbors; with **Bangladesh** over the border with *West Bengal* and the maritime boundary in the Bay of Bengal, with **Bhutan** and **Burma** over better policing of *Assam* and *Nagaland* separatists operating from areas in their territory, with **Nepal** over sections of the border and assistance with better border control of *Maoist* insurgents.

Projection Capability

The Indian Army and Air Force are large and in the process of modernization. Russia has been a ready supplier of weaponry but India is making efforts to develop an indigenous armaments industry that already produces a light helicopter and some types of missile. But, unsurprisingly given India's geography, India sees its **Navy** as a major part of its strategic future. It relies on the navy to protect sea-lanes which carry 90% of its energy imports (oil and gas) and most of its other foreign trade. In past conflicts with **Pakistan**, India was able to successfully *blockade* Pakistan's ports, something Pakistan seeks to avoid again with new facilities to the west at *Gwadar* (a joint venture with **China**). It currently has one carrier group and is ordering two more carriers. It has at least 14 submarines and 15 capital ships, and is rumored to be negotiating the lease of *nuclear submarines* from **Russia**. It routinely exercises in the *Indian Ocean* and the *Arabian Gulf (Persian Gulf)*, and as far afield as the *South China Sea*, and the *Mediterranean*. The new navy chief (August 2006) insists that India will have a fully capable blue water navy "*technologically modern, fighting fit, all purpose maritime force to be reckoned with*". Probably due to India's "soft diplomacy", offers to ASEAN countries to assist with security of the *Malacca Strait* have been received far more favorably than similar US offers.^{xi}

Proliferation

India's development of a nuclear capability culminating in the first test in 1974 was probably motivated by serious border conflict and standoff with **China** during the 1960's and China's first nuclear test in 1964. **Pakistan** is thought to have developed a capability in secret by the late 1980s and went public with its first nuclear test in 1998 in *Balochistan* a few days after India first tested nuclear weapons warheads. Neither India nor Pakistan is a signatory to the *Non-Proliferation Treaty (NPT)*. With the 2005 accord on civilian nuclear technology proposed by the **US**, India's nuclear status was in some sense legitimized. **Pakistan's** status was conspicuously not legitimized; presumably Pakistan will spend more time in nuclear Coventry until it has paid the penalty for *Dr Abdul Qadeer Khan's* "network" that is alleged to have passed nuclear weapons know-how between Pakistan, **Iran**, **Libya** and **DPR Korea**. If the US-Pakistan nuclear accord is ratified, it will place uranium exporters such as **Australia** in an interesting position. It is official Australian government policy not to sell uranium to countries that are not signatory



to the NPT; however, in the interest of export revenue and its own good relations with India, Australia is now approaching the Jesuitical position that it would be appropriate to sell uranium to a country who behaved *as if it were a signatory to NPT*. Again, Pakistan would be conspicuously absent -- for the present -- from that qualification.

US-India Relations

The US recognizes that India is a necessary partner in its foreign policy in the Gulf region and in Asia. In September 2001 the US lifted sanctions that had been imposed since India's *nuclear tests* in 1998. Following Prime Minister Singh's visit to Washington in July 2005 the US announced a range of cooperation agreements including, controversially, in civil nuclear technology. The nuclear agreement was questioned and delayed in Congress. The delay brought something of a chill to the accord. Congress disputed whether it was really in US national interest -- India responded that no "dilution" of the arrangement would be tolerated. With slight embarrassment to the Administration, the accord was not ratified when Congress adjourned in October 2006.

The Great Game

The Great Game -- the wrestling for comprehensive access to the vast resources of *Central Asia*, first played between the Tsar and Queen Victoria -- continues today. In the west the hotspot was the **Crimea** and Sevastopol (modern Ukraine), in the east it was **Afghanistan** and Kabul -- where **British** influence and **Russian** influence met. In this strategically-vital east, Afghanistan was the link between British India and Central Asia; whoever held Afghanistan, by fair means or foul, had control over Central Asia's access to India and the Indian Ocean. The Russians had Tashkent (modern **Uzbekistan**), the British had the north-west Frontier Provinces (under a tenuous agreement with tribal chiefs). The humiliating and costly British *Retreat from Kabul* in 1842 decimated by local tribesmen says it all, or would say it all if it weren't for the humiliating and costly British *Retreat from Kabul* in 1881 decimated by local tribesmen. The elapse of 40 years had not made the British wiser or the Afghan tribal fighters less formidable. It should not be lost how relevant this is to the NATO forces struggling in Afghanistan today or Pakistan's reticence to embark on an historic invasion of its own North-west. Also the **Russian** occupation of Afghanistan -- and costly retreat decimated by local tribesmen -- must be seen in this context. *Al Qaeda* **Arabs** are the new kids on the block and doubtless will also need make a costly retreat when it suits tribal interests.

The Great Game also makes strategic sense of the Kashmir conflict; an otherwise petty border disagreement is about control of the headwaters of great rivers and about Indian access to Central Asia. If Indian held a northern swath of Jammu-Kashmir -- a logically possible settlement -- it would have uninterrupted access to **Tajikistan** except for a slim finger of Afghan territory. Geopolitics is for the long-term and one hope held in Indian map rooms would be that a beleaguered secular Pakistani government of the future may yield such concessions for India's help, cooperation or non-interference. For these strategic reasons, Indian and Pakistan each take a deep interest in the affairs of its neighbor. During 2006 there were tit-for-tat diplomatic expulsions for espionage, the first since 2003, and at least two cases of Pakistani agents caught with sensitive Indian documents. Fairly soon after the July 2006 bombings in Bombay, Indian authorities were able to say that *Lashkar-e-Toiba* was behind the attack, and the Pakistan intelligence service (**ISI**) had an ultimate hand in the plot. Much of the Indian press does not need a lot of evidence to believe ISI is behind anything evil that befalls India. Whether events like the Mumbai bombing are ISI operations, or are deniable black-bag operations, or simply involve elements within ISI acting ideologically on their own behalf is not clear from open-source literature. Some open sources which are difficult to confirm (or negate) indicate that Pakistan's ISI may be simply playing a game of counter-disruption for India's activities in Pakistan, particularly in the Achilles heel of **Balochistan**. The *Balochistan Liberation Army* (BLA) formed in 1973 was the brainchild of the **KGB** and built upon the *Baloch Students Organization* (BSO) in *Quetta*. The Soviets intended the BLA to disrupt and distract Pakistan which was instrumental in forwarding **US** support to the anti-Soviet *Taliban*.



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BLA funding dried up when the Soviets withdrew from Afghanistan and the movement went dormant but there is credible evidence that it was reactivated around January 2002 with Russian and US assistance, and the blessing of the Indian intelligence agency RAW (Research and Analysis Wing) which has an effective network in the area. Passage to the Balochi coast is of strategic importance to **China** and the **Central Asian** republics; however, this is against the perceived interests of Russia, India, and the US.^{xii} Although a highly autonomous (or independent) Balochistan would be a mixed blessing to these powers, it would be certainly undesirable to **Iran** which would face pressure from its southern Balochi areas to join a **Greater Balochistan**. These claims indicate that the last piece in *The Great Game* is Balochistan, coastal Pakistan. The **Gwadar deep-sea port** development project is indicative of these interlocking territorial “games”. Commenced in 2002 with Chinese expertise and money Gwadar will provide both Pakistan and China with modern naval, container and tanker-facilities^{xiii}. Stage-I was completed in January 2005. Pipelines from Gwadar could pipe oil or gas directly into southern China and would bypass the long voyage through the *Malacca Strait* and the *South China Sea*.

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... / Forecast



Near-term	Mid-term	Long-term
<p>India has few enemies and none with whom it does not have a dialogue. It remained resolutely non-aligned, although this was difficult in past decades when arrangements with any one of Russia, China, or the US put it on the outer with the others. Although history has left it with closer ties to Russia than China, India's resolute broad-based approach demonstrates future foreign affairs is more likely to reside in a multitude of bilateral (and multilateral) agreements than "us-and-them" blocs. Only a nation of the size and complexity of India could sustain relative stability in the face of so many enduring internal conflicts. <i>Naxalites, Maoists, separatists Nagas, Islamists and Hindu extremists, Tamils, and restive Sikhs</i> all seek to take something from India and India can do little but endure the cost while solutions to each of the conflicts are found. India may be able to share lessons in the politics and security intelligence of counter-insurgency with hard-pressed nations such as Iraq.</p>	<p>India and Pakistan are involved in geo-political <i>great games</i> that Britain has largely withdrawn from and the US has rarely done well. In choosing "winners" or friends -- the <i>Shah, Saddam Hussein, the Taliban</i> -- the US has frequently confined its thinking to the next 3 to 5 years, not the time horizon of geopolitics. In playing India as a favorite, and a dangerous double game with Pakistan, it fails to see India, Pakistan and Afghanistan (and Sri Lanka) as a stable unit. If the US seeks to play on any <u>differences</u> between India and Pakistan, the strategy will ultimately come to tears. India and Pakistan can endure daily killings in Kashmir for another 40 or 140 years if they must but world powers such as the US are well-placed to work towards a resolution that would give India the access to Central Asia it needs (and once had). Indian political coherence, economic climate and social stability are likely to remain within the present limits while the present identities hold government. Electoral whim may put new regimes in power in India (and Pakistan) as early as 2009 or earlier. This could put massive ground wars – or nuclear first strikes – again on the table. Time is short.</p>	<p>India is a nuclear power with the <i>Agni III</i> missile (or its successor), nuclear submarines, modest carrier battle-groups, and a determination to be a blue water navy. This will within a decade bring it into geopolitical contact with China. As a side-issue to a breakdown in Pakistan, India may be brought toe-to-toe with the Chinese navy protecting its energy supply through <i>Gwadar</i> port or across the <i>Indian ocean</i>. Water is the <i>casus bellum</i> within the sub-continent; energy the <i>casus</i> in sea corridors and in the corridors to Central Asia. These are complex matters and matters of life and death for India and its neighbors. India's westward looking non-Islamic population has already attracted the attention of outside terrorists or indigenous Muslim youth that believe Islam everywhere under attack. The Mumbai train bombings is in that sense India's 9/11. Close, equal and open cooperation with India <u>and</u> Pakistan may be the key to unraveling the riddle of "global jihad".</p>

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World Crises [based on monthly assessments by *International Crisis Group*]

!!!	Alert	Côte d'Ivoire, DR Congo, Somalia
↓	Deteriorated	Afghanistan, Bolivia, Chad, Georgia, Kyrgyzstan, Thailand, Turkmenistan
↑	Improved	Burundi

<http://www.crisisgroup.org/home/index.cfm?id=4296>

Hazard Level

Change Codes
↓ Deteriorated
• Steady
↑ Improved
!!! Alert

Threats

Summary

see daily items on the web at

<http://meta2.com/PDB/pdbDetail.asp?THREATS>

Poverty	<ul style="list-style-type: none"> Indicative of many nations, the Philippines is unable to form policy against poverty because it does not yet have reliable <i>data</i> on the problem. UNICEF reminded the world that <i>child poverty</i> is not just an Africa problem; 25% of children in eastern Europe and 80% in parts of central Asia are living in poverty.
Infectious Disease	<ul style="list-style-type: none"> Around 2.5 million people die from <i>tuberculosis</i> around the world each year – discovery of an “alarm” effect in the body’s defense system may be a step towards a new medical tool. There is presently no cure or vaccine for either the <i>Marburg</i> or <i>Ebola</i> virus but a new discovery of how these <i>filoviruses</i> work may lead to an answer. The death of a 67-year-old woman in Java [Indonesia] brought the world total death toll from <i>H5N1</i> to 147 since 2003. WHO announced "a milestone for vaccine development" in <i>H5N1</i> prevention.
Environment	<p>↓ UK Prime Minister Blair warned about climate change -- "<i>We have a window of only 10-15 years to take the steps we need to avoid crossing catastrophic tipping points.</i>"</p> <p>The UN warned that "millions of people in densely populated, low-lying, developing countries" such as Bangladesh and parts of China, Indonesia and Vietnam might be forced to move by rising sea levels as ice caps melt. Scientists have been able to show the link between human-induced <i>global warming</i> and the break-up of the <i>Larsen Ice Shelf</i>.</p> <p>The UN reports that the increasing number of “<i>dead zones</i>” in the world’s oceans – large areas devoid of any living thing – is due to <i>algae</i> fed by human <i>pollution</i>; now the fast growing economies and populations of East Asia are putting the region’s marine ecosystem under increasing stress and increase the risk of new dead zones.</p>



Inter-State Conflict

!!! Field Marshal Sir Peter Inge, the former head of **UK** armed forces, said “we” are courting defeat in **Afghanistan**; “I sense we’ve lost the ability to think strategically”. A **UK** special forces chief was scathing about simple logistics in **Afghanistan**; on occasions his men had been down to *belt rations*. A Canadian backgrounder suggested the **Taliban** may prove to be best allies against *al Qaida* to be had in **Afghanistan**.

Mixed messages from the US Administration seemed to confirm the US can’t lose in **Iraq**, but also that it probably can’t win either; “Redeploy and Contain” may be a policy alternative to ‘stay the course’ or ‘cut and run’. President Bush acknowledged there may be some parallels between Iraq and **Vietnam**; his staff said there were not. [If *Tet* is seen not as a military event but an event in *public opinion*, the parallels may be there.] In moves attempting to stop the internecine violence the generals in charge of **Iraq**’s *Special Police Commandos* and its *Public Order Brigade* have been relieved of their posts.

Civil War

↓ In **Sri Lanka**, a suicide truck-bomb near Habarana has killed scores of naval personal in an act violent even for this civil war that has claimed 65,000 since 1983; during the week there was also a deadly *sea battle*.

Genocide

↓ **Sudan** has accused the **UN Special Envoy** of “waging psychological warfare on the armed forces by propagating erroneous information” and declared him *persona non grata*. Allegedly **Janjawid** militia wearing Sudanese army uniforms are killing Sudanese refugees in **Chad**. Cabinet spokesman Omar Mohammed Saleh told the Khartoum press the Government plans to disarm the **Janjawid** within two months.

Other Atrocities

↓ **Israel**’s admission of using *phosphorus bombs* explains the burns on civilians reported by doctors during the recent **Lebanon** war.
The **US** military has laid charges against 11 soldiers for actions in **Iraq**.

Proliferation

↓ Finally the **US** was able to confirm the nature of **DPR Korea**’s *nuclear test*; probably less than 1ktonne and *plutonium*, but ... “this is good news because we have a reasonably good idea of how much *plutonium* they have made.” The **US** announced it will convert its *nuclear arsenal* into a new stockpile of up to 2,200 deployed nuclear weapons. **IAEA** head General Mohamed **El Baradei** says as many as 30 new countries could get *nuclear weapons*; “We need to develop a new system of international approach”. **Belarus** announced it would build a nuclear power plant, possibly as early as 2007.
Amnesty International says discovery of *arms* from many suppliers in **DR Congo**, which is under a *UN arms embargo*, again proves the need for an *Arms Trade Treaty*.



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Terrorism

!!! The UK Home Secretary has warned **al Qaeda**'s "single extremist narrative" is winning the *battle of ideas*. Commentators have noted that **Al-Qaeda**'s "branding strategy" is a threatening trend; "... on an operational level these agreements open new opportunities to establish *training and logistics* bases" **Afghanistan** says Taliban chief **Mullah Omar** is in Quetta [**Pakistan**]; Pakistan says "The entire world knows that he is in **Afghanistan**". The sixth deadly bombing in a month, an **IED** in the north-western city of Peshawar, is probably another *Islamist* challenge to **Pakistan**'s secular regime. A UPI analyst commenting on the *War on Terror* notes "America did not win the *Cold War* by mistreating or killing communists."

Hoax SMS messages in Manila [**Philippines**] are an insight into how hoaxes imitating *reverse-911* [UK: 999] systems could cause mass disruption.

After the *coup*, the *insurgents* in southern **Thailand** are displaying greater willingness to talk; the (unnamed) head of **Bersatu** ("United") gives an interview to *Time*.

Transnational Crime

- According to a **Colombian** senator "*narco-paramilitaries*" in the country are far from neutralized. In unrelated events, over \$10M in cash and \$6.5M in narcotics were seized and 26 arrested in **Colombia**, Florida and New York.

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Policy Summary

see daily items on the web at

<http://meta2.com/PDB/pdbDetail.asp?POLICY>

Agriculture	<ul style="list-style-type: none"> The lurking threat of <i>Asian soybean rust</i> now in 15 US states may reduce US <i>soybean</i> output. Some wasteful absurdities are revealed in US <i>crop insurance</i> and <i>subsidies</i>; "We would probably be better off just giving the farmers the money directly" says an economist. Thailand's biggest <i>rice</i> exporters say the anti-GM position should be confirmed to keep Thailand as a favored supplier for <i>non-GM</i> rice world-wide.
Debt	<ul style="list-style-type: none"> [nothing significant to report]
Diplomacy	<ul style="list-style-type: none"> ↓ In a remarkable development [- and contrary to treaties --] the US has asserted a unilateral right to deny access to space to anyone 'hostile to US interests'.
Economy	<ul style="list-style-type: none"> !!! As most of China's \$1 trillion in <i>foreign reserves</i> are in <i>US dollars</i>, a decision to exchange for non-US holdings could have "<u>disastrous</u>" consequences for the US economy.
Education	<ul style="list-style-type: none"> A UK study says <i>TV with sub-titles</i> will help children to <i>read</i>; Finland has the highest reading scores of any children because it imports a lot of English language programs and they are sub-titled. UK research probably relevant to education everywhere revealed: "The average age of <i>puberty</i> has been falling for 150 years and dropped by as much as three years in the past 100."
Energy	<ul style="list-style-type: none"> ↓ OPEC has cut production by 1.2 million barrels per day to support the <i>crude oil</i> price. All indications are that an Australian Prime Ministerial task force investigating <i>nuclear power</i> in Australia will favor that solution.
Family	<ul style="list-style-type: none"> [nothing significant to report]
Immigration	<ul style="list-style-type: none"> [nothing significant to report]
Justice	<ul style="list-style-type: none"> [nothing significant to report]
Security	<ul style="list-style-type: none"> ↓ UK experience highlights the security hazard of the near-zero screening of <i>ramp workers</i>; suspects in the recent liquid bomb scare had associates among <i>air-side</i> workers. The French Interior Ministry has removed <i>clearances</i> for 43 workers with "radical practices" at <i>Charles de Gaulle airport</i>, and has closed seven "clandestine" <i>prayer rooms</i>. A key challenge for the US intelligence community: "<i>Security-clearance</i> restrictions have impeded hiring a diverse workforce, including non-citizens with critical expertise in other countries and cultures." DoD will resume mandatory <i>anthrax vaccinations</i> for more than 200,000 troops and defense contractors within 60 days -- the program had been stalled by a lawsuit since October 2004. A private group says security at Oak Ridge National Laboratory and other facilities is below standard. [Some of the group's evidence is unconvincing.] Cheyenne Mountain command center ("<i>war room</i>") opened in 1966 is being powered down to save money. EU Information Society Commissioner has restated concerns about the inherit privacy and security dangers from <i>RFID</i> technology.



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Social Security

- The first two years of data from a unique national surveillance project reveals that thousands are hospitalized annually in the US from bad reactions to *drugs*.

Water

- A classic "*virtual water*" example -- in **Kenya** 12 large corporate farms exporting *flowers* to **Europe** are in reality exporting *water* needed downstream by thousands of small farmers.

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Challengers

Summary

see daily items on the web at

<http://meta2.com/PDB/pdbDetail.asp?CHALLENGERS>

Brazil	•	[nothing significant to report]
China	↑	<p>China is training thousands of tomorrow's African policy-makers.</p> <p>Work on a serious border fence said to be planned since 2003 has intensified since the day of DPR Korea's nuclear test. [China may have reasons to expect a refugee influx.]</p> <p>Next year China will grant \$72 to each older family with only one child (or two daughters), a signal that the government rather than many children will help support the aged.</p> <p>China Daily gives a checklist of the measures now being taken against China's severe industrial pollution.</p>
India	•	[nothing significant to report]
Indonesia	•	<p>Indonesia's decision to buy six submarines from Russia was a "political decision not to depend largely on western countries in arms procurement". There is heated debate over a plan to spend \$6M on UAVs from Israel through a cut-out in the Philippines.</p> <p>Indonesia announces it will use its UN [temporary] Security Council seat to push for "Mideast peace".</p> <p>Some prospective candidates for the upcoming election in devout Aceh province have been barred for failing a Koran recital test.</p>
Iran	•	<p>A new Iranian moderate daily, "Rozeqar", opened with many of the journalists who worked on "Shargh" that was forced to close; "Rozeqar" was closed three days later.</p>
Russia	↓	<p>The fate of Amnesty International and Human Rights Watch, and many other NGOs, is in limbo under new registration procedures in "national security or morals" interests.</p> <p>Killing has become a business and political method in Russia; <i>Radio Free Europe</i> gives a detailed inventory of killings.</p>
Venezuela	↓	<p>A US report has called Venezuela a "potential hub of terrorism" because it has issued "thousands of social security cards to people from Cuba, Colombia and Middle Eastern nations..."</p> <p>Analysts say President Chavez "has used the country's petrodollars to fund social programs that have garnered him tremendous support among the poor in Venezuela". [OPEC's decision to cut production this week is probably good news for Chavez.]</p>
[wild-card]	•	<p>After numerous votes, neither Guatemala nor Venezuela, candidates from their regional group, have reached the needed two-thirds majority for a temporary seat on the UN Security Council.</p> <p>The former head of Pakistani intelligence says "It is absolutely true that America played a role in Gen. Musharraf's take over of 1999."</p>

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Notes to Focus Paper

- ⁱ Ayodhya (Uttar Pradesh) -- Hindus zealots - supporters of **Vishwa Hindu Parishad (VHP, World Hindu Council)**, the **Shiv Sena** party, and the **BJP**- demolished the 16th-century Babri mosque in 1992, vowing to replace it with a Hindu temple to Rama. They say the mosque was built on top of an ancient Hindu temple marking the birth-place of the God Rama.
- ⁱⁱ **Naxalite** – The name derives from an incident in May 1967 at Naxalbari village in Darjeeling district in the north of West Bengal. Landlords unlawfully dispossessed some tenants and local tribal people attacked the landlords and returned the tenants' rights. See "Who are the Naxalites?", Rediff - India, 20031002.
<http://in.rediff.com/news/2003/oct/02spec.htm>
- ⁱⁱⁱ Some sources claim that **Ranvir Sena**, probably erroneously, is working *with* the Naxalites.
- ^{iv} "Special force to tackle Naxal menace", *Rediff* – India, 20031117. <http://in.rediff.com/news/2003/nov/17george.htm>
- ^v *Hawala* is a traditional system of transfer of cash by note. Typically a drawing of, say, an elephant on a scrap of paper might be carried from the Middle East to India and be cashed by the Indian *hawala* banker for whatever the note signifies, US\$100,000 or more perhaps. This method, built upon trust and secret signs between *hawala* bankers considerably predate Western types of cash-transfer arrangements.
- ^{vi} "Soft power" was coined by Harvard political scientist Joseph Nye
- ^{vii} The East Asian Community was envisioned at the inaugural **East Asian Summit** in December 2005 in Kuala Lumpur
- ^{viii} "Crying need for labour reforms", *Financial Express* – India, 20060227.
http://www.financialexpress.com/fe_full_story.php?content_id=118934
- ^{ix} See "The danger for coal", Rediff - India, 20050819. <http://in.rediff.com/news/2005/aug/19flip.htm>
- ^x "India needs help with civilian nuclear power, says Chirac", *The Hindu* - India, 20060220. <http://www.ipcs.org>
- ^{xi} "India's Soft Power", IPCS.Article nr 1933. <http://www.ipcs.org>
- ^{xii} "The Stunning Investigative Story on the Birth of Balochistan Liberation Army", *South Asia Tribune* - USA , 20050301.
http://www.satribune.com/archives/200503/P1_bla.htm ; also see "The Balochistan Crisis – Part Two" [The Present Day], *News Central Asia* - USA, 20060205.
<http://www.newscentralasia.com/modules.php?name=News&file=print&sid=1670>
- ^{xiii} For a detailed technical description of the Gwadar project see the Pakistan Government's Board of Investment site
http://www.pakboi.gov.pk/News_Event/Gawadar.html

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