

COOPERATION · HARMONY · CONFLICT

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WHAT'S INSIDE?

- America changes tune after Bangladesh elections
- China prepares for the two sessions
- State of Electoral Representation in South Asia
- Taliban avoids the two-day UN conference on Afghanistan in Doha
- India replaces its military with civilian experts in Maldives
- PLM-N and PPP to form a coalition in Pakistan
- Farmers' protest return to New Delhi





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Editor's Note

February 2024 was an eventful month in South Asia. Pakistan's election result threw the establishment off balance. 'King of chaos' Imran Khan's Pakistan Tahreek-e-Insaaf (PTI) backed independent candidates won the most votes despite accusations of vote-rigging favoring the other established parties. Khan is in jail, and his party is in opposition after the second and third largest parties decided to form a government.

The Indian election campaign for the upcoming national elections has taken apace. Prime Minister Narendra Modi is crisscrossing the country, whereas the opposition has restarted the second 'Bharat Jodo Yatra.' However, given the advantages of the ruling BJP, the opposition is unlikely to make a big dent in BJP's victory margin.

Amidst political drama at home, the Maldives and India agreed to replace the Indian military personnel stationed in the Maldives with 'civilian' experts. Muizzu ran on an anti-India nationalist platform, and removing Indian military personnel was one of his key promises.

Increasingly, more states are engaging with the Taliban, but no country has formally recognized its rule so far. Meanwhile, the Taliban was a no-show at the two-day conference organized by the UN in Doha, Qatar. Special representatives from more than twenty countries participated in the conference, which was chaired by the UN General Secretary.

Read these stories and more in the current South Asia Bulletin. The stories on most countries are more detailed than in previous issues to provide more context to the region's development.

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Country Brief

Afghanistan 🗖

The Taliban government has struggled to be recognized, but their ruling has remained a global topic of discussion. A two-day high-level UN conference in Doha, Qatar, on 18-19 February, aimed to chart a course for international engagement in Afghanistan, address the Taliban's diktat over women's rights, and appoint a UN Special Representative for Kabul. Representatives from more than 20 nations and organizations, including the UN General Secretary Antonio Guterres, participated, but the Taliban was a glaring absentee. It passed on the conference because it wanted to be the sole and recognized as a legitimate representative of Afghanistan. Thus, the conference failed to achieve its aims.

A month earlier, the Taliban organized a diplomatic conference called 'Afghanistan Regional Cooperation Initiatives' participated by neighboring countries. The Taliban has failed to be recognized, but countries such as India and China have engaged diplomatically with the regime. However, they have stopped just short of formally recognizing the regime. The US is also exploring the possibility of reopening its consulate in Kabul.

Meanwhile, a report by the UN voiced concern that terrorist groups enjoy 'greater freedom' in Taliban-led Afghanistan. The report also raised trepidation over the desecration of human rights and freedom, particularly of women. Kabul denied the claims as baseless and designed to prevent political progress in Afghanistan. There was global outrage following the public execution of three murder convicts. A separate report by the UNDP, EU, ADB, and World Bank identified the need for funds north of USD 400 million for recovery needs following the earthquake last year.

The Taliban has felt the economic squeeze. The World Bank takes 'Approach 3.0' and will make USD 300 million available under the International Development Association in the next fifteen months, subject to further board approval. It is to revive the regional infrastructure project and could provide the Taliban with a breathing space.

Bangladesh

The Rohingya refugee crisis has agitated the Bangladeshi authorities as the country now shelters 1.2 million Rohingya refugees. Further, members of Myanmar's Border Guard Police have also fled their posts and taken shelter in Bangladesh in recent times. Bangladeshi officials, on various instances, have commented that the country shall not accept any more Rohingya refugees. Bangladesh has sought India's support and mediation in handling the refugee crisis, as both countries share borders with Myanmar. Accordingly, in his visit to India, Foreign Minister Hasan Mahmud expressed worries about the situation with his counterparts in Delhi. Earlier, Bangladesh was satisfied with India's plans

to place fencing along the India-Myanmar border and end the Free Movement Regime.

Similarly, the External Affairs Minister of India met Bangladesh's Prime Minister, Sheik Hasina, and congratulated her on winning the election. While the political engagements are increasing between India and Bangladesh, anti-Indian sentiments are heightening among the public. Amid allegations that India interfered in the national elections held in Bangladesh in the past month, social media campaigns to boycott Indian products have gained momentum. Likewise, the United States is on the verge of recalibrating its ties with Bangladesh. The US had deemed Bangladesh elections unfair after the elections, citing, "The United States shares the view with other observers that these elections were not free or fair and we regret that not all parties participated." However, a month later, the US sent its delegation to Bangladesh to strengthen diplomatic ties, address challenges, and promote a shared vision for advancing mutual interests in the Indo-Pacific region.

Prime Minister Hasina participated in the Munich Security Conference in February. This visit was particularly important to her as it allowed her to engage with European countries and put forward proposals to access climate finance. Hasina also termed the ongoing Israel-Hamas war as a genocide and urged for cessation of conflicts.

Bhutan 🗾

Bhutan's import bill declined for the first time since the COVID-19 pandemic by 8.7 percent compared to the previous year owing to the government's import moratorium on non-essential vehicles since last year, suspension of housing loans, and increasing electricity sales. The vehicle import mortarium has been extended until August 2024.

Unemployment has become a pressing concern in Bhutan. In 2024, the unemployment rate is projected to be between 4.5 and 5 percent, above the pre-pandemic level. According to authorities, the economy cannot provide enough jobs due to reduced business activity and investment. During the fiscal year's first half, 8,212 Bhutanese registered seeking jobs on the Bhutan Labour Market Information System, of which 51.7 percent were women.

Bhutan's labor market faces issues with both the supply and demand of labor and the quality of the laborers. The 2024 Bhutan Labor Market Assessment Report highlighted that Bhutan's employment support programs and delivery systems face gaps in addressing some of the challenges related to the activation of women, limited job-relevant skills, and the difficulties firms face in accessing trained labor.

China 💴

The Chinese New Year 2024, a significant cultural event celebrated last month with a nine-day holiday, had a notable impact on the Chinese economy. The travel and tourism sector, in particular, experienced

a surge. Compared to 2023, the daily sales revenue of service consumption-related industries rose by 36 percent, and revenues from domestic trips increased by 43.7 percent. However, the overall economic outlook for the year is less optimistic. The International Monetary Fund (IMF) has projected China's growth to slow to 4.6 percent in 2024 due to the ongoing weakness in the property sector and subdued external demand.

As for the ongoing property crisis in China, a court in Hong Kong has ordered the Evergrande Group, the largest property developer in China, to liquidate. While the investors in the Group race to sell their company assets, the liquidation may be subject to stall by the courts in mainland China. Similarly, a petition for liquidation has been filed in Hong Kong against Country Garden, another property giant in China.

Amidst the weakened confidence in the economy, all eyes are set on China's "Two Sessions," meetings of the National People's Congress (NPC) and the Chinese People's Political Consultative Conference (CPPCC) that will set the tone of the economic reforms, social, security, and foreign policies for 2024." The meetings are set to take place in March. The focus of the discussions at the event will likely be on the Chinese economy, Premier Li Qiang's delivery of the annual work report, which will review the government's accomplishments and set goals for 2024, and the appointment of key political officials. In 2023, 11 officials of the NPC's Standing Committee were dismissed. Out of those, former Chinese foreign minister Qin Gang resigned from the Parliament in February.

India 🝱

India is gearing up for the monumental task of conducting the world's largest exercise in democracy, the federal elections, set to take place by May this year. With nearly a billion eligible voters, this event holds immense significance for the nation. The ruling Bharatiya Janata Party (BJP) is campaigning with confidence, having achieved some of its key 'political' goals. Prime Minister Narendra Modi's inauguration of the Ram Mandir in Ayodhya in January, a promise fulfilled after decades, is a testament to their accomplishments.

Modi has crisscrossed the nation, holding election rallies and announcing new development projects. He has made trips to West Bengal, Madhya Pradesh, Tamil Nadu, and Kerala, among others. He expressed confidence that the ruling BJP will win more than 380 seats and his coalition will win more than 400 seats in the upcoming elections, relying on 'Modi's guarantee.' Modi's popularity has only increased since he first emerged nationally in 2014.

Uttarakhand's passage of a Uniform Civil Code (UCC) also boosts the BJP. This will end the religious and personal laws governing marriage, adoption, and inheritance and introduce a 'common law.' It faces criticism from Muslim leaders, who feel the law is targeted against them. However, it could bolster women's rights in India. Rolling out the UCC nationally has been one of the BJP's goals.

Rahul Gandhi, the leader of the India National Congress (INC), kicked off his second 'Bharat Jodo Yatra,' where he was joined by leaders of the INDIA alliance. However, the opposition remains fragmented, with the INC failing to provide any leadership. The opposition is weak, splintered, devoid of a political agenda that resonates with the public, and lacking in financial muscle and organization.

However, the Supreme Court struck down the issuance of electoral bonds, making anonymous donations by businesses to political parties. The BJP government launched the scheme in 2018. It has been the primary beneficiary, bagging nearly 86 percent of the bonds sold, more than seven times that of the INC. Electoral bonds accounted for 61 percent of BJP's income for the year. The Court ruled that the electoral bonds violate citizens' right to access information. Ironically, the BJP introduced the scheme to improve transparency in political funding.

Another concern for the BJP is the return of the farmers' protests marching towards New Delhi. They are back after they ended a year-long protest in 2020 against the government's move to introduce controversial agricultural reforms that loosened rules around the sale, pricing, and storage of farm produce. The government repealed the rules, a rare successful pushback under Modi's reign. The government wants to settle the issue as soon as possible as the farmers make up a significant chunk of the voters in the Indian agricultural belt of Punjab and Haryana.

The Indian Navy, with its increasing presence, is playing a pivotal role in maintaining order in the Indian Ocean. A recent incident saw an Indian warship providing critical assistance to a merchant vessel after it caught fire following a drone attack in the Gulf of Aden. This is just one of the many instances where the Navy has aided merchant vessels in the Arabian Sea. Since 2008, it has deployed its units in the region towards anti-piracy patrols and safely escorted more than 3000 ships. Modi inaugurated an airstrip in Agalega Islands with his Mauritian counterpart, Pravind Jugnauth, at the end of February.

India is closer to procuring 31 armed MQ-9B SkyGurardian drones worth USD 4 billion after the US State Department approved the potential sale. They have been in negotiations to purchase the deal since 2018. On 16 February, the Defense Acquisition Council approved the procurement of USD 10 billion worth of military hardware, including multi-mission maritime aircraft, to boost the overall combat capabilities of the defense forces.

India's focus on domestic production of high-end military hardware is a testament to its commitment to self-reliance in defense. The Cabinet Committee on Security recently approved the procurement of 200 BrahMos supersonic cruise missiles for USD 230 million. These missiles, manufactured by BrahMos Aerospace, a joint Indo-Russian venture, are a prime example of India's growing defense capabilities. Indian Defense Minister Rajnath Singh expects the Indian defense production to touch USD 36 billion by 2028, with exports reaching USD 6 billion. On 27 February, Adani Defense and Aerospace, owned by the Adani Group, unveiled the largest ammunition complex in Kanpur, Uttar

Pradesh, and the Adani Missiles complex in Hyderabad, marking a significant milestone in India's defense production.

The Maldives

Amidst political tension at home, newly elected President Mohamed Muizzu addressed the nation on 5 February. In his address, he focused on domestic bread-and-butter issues. However, barely minutes into his address, he brought up the stationing of Indian military personnel in Maldives. He remarked, "I pledged to the people of Maldives, to protect the freedom and sovereignty of the country... the pledge to withdraw foreign military troops from the country." He assured that all Indian military personnel would be withdrawn by 10 May, with the first aviation platform personnel leaving on 10 March.

Male and New Delhi agreed to 'replace' the military personnel with technical experts. Despite the differences between the two nations, New Delhi spent nearly double its budgeted aid to Maldives in 2023 [See SAB 2(6) for details]. Also, Dosti-16, the four-day trilateral drill between India, Sri Lanka, and Maldives to identify emerging maritime challenges in the Indian Ocean Region, was held on 22-25 February despite concerns over a Chinese research vessel docked in Male.

Opposition parties boycotted the address. However, the Maldivian Supreme Court provided a respite for Muizzu. It suspended a recent amendment to parliament's standing orders that made it easier for lawmakers to impeach the president. The jostle between the competing parties continues as Muizzu alleged that the opposition parties in the parliament (which holds the majority) refused to approve some cabinet positions to appease certain foreign parties.

Muizzu has more than opposition politics to contend with. IMF's Article IV mission to the Maldives concluded that 'the Maldives remains at high risk of external and overall debt distress' without significant policy changes. The World Bank also highlighted the 'urgent need for fiscal reforms' in the face of rising spending, foreign exchange limitations, high debt, and increased global interest rates. However, the report also projected the growth to be 5.2 percent in 2024. At his national address, Muizzu also recognized the need for policy adjustments in the post-Covid era.

Nepal 🖹

Two issues have marred the National Assembly elections that took place in Nepal. First, parties used the Assembly to nominate political cadres for the seats rather than reputed personalities from various walks of life. Additionally, those represented in the National Assembly do not represent marginalized communities, which is against the spirit of the Constitution. Second, in one of the seven provinces of Nepal, a candidate from the ruling coalition lost the election despite the ruling alliance having enough numbers to win. This loss has sparked tensions between the ruling coalition to the extent that Prime

Minister Pushpa Kamal Dahal said, "Our alliance with the Congress was a political necessity, but in a nutshell, it has not been profitable to us."

In a separate event, Dahal also admitted that the government has not been performing as desired. He presented a gloomy picture of the performance whereby only 36 percent of the milestones were met, 74 percent of the revenue target was met, and capital expenditure stood at a mere 24 percent. All these factors have prompted Dahal to consider the shuffling of the cabinet. Further on the economy, in the first half of the fiscal year, exports and imports declined, resulting in a decrease in trade deficit by 2.6 percent, remittances increased by 25.3 percent, and gross foreign exchange reserves increased by 18.0 percent.

On his visit to Australia, Foreign Minister Narayan Prakash Saud signed a trade and investment framework arrangement (with Australia, which will likely benefit the tourism and hospitality, information and communications technology, and agribusiness sectors. Saud also held discussions with his counterpart in New Zealand. Similarly, UK Minister of State for Development and Africa Andrew Mitchell visited Nepal. He announced a new development portfolio that will help Nepal tackle the climate crisis, mobilize international finance for development, deliver economic transformation, and support governance and inclusion.

In response to Nepali casualties in the Russia-Ukraine conflict, Nepal halted labor permits for both countries. FM Saud urged Russia's Deputy Foreign Minister, Vershinin Sergey Vasilievich, not to recruit Nepali citizens into the Russian Army during the NAM Summit.

Pakistan 📮

The results of the 8 February Pakistan general election surprised the establishment. The 'establishment' heavily tilted the scales in favor of its preferred candidates and parties, such as Nawaz Sharif's Pakistan Muslim League-Nawaz (PLM-N) and the Bilawal Bhutto-led Pakistan People's Party. The Election Commission had denied Imran Khan's Pakistan Tahreek-e-Insaaf (PTI) its election symbol and jailed Khan. PTI-backed candidates ran as independents.

However, the establishment was caught off-guard in the election. The PTI-backed candidates won the most seats, winning 93 constituencies. PLM-N emerged as the largest party after the allocation of reserved seats based on a proportional system was added. The PPP came third. Only political parties are eligible for a share of reserved seats.

This was despite allegations of massive vote-rigging in favor of the establishment parties. Hafiz Naeem ur Rehman of the Jamaat-e-Islami party created a storm by relinquishing a seat he officially 'won,' alleging that the votes were purposefully misreported to secure his victory. Rawalpindi Commissioner Liaquat Ali Chattha took responsibility for changing the results of thirteen constituencies in Rawalpindi

in 'an organized manner.' He accused the election commissioner and chief justice of being in on it. He resigned and suggested that he be hanged to death for his betrayal of the country. The accused have denied Chattha's claims.

The scale of vote-rigging and the extent of various officials' involvement remain unclear. Yet voters were loud and clear in their message that they did not follow the establishment's diktat and wanted a change in the status quo.

Despite acknowledging 'undue restrictions on freedoms of expression, association, and peaceful assembly... and concerns about allegations of interference', the US said Washington is prepared to work with next Pakistani government 'regardless of political party, to advance our shared interests.'

Ironically, the post-election political scenario has mirrored the pre-election alliance of the PLM-N and PPP. PPP agreed to support the PLM-N government, and Shehbaz Sharif, who led the government before making way for an electoral government, will lead the new government.

The government does not have a clear majority or people's mandate. Islamabad prepares for a rocky political road ahead with the 'king of chaos' Khan in opposition. The economy is in shambles. The price of natural gas was hiked by 67 percent, along with an increase in other petroleum products from 1 February. This was a result of conditions from the IMF loan. However, Pakistan seeks an additional USD 6 billion from the IMF under its Extended Fund Facility for three years to stabilize its economy. The decision to revive the gas pipeline project with Iran resulted from its geo-energy needs, but it was prompted to avoid a USD 20 billion fine had it not gone ahead by the year's end.

Thus, angry voters are miffed at the establishment, vote-rigging, and the dire state of the economy. They have to contend with a leader who does not have the 'mandate.' The popular leader is in jail. The government would need to make further unpopular decisions because of the IMF loan conditions. This is a great recipe for further political instability, or in Pakistan's case, par the course.

Sri Lanka 🟴

The Parliament recently approved the Online Safety Bill in January, which faced criticism from various segments of society [see SAB 2(6)]. However, amendments are now being made to address these concerns. Keheliya Rambukwella, the current Environment Minister, was arrested for purchasing counterfeit medicines for state hospitals during his tenure as the Health Minister in 2022. This follows the arrest of six senior health officials in December 2023 for the same offense.

Thailand and Sri Lanka have entered a Free Trade Agreement (FTA) to expand market opportunities between the two nations. Negotiations for the FTA encompass many areas, including Trade in Goods, Investment, Customs Procedure, and Intellectual Property Rights. Notably, bilateral trade between

Sri Lanka and Thailand reached USD 476 million in 2021, indicating the significance of this agreement. Similarly, Sri Lanka has exported USD 20 million worth of tea to Iran to partially repay the Iranian oil debt as per the tea-for-oil deal agreed upon in December 2021.

In a separate decision, Sri Lanka has opted to discontinue free long-term visa extensions for Russian and Ukrainian nationals who have resided in the country for the past two years. This move comes after public outcry following reports of a "whites only" party at a Russian-operated nightclub. Over the past two years, approximately 88,000 Russians and nearly 20,000 Ukrainians have visited Sri Lanka, prompting the government to reassess its visa policies.

Democracy in South Asia

Democracy has been facing regression and stagnation globally since 2015, and South Asia is no exception. The table below shows the ranking of South Asian countries in 2022 and 2023. In 2023, four countries (Bhutan, China, India, and Nepal) improved their rankings, whereas Bangladesh, Pakistan, and Sri Lanka slipped. Meanwhile, Afghanistan ranked last in either year. These rankings do not necessarily tell the full story, but they paint a bleak yet hopeful picture of democracy in South Asia.

	Economist Intelligence Unit Democracy Index						
	2023	2022					
Afghanistan	167	167					
Bangladesh	75	73					
Bhutan	81	84					
China	148	150					
India	41	46					
Maldives	N/A	N/A					
Nepal	98	101					
Pakistan	118	107					
Sri Lanka	70	60					

Maldives, Bhutan, Bangladesh, and Pakistan held elections in the last few months. India will hold elections soon. Bangladesh's election had a foregone conclusion. Pakistan's elections were heavily tilted in favor of the establishment parties. In this context, voting alone is just one measure of 'representativeness.' There are other aspects, such as whether the voters' choices (of parties or representatives) are reflected in the corresponding number of seats in parliament and who leads the government. This short piece will analyze the scenario in South Asia and see the level of 'democracy deficit' in the region in a narrower sense.

The table below summarizes the most recent results of parliamentary, or equivalent, elections in the South Asian countries:

	Party in power¹	Seats	Total	% of seats	Turnout	% of votes	net % eligible voters	Votes- Seats ratio	Democracy deficit 1*	Democracy deficit 2**
Afghanistan	Taliban	Unelected								
Bangladesh (2024)	Awami League	271	350	77.43	41.80	53.20	22.24	1.46	0.27	-0.28
Bhutan (2024)	People's Democratic Party	30	47	63.83	65.60	54.98	36.07	1.16	0.14	-0.14

	Party in power¹	Seats	Total	% of seats	Turnout	% of votes	net % eligible voters	Votes- Seats ratio	Democracy deficit 1*	Democracy deficit 2**
China	Communist Party of China	Unelected								
India (2019)	Bharatiya Janata Party²	303	545	55.60	67.40	37.36	25.18	1.49	0.06	-0.25
Maldives (2019)	Maldivian Democratic Party ³	65	87	74.71	81.32	45.83	37.27	1.63	0.25	-0.13
Nepal (2022)	Nepal Communist Party- Maoist Center ⁴	32	275	11.64	61.41	11.53	7.08	1.01	-0.38	-0.43
Pakistan (2024)	Pakistan Muslim League- Nawaz	108	342	31.58	47.80	23.75	11.35	1.33	-0.18	-0.39
Sri Lanka (2020)	United National Party ⁵	1	225	0.44	75.89	2.15	1.63	0.21	-0.50	-0.48
	Average			45.03	63.03	32.69	20.12	1.18		

Source: The election commissions of the respective countries.

Notes

The table above shows the state of elections and the ruling parties in South Asia. Seven of the nine countries have periodic elections. In Afghanistan, the Taliban took over the state in 2021. The Communist Party has ruled China since 1949. Besides the two, other countries have had periodic elections, though in some cases, they are not regular, and in other cases, they are marred by voterigging. Nonetheless, there are elections, and the voters have made more informed choices than they are credited with making.

^{* (}percent of seats in parliament-50)/100. A positive and larger number represents the party with a good majority leading the government. A negative number indicates that the ruling party has no majority.

^{** (}percent of eligible voters-50)/100. A negative number indicates that more than half of the eligible voters did not vote for the ruling party. The larger the negative number, the smaller the ruling party's vote share.

¹ The party which heads the government, except in the Maldives. In the Maldives, the president is elected independently. Other South Asian countries that have elections have parliamentary systems.

² The ruling coalition is called the National Democratic Alliance, though the BJP has a majority and other alliance partners have a marginal presence.

³ MDP has the majority in the Maldivian parliament, though the newly elected president is from the People's National Congress.

⁴ NCP-MC leads a coalition government. The percentage of votes reflects the MC's vote share in a proportional system, not the first-past-the-post system.

⁵ UNP's Ranil Wickremesinghe was elected president by the parliament after former President Gotabaya Rajapaksha fled the country.

The voter turnout rate reflects the general enthusiasm towards democracy or their trust in the parties/candidates. In Bangladesh, the main opposition, the Bangladesh Nationalist Party (BNP), boycotted the elections. In Pakistan, Imran Khan-led Pakistan Tahreek-e-Insaaf (PTI) was barred from running the elections, and the election was rigged in favor of Pakistan Muslim League-Nawaz and Pakistan People's Party. They resulted in a majority of eligible voters staying away. In other countries, the turnout rate was above 60, echoing people's trust in the electoral process.

The ruling parties in the region won a third of the votes and only a fifth of the eligible voters, on average, but have 45 percent of the seats in the parliament. In most countries, the ruling parties have won 1.5 times the seat of their vote share. It happens in countries with more than two competing parties and a first-past-the-post system. The Bharatiya Janata Party in India won 56% of the seats despite getting 37.4 percent votes because the opposition was splintered, and winning less than 50 percent of the votes was enough to win most constituencies. In contrast, the number of seats and vote share aligns well in Nepal because Nepal employs a hybrid first-past-the-post and proportional representation system.

The first index of the democracy deficit shows the ruling party's strength in the parliament. A positive and larger value indicates a majority in the parliament and a bigger majority, respectively. By this measure, the ruling parties of Bhutan, Bangladesh, and India have the 'mandate' of the people as per the existing system of elections. Meanwhile, the ruling parties of Nepal, Pakistan, and Sri Lanka lack so. This is not to suggest that they are an illegitimate government. However, it can be argued that the voters did not vote with such an intent to see such parties lead the government. In Pakistan's case, the PLM-N emerged as the largest party overall, and none of the parties won a majority. In Nepal's case, NCP-MC was a distant third.

The second index of the democracy deficit shows the extent to which the majority of eligible voters support the party. In this measure, the governments received a negative score, implying that no ruling parties received the endorsement of a majority of the eligible voters. It could be either because the party won with a smaller percentage of votes, the voter turnout was low, or both. Bhutan and Maldives come closest in this respect. In Bhutan, the election is held in two phases, the primary and final round. In the final round, only two parties that topped the primary round were eligible to participate. Thus, the result is more representative. Meanwhile, Maldives' election reflected the eligible voters' choices because more than 4 out of 5 eligible voters participated in the elections.

The political parties in South Asia have some introspection to do to respect the voters' mandate. Understandably, there will not be a perfect voter turnout or a perfect relation between the percentage of seats and votes percentage. However, some countries should do a better job of providing an even playing field (Bangladesh and Pakistan) for all parties to compete. Some parties should recognize if they have the people's mandate to rule (NCP-MC; UNP), though the system allows them to lead the coalitions. After all, elections are held to understand and respect voters' choices of the political parties and candidates.

Embracing Diversity: Refugee Influx and Its Positive Implications for South Asian Societies

India and Bangladesh are having talks on the management of the Rohingya refugee crisis. India has planned to fence the Indo-Myanmar border, which would take approximately five years. Bangladesh, on the other hand, has announced that it will not be taking any more Rohingya refugees. Both countries share borders with Myanmar.

These actions come in light of the unending civil war in Myanmar that began in 2017 and the continual influx of Rohingyas seeking refuge. Other South Asian countries like Nepal and Pakistan also house thousands of Rohingya refugees. The region also houses refugees originating from within the area, namely, the Afghani refugees, Bhutanese refugees, Tamil refugees, and Tibetan refugees. In numbers, the latter two are currently in spatters while the Afghan and Rohingya exodus remains gigantic.

The mass inter-country movement of people has both positive and negative sides. Most societies consider the refugee crisis a bane, given that the influx strains the host country's resources, creates political backlash and social tensions to some extent, and increases security issues. However, it is important to consider that refugees are already among the most vulnerable and disadvantaged members of society who are looking to begin a new life in adversaries.

Certainly, there is the humanitarian aspect to this issue in helping the refugees kick start their new lives; however, the influx of these members of the society brings several benefits to host countries despite the challenges they may pose.

Peshawar in Pakistan was an impoverished area until the 80s, but the arrival of millions of Afghans and associated market creation turned it into the fourth-largest city in Pakistan. Further, the demand for goods and supplies increases upon the refugee influx, sparking inflation and creating a stimulus for increasing production. Regarding the labor market, in the short run, the unemployment rate rises upon the influx; however, in the long run, the increased labor supply reduces labor costs and decreases the cost of production, which is fruitful for the economy. Hence, if efficient strategies are employed, entrepreneurship and the economy can flourish in the long run.

In terms of creating economic opportunities, humanitarian interventions and the presence of relief agencies help local businesses flourish and create employment opportunities for locals. Similarly, in Bangladesh, Rohingyas <u>trade</u> their relief goods with other essentials with local traders at a cheaper rate, and they sell the relief goods to locals at a profitable price.

While small in number, the local economy also benefits from the refugees' entrepreneurship initiatives. For instance, many Tibetan refugees in Nepal and Tamil refugees in India have established businesses, crafts shops, restaurants, and cultural centers in Nepal, generating income and employment

opportunities. Similarly, businesses in Khyber Pakhtunkhwa and Balochistan are largely <u>run</u> by Afghan refugees.

The heterogeneity in the societal architecture attained by the refugee influx can lead to greater resilience, tolerance, and understanding of different cultures. Refugees enrich the host country's cultural, linguistic, and traditional fabric. For instance, Tibetan refugees have promoted cultural and educational exchange between Nepal and Tibet. Tibetan monasteries and educational institutions in Nepal serve as centers for learning the Tibetan language, Buddhist philosophy, and traditional arts, attracting Nepalese and international students interested in Tibetan culture and spirituality.

Further, hosting refugees bestows the host country with soft power in the global world order. By providing sanctuary to refugees, countries can contribute to regional stability by offering a haven for those fleeing persecution and violence. Thus, further destabilization in neighboring countries can be prevented, and peace and security can be promoted in the region. The host countries can exercise this soft power to strengthen their strategic positioning, diplomatic relations, and regional influence.

In the context of the Rohingya refugee situation, India's handling stands as a testament to the host nation's strategic positioning within the global framework. Despite encountering internal hurdles, India's nuanced management of Rohingya refugees enables it to uphold diplomatic relations with Myanmar while also adhering to international humanitarian norms and garnering backing from the global community. Similarly, Bangladesh's response to the Rohingya crisis showcases adept diplomatic maneuvering to solicit support and collaboration from the international arena. By extending refuge to over a million Rohingya fleeing persecution in Myanmar, Bangladesh has capitalized on its pivotal role in addressing the crisis to secure humanitarian assistance, elevate diplomatic standing, and exert pressure on Myanmar to address the underlying causes of the conflict.

In conclusion, while the intricacies of managing the Rohingya refugee crisis in countries like India and Bangladesh highlight the strategic considerations and diplomatic intricacies involved, it is imperative to acknowledge the nuanced narrative surrounding refugee influx in South Asia. Amidst challenges, refugees catalyze economic opportunities, cultural vibrancy, and societal resilience within host countries. From revitalizing marginalized regions into economic centers to fostering cross-cultural exchange and empathy, refugees contribute significantly to the social fabric.

Moreover, the presence of refugees bolsters soft power dynamics, enhancing global influence and diplomatic engagement for host nations. As South Asian states navigate the complex landscape of the refugee crisis, recognizing and leveraging the potential benefits of refugee influx is paramount, fostering inclusivity, understanding, and prosperity across the region.

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Nepal Institute for Policy Research (NIPoRe) is an independent and non-partisan research institute based in Kathmandu, Nepal. It works to generate evidence-based debates among citizens and critical development stakeholders in both the public and private sectors on contemporary policy issues from Nepal and other parts of Asia. The institution works on high policy priority areas through four research centres: the Center for New Economy and Inequality (CNEI), the Center for Strategic Affairs (CSA), the Center for Governance Studies (CGS), and the Center for Human Development (CHD). NIPoRe's team members represent diverse academic disciplines, professional backgrounds and geography. The institute adopts a multi-disciplinary approach in its analysis of policies and research, supported by researchers trained at universities and within professional environments across the globe. NIPoRe's key productions include the Nepal Competitiveness Index (NCI), the Nepal Risk Outlook (NRO), and the Diplomats' Forum.

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Flagship Initiatives







Other Initiatives













