

**Near East and
South Asia Review** ■

6 January 1984

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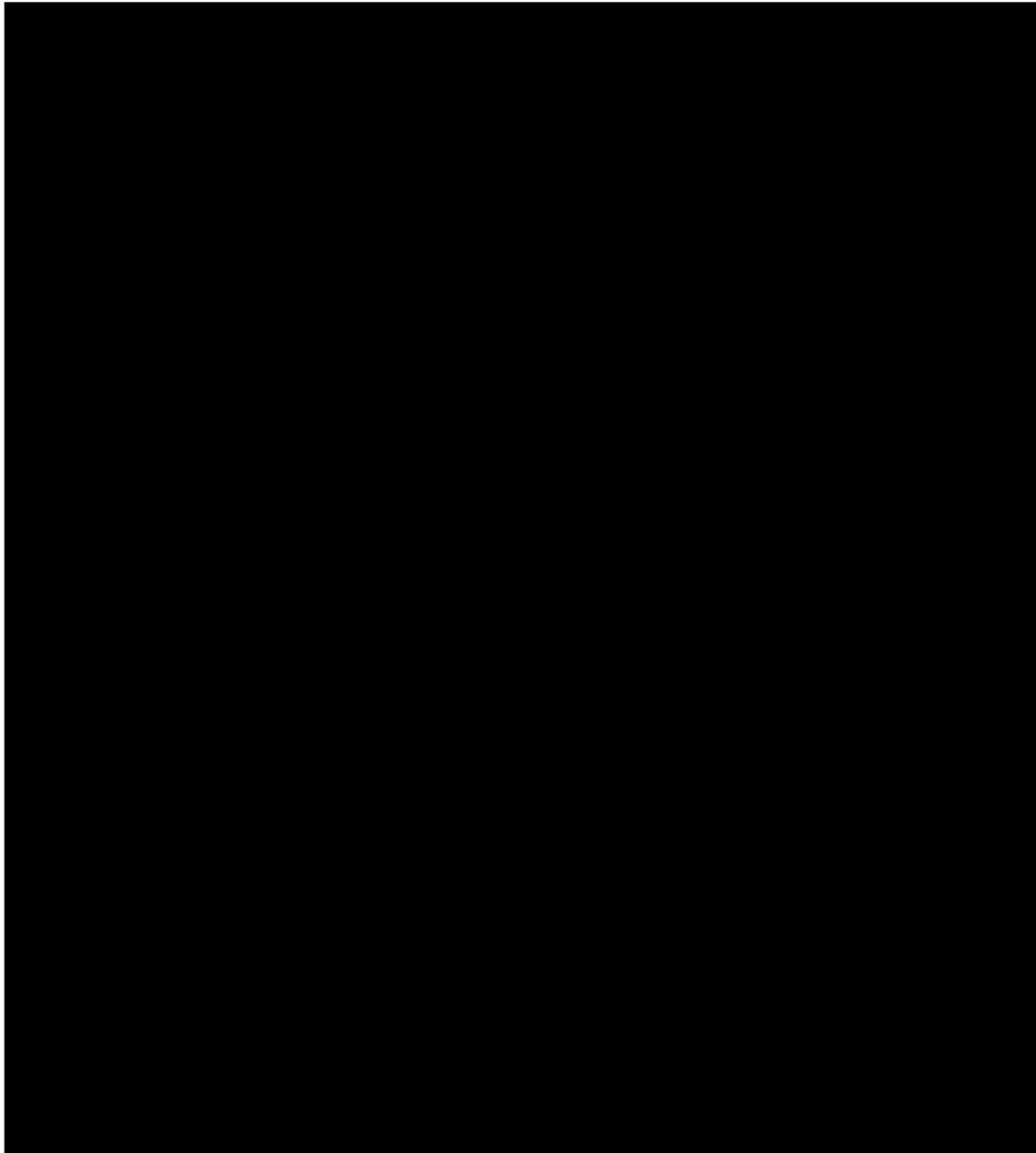
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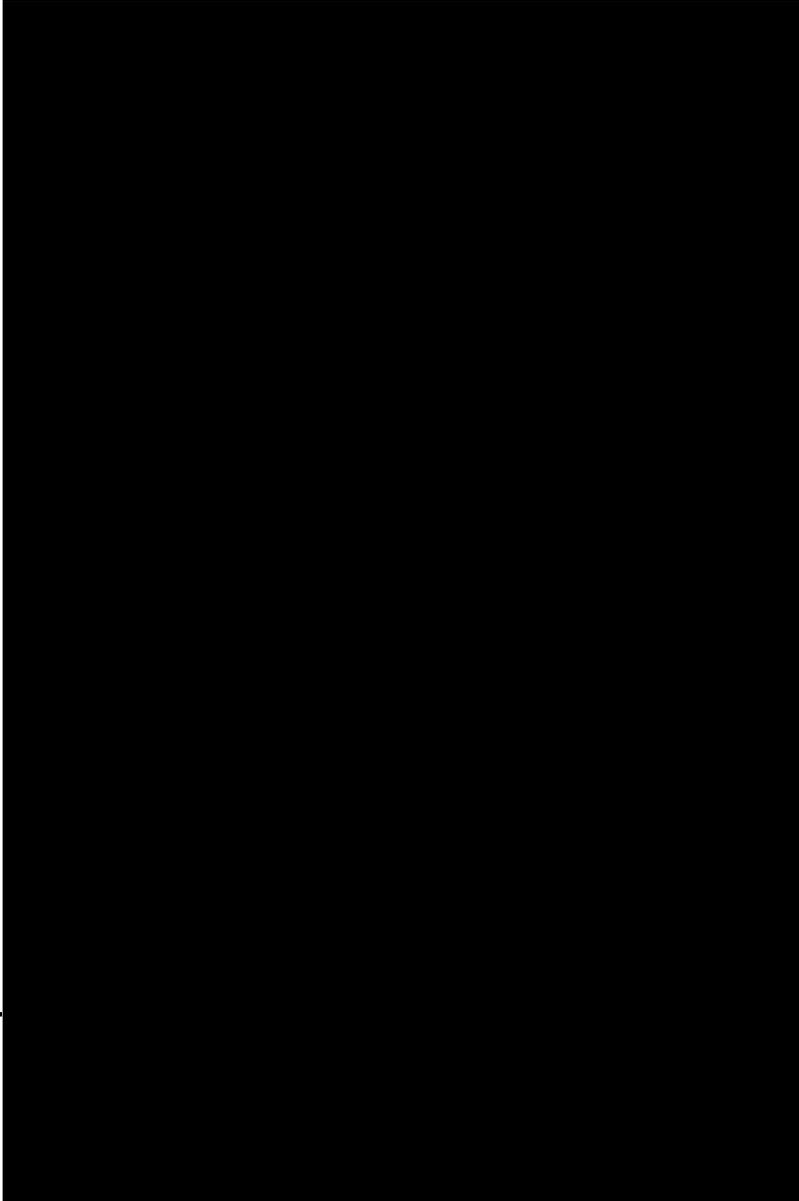


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Articles

South Asia in 1984— A Look Ahead

Growing domestic unrest and heightened tensions between India and its neighbors will, in our view, make 1984 a difficult year in South Asia for US policymakers:

- Election campaigns are likely to spark increased civil unrest in Pakistan, Bangladesh, and India.

Responding to civil disorders and a strong electoral challenge, Prime Minister Gandhi will be less consistent in her domestic policies, more assertive in foreign policy, and more critical of the United States:

- Domestic unrest will contribute to increased tensions between India and its neighbors; Pakistan and India are already trading charges of interference in each other's domestic affairs.
- Renewed violence in Sri Lanka could lead to Indian interference if New Delhi believes Colombo is unable or unwilling to stop the killing of Tamils.

In Afghanistan, we believe the Soviets will suffer gradually increasing losses as the insurgents become better organized and better at using heavier weapons. We believe, nonetheless, that Moscow is unlikely to change its basic strategy, although dramatic insurgent successes could prompt Moscow to consider sending more troops.

India: Elections Set the Tone

India, the dominant power in the region, in our view will become more turbulent and unpredictable with the approach of parliamentary elections—which must be held by January 1985. [REDACTED] believe that, faced with both civil disorders and a strong challenge from opposition parties, Prime Minister Gandhi will be interested primarily in immediate—if temporary—solutions and will pay little attention to either long-term or foreign policy implications of her decisions.

Economic Issues

US Government economists expect no marked deterioration in South Asian economies in the coming 12 months, despite few signs of improvement in long-run growth trends and continued population growth—20 million more people in 1984, according to UN projections:

- *South Asian countries will continue to need foreign assistance and—at any likely level of US support—will be dissatisfied with the US contribution and with US trade policies. New Delhi's perception of an anti-India bias in US policies toward multilateral financial institutions may become an increasingly important irritant in US-Indian relations.*
- *Civil disturbances and labor disputes will have some economic impact, but the effect of even major violent outbreaks, as in the past, probably will be temporary and localized. Widespread disturbances in Bangladesh or Sri Lanka would bring requests for increased US humanitarian aid.*
- *Worker remittances from the Persian Gulf states may begin to level off, but we do not expect the impact on South Asia to be serious.*
- *With recent good harvests, South Asian countries have enough food reserves—supplemented by imports—to minimize the chance of famine even if the 1984 monsoon is poor. Much less serious agricultural problems—rising food prices in Pakistan, for example—will add to popular unrest.*

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India will be more assertive in its foreign policies. Gandhi seems certain to blame some of India's problems—especially ethnic separatism—on US and Pakistani interference. If Gandhi tries to shore up her domestic position by taking a much stronger stand on disputes with India's neighbors, US policymakers would have to cope with rising tensions among South Asian nations and the possibility of war.

Inconsistencies and assertiveness in foreign policy may not end with the election. If Gandhi—as many diplomats and journalists expect—remains in power with a reduced majority, she would have to pay more attention to the views of other parties. An alliance with a Tamil party, for example, would lead to a tougher policy toward Colombo to protect the interests of Sri Lankan Tamils. A non-Congress Party government would probably be a coalition of disparate parties that would have difficulty formulating consistent policies.

Pakistan—The March to Civilian Rule

We believe that additional substantial political turmoil is likely in coming months as President Zia pursues his plans to hold nonparty elections leading to a civilian government that would continue the military's policies. Most US officials believe that Zia will not make substantial concessions. Reliable sources report that he believes his program is necessary for a stable, effective civilian government, and, in our view, he would risk serious opposition in the military if he gave in to the politicians.

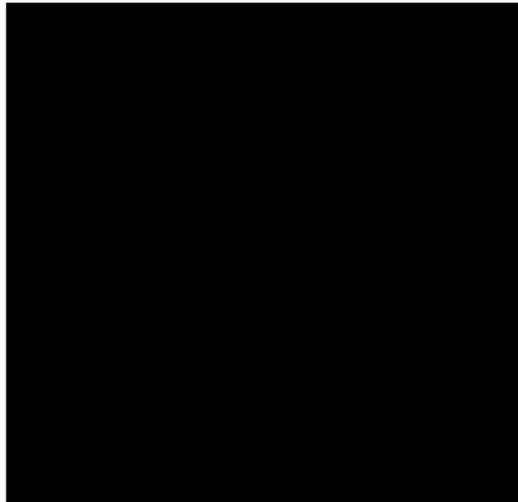
Many politicians—especially those in the People's Party—are as inflexible as Zia. The politicians will insist on free elections with political party participation and no constitutional role for the military. The key question is whether the politicians have enough popular support to cause civil disorders that would either force Zia to abandon his goals or cause the Army to remove Zia.

Others note that Zia, a clever tactician, can control the pace of the transition. He can move cautiously, testing the popular reaction to each step in the process before moving to the next. He, nevertheless, will have to move ahead fast enough to avoid the impression that he is abandoning plans to

end martial law. In our view, if Zia canceled elections, the popular reaction would be so severe that he would fall. By late 1984 it will probably be clear whether Zia or the politicians have won. Zia will either be well on his way to becoming the elected civilian president of Pakistan or to being overthrown. If Zia goes, we judge the Army would replace him with another general who would then negotiate with the opposition.

A civilian government would be less interested, in the view of most analysts, in supporting the Afghan insurgents and less responsive to US interests in other areas ranging from narcotics control to the Arab-Israeli dispute. The degree to which cooperation with the United States would decline would depend on the composition of the new government. An Army successor would almost certainly pursue the main lines of Zia's foreign policies.

Even if Zia remains in power, there will be some problems in US-Pakistani relations:



Bangladesh: A Mined Path to Civilian Rule

Bangladesh President Ershad in our view will face substantial agitation as he, too, seeks to move from

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military to civilian rule. [REDACTED]

Because of both the low number of defections and the widespread hostility toward the Soviets, we doubt that enough bands will stop fighting to affect the level of insurgency. [REDACTED]

Still, we believe Ershad has a good chance of retaining power over the next 12 months even in the face of periodic surges of unrest. We believe his military colleagues do not wish to turn the government over to the fractious civilian politicians and will do whatever is necessary to quell unrest. Serious or prolonged civil disorders would force Ershad to abandon his plans to allow political activity and hold presidential and parliamentary elections. If he cannot maintain order, other generals probably will move against him.

We see little prospect for the development of a unified national resistance in Afghanistan. The conflicting political views in the resistance are irreconcilable, and many—probably a majority—of the insurgents are opposed to any strong central government.

US interests would not necessarily be affected by a change in leadership in Bangladesh. A government headed by Ershad's strongest rival—the widow of President Zia—or by another Bangladeshi general would pursue roughly the same foreign policy as Ershad. The most difficult problems for US policymakers would come if there were a breakdown in public order. The risk, although not a great one, is that disturbances in Dhaka would spread to the provincial towns and result in a general breakdown in law and order. Many Bangladeshis—perhaps hundreds of thousands—might then choose, as they did in 1971, to move into India, a situation unacceptable to New Delhi. An Indian intervention would inevitably affect the major powers.

Another year of steady losses without significant progress will inevitably move Soviet leaders closer to questioning Moscow's strategy, but, in our view, the costs are not likely to increase so dramatically that Moscow would calculate that the insurgents are winning. If Moscow did change its Afghan policy during 1984, we believe it would be toward sending more troops. We believe Moscow will continue to be unwilling to bear the diplomatic and other costs of a buildup substantial enough to overcome the insurgents.

Afghanistan: Another Long Soviet Year

We expect the Afghan insurgents, as they obtain more weapons and experience, will slowly become more effective during the next 12 months but will continue to suffer significant losses and remain unable to cope with major Soviet units. The insurgents, as in the past, will probably be most effective in attacks on isolated units and convoys. Their success in raids on Kabul and other cities, in our view, will prompt similar adventures in 1984.

Sri Lanka: Communal and Economic Tensions

The demands for increased autonomy by Sri Lanka's Tamil minority will probably result in further ethnic violence in 1984. Although President Jayewardene has called for an all-party roundtable conference to resolve the question of Tamil demands, the polarization of the two communities continues. Many sources suggest that early in 1984 Tamil extremists may begin a new round of violent confrontations with the central government to publicize their claims.

We believe the country's general economic climate will deteriorate in 1984 as the Central Bank reduces the available money supply, drops subsidies on

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essential commodities, and implements a series of austerity measures recommended by the International Monetary Fund. The increasingly difficult economic scene will substantially decrease Sinhalese sympathies with Tamil demands and make the process of reconciliation between the country's ethnic groups even more difficult.

Although US interests in Sri Lanka are not large, we believe that a repetition of the violence that rocked the country last summer could invite Indian military intervention. Such intervention would seriously disturb the region's political, military, and economic stability and would present US policymakers with difficult decisions regarding care for the victims of the violence, restoring order in the country, and responding to the presence of Indian troops in Sri Lanka.

Nepal: Scant Change

How well King Birendra can manage the process of political and economic modernization will be important in determining Nepal's stability later in the decade, but, despite what many regard as an indecisive and overcautious policy, we believe the fragmented opposition will fail to seriously challenge the monarchy in 1984. Even if the King dies suddenly, leaving a minor on the throne, our view is that the royal family would have little difficulty retaining control



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