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Central Intelligence Agency

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Washington, D.C. 20505

DIRECTORATE OF INTELLIGENCE

15 February 1985

South Asia in 1985--A Year of Decision [REDACTED]

Summary

South Asia in the coming year will present both substantial problems and significant new opportunities for US policymakers. Developments during the year may be crucial to the future of the area over the next several years.

- In India, Rajiv Gandhi seems prepared to improve relations with the United States, but real progress will be difficult because of close US ties to Pakistan and Delhi's deeply rooted links to Moscow.
- In Pakistan and Bangladesh, leaders are preparing for elections which may lead to substantial turmoil.
- In Sri Lanka, President Jayewardene is likely to place first emphasis on quelling the Tamil insurgency while trying to ensnare the United States in his problems. [REDACTED]

We believe the fighting in Afghanistan will increase in the next two years. The insurgents are likely to show greater aggressiveness as they receive better weapons and



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more training. The Soviets probably too will show signs of a more aggressive posture. They will emphasize halting insurgent infiltration, and we expect them to depend more on greater use of airpower along the Pakistan border. [REDACTED]

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India: Rajiv's Agenda

Rajiv, bolstered by his historic electoral victory, apparently will insert a more pragmatic tone into Indian foreign policy. His initial comments to the press and to his aides suggest he wants to remove US misgivings about an Indian tilt toward Moscow. He probably also will provide more opportunities in India for US and Western firms, especially those offering advanced technology. One early clue to Rajiv's intentions toward the United States will be New Delhi's response to the US provision to Pakistan of further sophisticated military equipment, such as the E2C early warning aircraft. Repeated public and private condemnations would suggest that he intends to hew more closely to his mother's policies. [REDACTED]

Indian dependence on Soviet military aid, the Soviet market for Indian manufactured goods, and New Delhi's perception of Moscow as a reliable friend, in our view, will keep Rajiv from backing too far away from the Soviets. Rajiv probably disapproves of the Soviet invasion of Afghanistan, but we do not expect New Delhi to publicly criticize Soviet policy in Afghanistan. [REDACTED]

Rajiv has said he wants to improve relations between New Delhi and Islamabad. But both pro-Soviet and right wing politicians probably will seek to influence Rajiv against new initiatives in this area. [REDACTED]

[REDACTED]

Internally, continuing unrest in the Punjab will be Rajiv's most crucial problem during the next year. Rajiv knows that increased disaffection among Sikhs in the military--where they comprise about a quarter of the Army officer corps and about 10 percent of the enlisted ranks--would harm combat readiness. Moreover, most of India's Sikhs are concentrated in the key border state of Punjab. At the same time, Hindu opposition to appeasing the Sikhs means New Delhi is unlikely to offer the Sikhs political concessions adequate to defuse extremist demands for autonomy. Accordingly, Sikh dissidence--including possible assassination attempts against Rajiv--is likely to persist. [REDACTED]

Pakistan: A Crucial Year

The Soviets probably will increase military and political pressures on Pakistan this year, especially if they experience a substantial increase in casualties or equipment losses--particularly aircraft. Increased Soviet military pressure would probably take the form of deeper, more frequent cross-border attacks, but the Soviets would carefully calibrate and review any escalation to avoid an increased US presence in the region. The Soviets almost certainly will continue to encourage Indian hostility toward Pakistan through disinformation and other means. [REDACTED]

Zia seems confident he can withstand any foreseeable Soviet pressure and, in our view, will make no more than a show of negotiating with Moscow. Islamabad will use increased Soviet pressure, however, to make fresh approaches for US sophisticated weapons. At the same time, the Pakistanis still see India as a far more serious threat. [REDACTED]

Zia is riding high politically for the time being and will use real or imagined external threats to bolster his position. With political opposition in disarray and the military and bureaucracy behind him, he appears headed toward success in upcoming parliamentary elections. The economy could be a trouble spot in the coming year, however, with remittances from overseas workers falling, and Zia will have to manage the transition to civilian rule carefully. Postelection periods in Pakistan have twice led to a major change in government--in 1970 and 1977. [REDACTED]

Afghanistan--Bleak Soviet Prospects

The insurgents are stronger than ever, and we expect guerrilla leadership, tactics, numbers, and weaponry to continue to improve gradually. Motivation and morale in the resistance also will remain high. [REDACTED]

[REDACTED]

Soviet frustrations are likely to grow, and they probably will pursue the war more vigorously. Maintaining or stepping up pressure on Pakistan through cross-border attacks would be part of this strategy. Further increases in Soviet forces are likely, but they probably will be small--no more than 5,000 to 10,000 additional troops, with a modest increase in Air Force capabilities. It is possible, but less likely, that reinforcements could reach 20,000 to 40,000 if Moscow chose to move decisively to neutralize recent gains by the resistance. The Soviets will continue tactical adjustments, such as more aggressive reliance on small-unit actions, although they will be constrained by Moscow's desire to hold casualties to a minimum and by Soviet officers' lack of flexibility and initiative. [REDACTED]

Sri Lanka: Communal Crisis

Communal problems between Sinhalese and Tamils in Sri Lanka will almost certainly lead to more violence in 1985. The security situation in the north has deteriorated dramatically in recent months, and President Jayewardene's recent withdrawal of proposed legislation to provide greater autonomy to Sri Lanka's Tamil minority has ended the political dialogue, at least temporarily. Jayewardene faces the strong possibility of a situation he has tried for seven years to avoid--a Tamil state within Sri Lanka--as militant Tamil separatists try to create a de facto autonomous homeland in the north. [REDACTED]

Jayewardene's appeals to the United States for more sophisticated antiguerrilla weapons are likely to continue. The Sri Lankan President is not only interested in the materiel, but in associating himself and his policies with the West. In the eyes of the Tamil community, the United States already has become identified with the central government, in part because of Jayewardene's recent visit to Washington, and we believe US interests could become the subject of Tamil insurgent attacks. [REDACTED]

Rajiv Gandhi probably will maintain his mother's carrot-and-stick approach toward Colombo in the near term, although his overwhelming election win has widened his options. We believe India would only intervene militarily in Sri Lanka as a last resort. [REDACTED]

Bangladesh--Political Confusion

We believe President Ershad has a better than even chance of holding power through 1985, but we do not believe even parliamentary elections this year, with or without participation of the opposition, will provide him with a comfortable political mandate. The military will probably continue support of Ershad because they do not see better alternatives and they wish to avoid providing opportunities for leftist, pro-Indian opposition parties. [REDACTED]

Ershad's position would be threatened by a breakdown of law and order. This would tempt hardline generals to intervene, suppress the opposition parties, and perhaps remove the President. Increasing discontent among younger officers over corruption in the regime and Ershad's politicization of the officer corps would also pose problems for the President. Another potential source of instability is the slowly growing strength of Islamic fundamentalist parties, supported by Iran and Libya. [REDACTED]

Nepal--A Kind of Stability


We do not expect the King or the legislative system, which he dominates, to be challenged seriously over the next year. The Palace will probably continue to balance pressure from the still-outlawed political parties for increased democratization against the Palace's perceived need for strong central control to guarantee national security. We believe the Palace will continue to provide opportunities for political expression by potential antiregime elements as a safety valve. The King is encouraging moderate activity among district legislative bodies and allowing small political demonstrations in district capitals. [REDACTED]

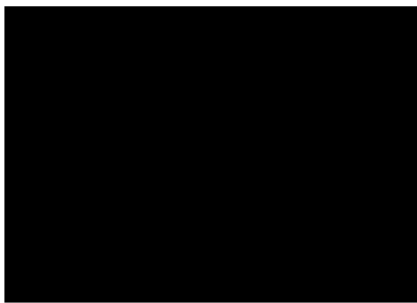
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