

# Fair Observer

## Monthly

September 2023

Fair Observer  
Independence, Diversity, Debate

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# Fair Observer Monthly



September 2023

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[www.fairobserver.com](http://www.fairobserver.com) | [info@fairobserver.com](mailto:info@fairobserver.com)

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## ABOUT FAIR OBSERVER

Fair Observer is a nonprofit media organization that engages in citizen journalism and civic education.

Our digital media platform has more than 2,500 contributors from 90 countries, cutting across borders, backgrounds and beliefs. With fact-checking and a rigorous editorial process, we provide diversity and quality in an era of echo chambers and fake news.

Our education arm runs training programs on subjects such as digital media, writing and more. In particular, we inspire young people around the world to be more engaged citizens and to participate in a global discourse.

As a nonprofit, we are free from owners and advertisers. When there are six jobs in public relations for every job in journalism, we rely on your donations to achieve our mission.

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# No Justice for Victims Under Nepal's Maoist Prime Minister

Saleem Samad  
September 01, 2023

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**Nepal's decade-long Maoist insurgency ended 16 years ago, but war crimes victims are still seeking justice. The government, headed by the same party leader that carried out the insurgency, has largely refused to prosecute alleged war criminals. If the international community does not change its tack, this situation will doubtlessly continue.**

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Once popularly known as the Himalayan Kingdom, Nepal transformed by fits and starts from a Hindu nation-state to a secular, democratic state through the 20th and early 21st centuries. From 1996 to 2006, the Communist Party of Nepal (Maoist Centre), or CPN (MC), waged a bloody insurgency against the royal government. The civil war took some 17,800 lives. In 2008, Nepal finally abolished a thousand-year-old monarchy and the official Hindu kingdom, introducing secularism and a fragile democracy, for better or worse.

Nepalese Prime Minister Pushpa Kamal Dahal, aka Prachanda, began his third non-consecutive term in December 2022. He has been the leader of the CPN (MC) since its founding. The prime minister has recently refuted allegations that his party recruited and used child combatants during the insurgency and the years of the peace process. Dahal made the claim in an apologetic response to a petition filed at the supreme court in Kathmandu. The petition claimed that child combatants were used during the Maoist insurgency. Dahal pointed

to the documents of the peace process, insisting that the term “child soldiers” was not used.

By documents, he meant the Comprehensive Peace Accord, the Agreement on Monitoring of the Management of Arms and Armies, the Interim Constitution, the 2015 constitution and other authentic documents, where “child soldiers” had indeed not been mentioned.

Nearly three decades after the Maoists launched their armed struggle on 13 February 1996, Nepal is still haunted after 27 years of conflict and violence.

Of the 17,800 Nepalis, including civilians and armed forces, who were killed during the conflict, Dahal admitted to being responsible for only (if that word can even be used) 5,000 of the deaths.

## Decades later, victims still seek justice

Dahal has left many wondering what it was all for, writes Sonia Awale in Nepali Times. When heinous crimes against humanity including summary executions, torture, disappearances and war rape by both sides go unaddressed and unpunished, it creates a sense of impunity for unpunished war crimes, she wrote.

Families of the victims worry that with the Maoists now in the governing coalition with their erstwhile nemesis, the Nepali Congress, justice may never be served.

Suman Adhikari's father was brutally killed by the Maoist foot soldiers. He was a popular school teacher at Panini Sanskrit Secondary School in Duradanda in Lamjung district. His crime? Refusing to contribute a quarter of his salary to the so-called people's war fund.

Adhikari and his family members petitioned the independent Nepal Human Rights Commission



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(NHRC) but have little hope in justice for the murder. They pled with the Commission of Investigation on Enforced Disappeared Persons and the Truth and Reconciliation Commission. The members of these latter two commissions were selected on the governing party's recommendation.

Adhikari believes that both of the commissions are more interested in letting war criminals off the hook than in providing justice and protecting the perpetrators. He is worried by reports “that they want a blanket amnesty for all war crimes by both sides in the conflict,” he lamented.

In another case, nearly 3,000 child soldiers were disqualified for integration into the Nepal Army by the United Nations Missions in Nepal (UNMIN) during the verification process in 2007. After being blocked by UNMIN, several of the child soldiers demanded adequate compensation and also demanded punishment for Dahal and his second-in-command, Baburam Bhattarai. The aggrieved young persons claimed that the Maoist leaders committed war crimes using children in the armed conflict.

These thousands of victims are still waiting for justice 17 years after the signing of the historic Comprehensive Peace Agreement. What they need is an investigation through a tribunal, like the trials in Rwanda, Sierra Leone and Yugoslavia. The government's unresponsiveness has lost it the victims' trust.

On October 15, 2020, the NHRC published a major report evaluating government responses to its recommendations over the last two decades. The commission said that, out of 286 individuals whom it said should face legal action, only 30 had been held accountable. The list of those identified includes 16 civil servants, 98 policemen, 85 Nepal Army personnel and 65 Maoists.

Of a total of 1,195 recommendations made by the commission over the last 20 years, the government failed to act on half, and only 163 recommendations were fully implemented.

### **A mentality of violence lives on**

The Maoist insurgency has profoundly shaped Nepali political psychology. The Maoist rebels still believe in the ideology of violent revolution to bring about what they term “people's government.” Poor governance, corruption, government apathy towards integrated socio-economic development and, most importantly, political instability have contributed to the continuing growth of Maoism, says researcher Smruti S. Pattanaik, writing for Strategic Analysis Journal.

Former insurgents continue to address political rallies and blatantly boast that they killed 5,000 people. People like Adhikari and the former child soldiers are being ignored while those responsible for conflict-era crimes are walking openly in broad daylight.

Dahal's decision to declare February 13 as a national holiday marking the start of the “people's war” in 1996 “sparked outrage in Nepal's cybersphere and brought conflict survivors out into the streets,” according to Nepali Times. Glorification of the violence continues to come from the highest levels of government.

Meanwhile, Dahal has claimed that he will complete the transitional justice process. In a statement on November 20, 2021 English op-ed in The Kathmandu Post, he termed Nepal's peace process a successful “home-grown model” that avoided heavy-handed Western intervention.

We must not ignore Nepal or expect the government to police itself of its own volition. I will conclude with the words of an editorial from Nepali Times:

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The international community, which was once so vociferous on transitional justice, has suddenly gone quiet. ...

Nepal's conflict ended without a victor or vanquished. The former enemies are now the state. Neither they, nor the police, nor Nepal Army generals or former guerrilla commanders, want to rake up wartime atrocities. They have colluded to set up a Truth and Reconciliation Commission as well as a Commission on Enforced Disappearances, both of which can offer amnesty to those found guilty.

If something is not done, the victims of brutality may be waiting forever.

[[Anton Schauble](#) edited this piece.]

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**\*Saleem Samad** is an award-winning independent columnist and media rights defender based in Bangladesh. He became an Ashoka Fellow in 1991, and won the Hellman-Hammett Award in 2005. Saleem's articles have appeared in top publications such as *Time*, *India Today*, *Outlook*, *India Narrative*, and *The Times of India*, and his research has been published by institutions like the Observer Research Foundation (ORF), the Kolkata Research Group, Jadavpur University, and the Maulana Abul Kalam Azad Institute of Asian Studies.

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## This Is Why Turkey Won't Make It Into the EU

Nathaniel Handy  
September 02, 2023

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**European leaders consider Turkey unworthy of EU membership, but today's Turkey is as much a product of the bloc's strategic errors as it is of President Erdoğan's illiberal nationalist trajectory.**

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**T**urkish President Recep Tayyip Erdoğan recently suggested that the EU should reopen accession negotiations with his country. The proposal has been met with near-universal incredulity in the West. Observers today see Turkey as a far cry from suitable membership material. And they place the blame for that not only on one side, but largely on one man: Erdoğan himself.

European diplomats are now routine in their assessment that Erdoğan's Turkey is not the kind of place — considering the state of human rights, freedoms in public life, freedom of the press, separation of the institutions of state — that can seriously expect to return to accession negotiations. Yet there is considerable shortsightedness in this “moral high ground” approach to Turkey's long-stalled EU accession.

Certainly, to take just one example, the treatment of the country's Kurdish minority since at least the failed coup attempt of 2016 has been repressive in the extreme.

Many supporters of the ruling Justice and Development Party (AKP) are keen to point out that the only reason the opposition lost the recent

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elections in May 2023 is because they pandered to terrorists, in the form of the Peoples' Democratic Party (HDP), a political party aligned with Kurdish interests, and connected with the outlawed Kurdistan Workers' Party (PKK) separatist insurgency.

However, this narrative is a false one. If engaging with Kurdish political groups were so electorally suicidal, how is it that the same Recep Tayyip Erdoğan led a thawing in the cultural and political climate for Kurds in the late 2000s, including peace talks with jailed leader of the PKK, Abdullah Öcalan, and yet continued to win elections? This fact reveals Erdoğan as a far more opportunistic, and less dogmatic, leader than is often supposed. And why did he support this engagement with Kurdish political figures? A key driver was the reform agenda of the EU accession negotiations.

### **The trouble with the EU**

The truth is that the EU itself swung Turkish politics decisively in a nationalist and repressive direction. The reason lies in the fact that many in the EU — most conspicuously France and Austria — were never genuine in their promise of accession to the bloc. The strain of Islamophobia in both states, and to a lesser extent in Germany and elsewhere, made even a squeaky clean Turkey unpalatable within what many still see as an essentially Christian club.

Brexit was, ironically, a further blow to Turkey. The year 2016 stands as the moment the EU slipped irrevocably from Turkey's grasp. With the departure of the UK, a key supporter of Turkish accession, and the attempted coup d'état in Turkey, the fate of the nation was sealed. It is a singular irony that, in the run-up to the Brexit vote in the UK, the Leave campaign distributed leaflets warning Britons that Turkey would soon join the bloc, sending millions of poor Turks to British

shores. Nothing could have been further from the truth.

As a result of European disingenuousness, the goal of EU accession has lost its appeal. With it, the incentive to reform dissipated. The incentive provided by EU accession is an invaluable asset of the European project, as is being observed in Ukraine today. In Turkey, it was a powerful force, with membership being hugely popular not only among elites but among ordinary Turks as well. With no prospect of membership, Erdoğan's ruling AKP turned to hardline nationalists to shore up its parliamentary majority. The result is a Turkey that looks far less palatable to the bloc than the one it quietly rejected in the late 2000s.

This moral high ground approach to foreign policy is still counterproductive for the EU, even at this late, late stage. When Turkey set out on its quest for EU membership in the 1950s, it was far from a model democratic nation. Indeed, it went through several coups and repressive military juntas, and the treatment of vulnerable groups such as the Kurds was easily equal to the treatment administered by the current government. Accession talks were not based on what Turkey was, but what it might become. The same could easily be applied today.

### **Ukrainian exceptionalism**

It is striking that Ukraine, which is now seeking EU membership in earnest, is in many respects a more unpalatable prospect than Turkey would be. And yet it appears less of a stretch for the European imagination. In much the same way that Greece and Cyprus received membership despite serious shortcomings in terms of economic and political governance, Ukraine appears to find itself in a different passport lane from Turkey. The worry is that this double standard may be rooted in cultural perceptions that do not ultimately serve Europe's best strategic interests.

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One cannot turn back the clock. And yet, if the EU at least observed where its strength actually lay and where its best interests lay, it might start to approach even the Turkey of Erdoğan with a little more of the long-term strategic vision necessary to avoid the inevitable repercussions of lost influence. For many decades, the carrot of EU accession served as a powerful tool in EU relations with Turkey and many other states. Without it, the ultimate result is likely to be long-term EU decline, while its borders become ever more insecure, its internal population more paranoid and introspective and its ability to project power abroad weaker.

[[Anton Schauble](#) edited this piece.]

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\***Nathaniel Handy** is another academic and writer with over ten years of experience in international print and broadcast media. He has published many scholarly articles on the evolution of Turkey's political structure.

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## **Is Banning Women's Garments Really A French Value?**

Kristian Alexander  
September 04, 2023

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**France will now ban the abaya, an Islamic women's dress, in state schools. Supporters argue that the French principle of laïcité, or secularism, demands this. But can a principle of freedom really mean telling minorities what not to wear?**

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**W**hen Muslim girls go back to state-run schools in France this week, they will not be allowed to wear the abaya, a traditional Arab dress that covers the shoulders, torso and limbs. The aim of the new policy, announced on August 27 by Education Minister Gabriel Attal, is to further enforce the country's guiding principle of secularism, or laïcité. France has already banned headscarves in state schools since 2004, and religious symbols are banned in state schools and government buildings.

France has long prided itself on its laïcité, a principle that seeks to keep religion separate from public life. Critics, however, note that the headscarf and abaya bans risk marginalizing religious minorities. Laïcité, they argue, should be a curb on religious domination of the public sphere — not a curb on religious expression in public.

### **Political gridlock, social unrest: symptoms of a country in crisis**

The abaya ban comes at a time of great turmoil in France. Since his reelection in April 2022, President Emmanuel Macron has been forced to deal with country-wide protests over the government's decision in January 2023 to raise the country's retirement age and coups in former French colonies such as Gabon and Niger that threaten to cut off France's access to oil and other resources.

Anti-government sentiment also boiled over at the end of July in reaction to the police shooting of a 17-year-old Parisian of Moroccan and Algerian descent. Protests over the shooting led to \$1 billion of damage and over 2,000 arrests, mostly in suburbs populated by Muslim citizens from former French colonies. This was not the first time Macron had to deal with an Islam-related incident. In response to the 2020 beheading of a teacher who showed caricatures of the Prophet Mohammed in class, Macron said: "Islam is a

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religion that is experiencing a crisis across the world.” This attitude has been echoed in the president’s remarks about the abaya ban. Authorities tasked with enforcing the new law will be “uncompromising,” he said, adding that teachers and school administrators will “not be left alone.”

Political pressure might also be a factor in the timing of the crackdown on Islamic symbols in schools. At the end of August, Macron met with leaders of France’s right-wing National Rally Party and the left-wing New Economic and Social People’s Union or NUPES coalition to try and break a stalemate in the National Assembly that is stalling the president’s legislative agenda. The abaya ban could be an attempt by the president to signal his capacity for change and concessions on right-leaning issues.

The decision has garnered support from right-wing conservatives, who typically remain distant from Macron’s liberal Renaissance party, but also from far-left socialist and communist parties, who have historically opposed the influence of religion, primarily Catholicism, in affairs of the state.

More moderate liberals are outraged by the abaya ban, arguing that an individual’s right to practice their religion freely is one of the bedrocks of a democratic society. Banning the abaya or other religious clothing sends a message that France is willing to compromise on individual freedom in the name of secularism and that certain cultural and religious practices are not welcome.

### **There are many Muslim women’s voices: Let’s listen to them**

France is a nation known for its rich cultural diversity. Its strength lies in its ability to accommodate and celebrate diverse backgrounds. The Muslim community in France represents this diversity. Opinions on the headscarf and abaya

vary, with some more secular Muslims adopting Western fashions. Other Muslim women choose to wear the headscarf and abaya as a matter of personal religious faith and identity. They consider them an important aspect of their relationship with Islam and a symbol of modesty and piety. Other Muslim women view religious clothing as a form of empowerment and a means to assert their identity in a society that frequently stigmatizes them. They argue that the ban on headscarves and abayas is an infringement on their right to practice their faith and cultural identity.

Opponents argue that religious clothing disrupts the educational process and promotes religious proselytism. They assert that it symbolizes the oppression of women and runs counter to the values of *laïcité*. French authorities have also expressed concerns that abayas and headscarves are barriers to assimilation into French society, potentially leading to social and cultural isolation.

Schools can provide a platform for students to learn about different cultures and religions, fostering an environment of mutual respect rather than exclusion. Education should remain at the forefront of this approach, as informed students are more likely to understand the importance of respecting diverse perspectives.

It is entirely possible for France to uphold the principle of secularism while respecting individual religious freedoms and cultural diversity. Rather than banning the abaya, the government should focus on educating and fostering tolerance among our students. The true strength of a secular society lies in its ability to embrace diversity, not stifle it. In doing so, the state can reaffirm the values of liberty, equality and fraternity that France holds dear.

[[Anton Schauble](#) edited this piece.]

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**\*Kristian Alexander** is a Senior Fellow and the Director of the International Security & Terrorism Program at TRENDS Research & Advisory, Dubai, UAE. He received his PhD in International Relations and Comparative Politics from the University of Utah, Salt Lake City.

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## What's Behind Bangladesh's Invitation to the G20 Summit?

Sadia Korobi  
September 05, 2023

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**The G20 has invited Bangladesh to participate in its annual summit for the first time this year. Bangladesh's growing economic might and its strategic location at the crossroads between South and Southeast Asia are attracting the attention of India, the G20's current president, as well as China and the United States.**

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Last December, India took over the G20 presidency for 2023. India has invited Bangladesh along with Egypt, Mauritius, the Netherlands, Nigeria, Oman, Singapore, Spain and the United Arab Emirates (UAE) to the G20 summit which will meet September 9–10.

India announced its goal during its G20 presidency as “Vasudhaiva Kutumbakam,” glossed in English as “One Earth, One Family, One Future.” On the surface, this seems like an agenda based on global inclusivity, but behind this are India's far-reaching ambitions of solidifying its influence as a leader of the Global South and one of the rising powers in the world.

The invitation of Bangladesh holds special importance as this is the first time the country will attend the summit and it is also the only South Asian country to be invited this year. India has also stated that it expects Bangladesh's “active participation” in the G20 meetings to promote the issues of mutual interest in the global arena.

### Why Bangladesh?

The Modi government has dreamt big and its invitation to Bangladesh is a part of the strategy. But where does Bangladesh fit in? Why now, 18 summits after the formation of the G20? The answer lies in Bangladesh's exponential economic growth, as well as its physical location.

Bangladesh was the 35th largest economy in 2022, with a GDP size of \$460 billion. Its economy has grown 5–7% each year over the last decade (with the exception of 2020, the year of the Covid pandemic). PwC projects Bangladesh be the 23rd-largest economy by 2050. Bangladesh has passed up its larger neighbor India in many social and economic indicators. It is no tiny nation, either; with a population of 160 million people and a rapidly developing economy, Bangladesh is a potential golden goose.

Bangladesh has emerged as a regional hub for trade. Goods from China, Myanmar and elsewhere make their way from Bangladeshi ports to Nepal and Bhutan by land through India. So, investing in Bangladesh is in India's interest to prevent China from instead consolidating influence in the region. If India is to project power globally, it must secure its own backyard by keeping its neighbors close.

In March, India and Bangladesh inaugurated the project to build the India-Bangladesh Friendship Pipeline, which will carry diesel fuel from a hub in Siliguri, India, to Parbatipur, Bangladesh. Along with Japan, the two countries held a meeting this April to discuss developing physical links between

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Bangladesh and Northeast India, which is landlocked and largely separated from the rest of India by Bangladesh.

Given both the lucrative opportunities for development and the increasing attention paid to the Indo-Pacific region by powers like China and the US, it is in India's best interest to adopt a "good neighbor policy" towards Bangladesh.

### **Not only India has its eye on Bangladesh**

Where India sees Bangladesh as both an economic and a strategic investment, other major powers have their own goals with Dhaka.

China wants Bangladesh to be a part of its expansionist string of pearls. Beijing has successfully enrolled Bangladesh into its Belt and Road Initiative. China's non-interference policy and Bangladesh's non-alignment policy have kept their relationship smooth. Beijing's massive investment in Bangladesh, its extension of duty-free access to most goods from Bangladesh, the countries' growing trade and their political collaboration on the Rohingya issue have helped bring Bangladesh closer to China.

The cooperation of countries like Bangladesh can help China both to extend its influence in South and Southeast Asia and create alternate routes to the Strait of Malacca, a choke point that is currently a major vulnerability for China.

The US has also shown a keen interest in Bangladesh, but its policies are complicated by Washington's ever-consistent need to interfere in the internal matters of others. On one hand, the US wants Bangladesh to join the Quadrilateral Security Dialogue to restrain China's growing influence in the Indo-Pacific. On the other hand, has targeted Dhaka with accusations about the security of its democracy. The growing frustration caused by incidents like this is pushing Bangladesh

more towards China and India. Still, Bangladesh has not formally chosen sides yet.

That is plenty enough reason for the G20 to want Bangladesh at the table. As former colonies are rising as alternatives to the old powers, Bangladesh, like the rest of the Global South, finally has an opportunity to be a player instead of a pawn in the game. Dhaka must continue what it has started, build strong infrastructure, alleviate poverty and cautiously steer through the multilateral platforms like G20 to keep a good number of friends close. If Bangladesh plays its position well, it can be a real factor in the power politics of the world.

[[Anton Schauble](#) edited this piece.]

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\***Sadia Aktar Korobi** is currently studying at the University of Dhaka, Bangladesh. She plans to become a researcher in international politics. Her research interests include geopolitics, peace studies, gender issues, and humanitarian concerns.

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## **What Good Is China's New BRICS For Brazil And India?**

Helder Ferreira do Vale  
September 08, 2023

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**By funneling its own authoritarian friends into BRICS, China has made clear that it is in charge of the group. Brazil and India now have to ask themselves: What is the use of a club of autocracies that does so little for them?**

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**T**he main outcome of the 15th BRICS summit this August was the enlargement of the group. Six new members — Argentina, Egypt, Ethiopia, Iran, Saudi Arabia and the United Arab Emirates — will join BRICS in January 2024, a move that reveals the ambitions and limitations of a group that serves as a thermometer to the shifting global political order.

This first wave of BRICS enlargement was riven with tensions. While China favored the diffusion of its influence through the enlargement of the group, Brazil and India had pushed back against enlargement. They were more interested in deepening coordination between the existing members.

Although diplomatic coordination was never easy within BRICS, the group's founding members used to share the objective of counterbalancing Western dominance. However, this shared objective has been shattered with the recent group's enlargement.

### **China in charge**

The manner and selection of countries for the enlargement of BRICS made clear China's unchallenged ability to transform the group as an agent of an increasingly Chinese-led emerging global order. The selection of several autocracies as new members is telling of China's view of how the global order should be shaped: an ad-hoc multilateralism that aids its own global ambitions.

With this autocratic turn of BRICS, the group's previous rhetoric of reformism of global institutions is now replaced by a new narrative. China sees BRICS as a way to promote a global governance model that downplays liberal-democratic values and weakens the global rules-based order. As BRICS turns autocratic, the bloc is likely to start opposing US influence more

emphatically, and Brazil and India will be isolated within the group.

Brazil and India's acquiescence to the enlargement of BRICS has been possible with China's support to the permanent membership of both countries in the UN Security Council. Brazil and India were never shy about their dream to permanently sit in the UN Security Council. However, neither country had imagined that China's support for their entry into the UN's selective club would result in their diminished influence in BRICS.

### **Two democracies in an authoritarian club**

Unlike their autocratic fellow members of BRICS (both old and new), Brazil and India have a natural inclination to embrace the principles of equality and liberty both domestically and internationally. These principles, or the lack thereof, determine how democratic or autocratic regimes govern their countries, and, as a result, how they shape their foreign policies.

BRICS until now lacked an ideological or political orientation. What seemed to hold these countries together, apart from being large and prosperous emerging economies, was the shared experience (except for Russia) of colonialism and economic dependence. This experience is no longer enough to keep BRICS united. Brazil and India have made democratic governance part of their development as nation-states. The road towards democratic development has been tortuous, but Brazil and India have both succeeded in embracing democratic methods to guide their domestic governance and their international behavior.

Under democracy, Brazil and India have prospered greatly, achieving impressive levels of economic development. These countries increased their human capital with more educated



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populations and reduced poverty and inequality, although slowly, over the past decades. Indeed, democracy has given these countries the opportunity to shine globally.

As democratic reformers of the fragile liberal order, Brazil and India will continue their efforts to become more influential in international multilateral institutions. And if these institutions welcome both countries by giving them more relevance, Brazil and India's level of commitment to the now-autocratic BRICS will wane. In the meantime, BRICS will become the dream group of autocrats who want to find political and economic support in an increasingly chaotic international arena.

[[Anton Schauble](#) edited this piece.]

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\***Helder Ferreira do Vale** is an associate professor at Hankuk University's (HUFS) Graduate School of International and Area Studies (GSIAS) in Seoul, South Korea. His research interests include federalism, comparative politics and democratization. His works appear in several peer-reviewed journals. In the past, he held academic positions at the University of Barcelona, University of Lisbon, University of Cape Town and the Institute of Advanced Studies Hanse-Wissenschaftskolleg (HWK), among others.

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## **UFO Disclosure: The Most Significant Law in Human History?**

Ran Chakrabarti  
September 11, 2023

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**After hearing sworn testimony on evidence of alien intelligence, Congress is now drafting a law that will require agencies to disclose information to the public. That Congress is taking the matter seriously in the first place, implies that the testimony and further evidence provided behind closed doors has a substantial basis in fact.**

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**O**n the face of it, the proposed "National Defense Authorization Act for Fiscal Year 2024" doesn't sound like very glamorous or exciting reading. Even the most meticulous of lawyers' eyes will be glazing over while they scroll over the mundane section headings and definitions of the proposed legislation.

Section 554, entitled "Community college Enlisted Training Corps demonstration program," is unlikely to raise the heart-beat. There's passing acknowledgment of our contemporary gender sensitivities in section 583, entitled "Prohibition on requiring listing of gender or pronouns in official correspondence," but I'm afraid that is not going to be the subject of this article.

Interesting little quirks pepper the legislation: ongoing claims relating to waste from the Manhattan Project can be found in section 1099AA, no doubt essential reading for anyone who's just come back from the cinema after watching *Oppenheimer*. Section 581 extends deadlines for the review of World War 1 valor medals. Who would have thought that this was something we were still figuring out and spending money on?

Persevere through the text, though, and it becomes very clear that something very, very interesting is about to happen. This just could be the most important piece of legislation ever drafted

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in human history, with incendiary consequences. It will potentially answer, once and for all, whether or not we are alone in the universe.

Metaphorical echoes of Copland's Fanfare for the Common Man start to resonate when we get to "Division G – UNIDENTIFIED ANOMALOUS PHENOMENA DISCLOSURE." When you see it, your scrolling immediately pauses, with first thoughts of, Wait a minute, did I read that correctly? The division in question is described as the "Unidentified Anomalous Phenomena Disclosure Act of 2023."

So what does the Unidentified Anomalous Disclosure Act of 2023 actually say? There are no prizes for guessing what it might be associated with following recent sworn testimony by David Grusch, David Fravor and Ryan Graves before Congress earlier this summer on the subject of strange goings on in the skies, crashed craft from other worlds and "biologics" described as "non-human" in origin.

Evidently, members of Congress have followed up on Grusch's multiple responses along the lines of, I can't answer that now in public, but can do so behind closed doors. Those meetings appear to have taken place, and those few members of Congress who are security-cleared to attend those meetings must have reached some astonishing conclusions.

The introductory sections of the act hit you like an express train. Section 9002(a)(4) states that: "Legislation is necessary because credible evidence and testimony indicates that Federal Government unidentified anomalous phenomena records exist and have not been declassified or subject to mandatory declassification review."

The act provides for the disclosure of "technologies of unknown origin" and evidence of "non-human intelligence". Just pause for a minute:

if Congress legislated for hobgoblins, dwarves, hobbits, dragons and orcs, you would think that it had lost the plot, right? By inference, it must have seen evidence in relation to the existence of those hobgoblins, dwarves, hobbits, dragons and orcs, or why legislate in detail in relation to them? Can you see where this is heading?

To emphasize the point, word searches for "unidentified anomalous phenomena" tally 169 counts in the bill's text and references to "non-human" tally 26. On the other hand, "tin foil hat" (in whatever spelling) appears nowhere, and neither does "conspiracy" or "alien," except in the unrelated legal senses of those terms. This is serious business. Evidently, Congress is not concerned with crackpots and sci-fi enthusiasts, but with extraterrestrial intelligence and technology themselves.

So just what evidence does Congress think might be out there? We can glean some insight from the disclosure procedures, from the exceptions to those procedures that Congress has carved out and from how the bill describes the information and artifacts concerned.

### **Disclosure?**

Section 9004 of the act sets up a record collection in the National Archive of all records that the government may have on the subject of unidentified anomalous phenomena. That's great, you might think, but it might wind up empty if government departments claim that they have absolutely nothing in their records to contribute.

In that regard, section 9005 is quite interesting. Each government office would have to identify and organize their records on the subject and prepare such records for inclusion in the National Archive, with an additional provision preventing their destruction, alteration or mutilation in any way.

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But what about the really sensitive stuff? There's a further catch in the provision referring to "records pending review," which seems to suggest that whatever data dumps might occur are likely to be very benign, with the more serious stuff being constantly queued with mysterious reasons for delay.

Still, section 9005(c) does say that, within 300 days of the date of enactment of the act, the head of each government department has to review, identify and organize each record of anomalous phenomena for disclosure to the public, review by a board created by the act and transmission to the National Archive.

But disclosure doesn't just apply to government records. The act defines a "close observer" as anyone who has come into close proximity to unidentified anomalous phenomena or non-human intelligence, and a "Controlling Authority" means any federal, state or local government department (presumably including the Sheriff's office in Roswell), commercial company, academic institution or private sector entity in physical possession of technologies of unknown origin or biological evidence of non-human intelligence.

These are quite wide-ranging definitions and will no doubt spook private-sector entities who have been alleged to have such materials in their possession, though the inclusion of "physical" in the definition of "Controlling Authority" also makes it quite narrow. If a corporation had such material, an astute lawyer would advise its transfer to an off-shore shell company in order to argue that they don't possess it, avoiding difficult questions about how they got it. The definition should perhaps be expanded to include records relating to such material (which will inevitably run the risk of destruction) and possession by entities in foreign jurisdictions over which American companies exercise control.

## **Preventing disclosure?**

Aside from these possible loopholes, sections of the act address the possibility that some material may remain concealed.

In that regard, paragraph (D)(i) of section 9005(c) is a critical provision. When deciding to disclose, the head of each government department shall determine whether the unidentified anomalous phenomenon records are covered by the standards for postponement of public disclosure. The act establishes a board to review such cases. Naturally, in these circumstances, you can easily imagine that the files would be carted off to the board and never actually see the light of day.

Section 9006 basically says that disclosure can be postponed if there's clear and convincing evidence that the threat to military defense, intelligence operations or conduct of foreign relations posed by the public disclosure of anomalous phenomena record is of such gravity that it outweighs the public interest of disclosure.

This is the logical paradox we continue to find ourselves in when we talk about little green men and flying saucers. If it's real, then it's obviously a national security issue; and can't be disclosed. If it can't be disclosed, then by inference, it is real; and if it can't be disclosed, then the very evidence that proves that they exist is withheld from public scrutiny.

The review board itself will make the contentious determination of whether disclosure needs to be postponed. Section 9007, which governs the process, is a very dense piece of drafting and requires multiple readings to see the wood and not the trees. Essentially, we can summarize it as follows: the board's nine members are appointed by none other than the President of the United States (with the advice and consent of

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the Senate) and shall be suitably qualified, security-cleared and without conflict of interest.

Whether the review board reaches decisions by majority or unanimity is not abundantly clear, but who those nine members may be is obviously going to be fundamental to the decision-making they might be capable (or incapable) of. Depending on the background of the appointees selected, their views may naturally align with, or potentially oppose, embedded positions within the Department of Defense or the Pentagon.

Irrespective of the decision of the review board, ultimately, under section 9009(C)(4)(B), the review board has to give the President contemporaneous notice of its determination; and the President has the sole ability to require the disclosure (or even the postponement of disclosure) of records. The buck stops with the President, it would appear.

### **Alien technology and bodies?**

Of course, we don't know what kind of material the act, if passed, might uncover. But we can infer some quite extraordinary things from the act's provisions and definitions.

To get all closet Roswell conspiracy theorists excited, the act refers to "Legacy Programs," meaning all federal, state and local government, commercial industry and private sector endeavors to collect, exploit or reverse engineer "technologies of unknown origin" or examine biological evidence of living or deceased "non-human intelligence" that predate the act. And, of course, the term "Unidentified Anomalous Phenomena" includes what we would historically call flying saucers or UFOs.

If the earlier parts of the act aren't jaw-dropping enough, then section 9010 will have your eyeballs on stalks. The provision begins with the statement

that the Federal Government "shall exercise eminent domain over any and all recovered technologies of unknown origin and biological evidence of non-human intelligence that may be controlled by private persons or entities in the interests of the public good." All such material, presuming it exists, shall be made available to the review board for examination. Following such examination, the review board shall determine whether it constitutes technology of an unknown origin or biological evidence of non-human intelligence and whether it qualifies for postponement of disclosure.

That the provision stops there begs further questions. It's not clear what "eminent domain" means, and it's not clear whether private persons or entities are to be construed to include legal persons like corporations. It's an extraordinary provision, potentially suggesting a nationalization or expropriation of such technologies and biological evidence by the Federal Government. If so, the obvious question is how a private company or entity came into possession of such material in the first place; and it is worth underlining that "controlling entities" in possession of technologies of unknown origin or biological evidence of non-human intelligence, as defined in the act, include the private sector.

Is this tacit acknowledgment that the government has off-loaded crash retrieval material to the private sector for the purpose of reverse engineering? If so, then it begs the question as to who actually owns the material in question and any derivative products from it. Does documentation account for the transfer of ownership or conditions attached to it? What intellectual property rights have arisen from that material? Have they been registered? By whom?

A further point for reflection. The act assumes that potential possession of biological evidence of non-human intelligence is in fact, dead. But what if

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it were alive? On what legal basis does the detention of non-human intelligence rest? And with what oversight conditions and by whom? What legal rights should it have? One could suggest that if contact was benign, then treatment parallel to diplomatic representatives would be intuitively appropriate. If the contact was malevolent, then treatment in accordance with applicable criminal law on detention would be the intuitive parallel. Essentially, the act does not contemplate a scenario (and the consequences) where non-human intelligence is found alive and the pandora's box that it opens.

### **A historic document?**

“Wow!” to quote astronomer Jerry Ehman, scrawling in red pen on the data printout recording the famous radio signal anomaly received by the Ohio State University's radio telescope in 1977.

Is this another “Wow!” moment? For the first time in history, we are seeing a piece of legislation that is likely going to become law (with no doubt, last-minute revisions to potentially water down the consequences of it) that tacitly assumes at its starting point that, far from us being alone in the universe, parts of that universe may already have been (and continue to be) here.

By analogy to hobgoblins, dwarves, hobbits, dragons and orcs, it's absolutely inconceivable that Congress would legislate about a subject in the absence of evidence to suggest that its subject matter requires regulation. To say that the act is “out of this world” is a metaphor that just also happens, for perhaps the first time ever, to relate to its subject matter.

Though the congressional hearings of July 2023 have obviously catalyzed the timing of it, the act must have been in the drafting pipeline for some considerable time. You can't just magically conjure up something of this detail and complexity

without a substantial lead time, with review and commentary by relevant stakeholders.

Even though the structured processes within the act will be fairly familiar for any constitutional lawyer, its subject matter is evidently not; perhaps the closest analogy for private law is that of how we deal with confidential information and to whom it can be disclosed.

On that analogous note, the mechanics of any determination by the review board are going to be absolutely critical. If it discloses, then who knows what the consequences might be. If it fails to disclose, we implicitly infer that the only reason for blocking disclosure is the very fear of what those consequences will be.

It is on that note — what the consequences might be — that we should further reflect. The purpose of the act might very well be to establish the truth about a subject that has long been ridiculed, but the reality of what we may discover will have its own ineluctable consequences. Who of us are ready for that?

[[Anton Schauble](#) edited this piece.]

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\*A graduate of the London School of Economics and King's College London, Ran Chakrabarti has worked in the Diplomatic Service in Geneva, the United Nations in New York, Reuters in New Delhi, and leading international law firms in London and Singapore. He is currently finishing a text book on international law whilst advising private entities on cross-border acquisitions and project finance.

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# Germany's Firefighters Fail to Put Far-Right Infiltration Out

Kiran Bowry  
September 12, 2023

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**Germany's million-strong volunteer firefighter corps is a culturally influential and trusted institution. Now, however, it faces far-right infiltration attempts. The nationalist AfD has sought to gain a foothold in fire departments and incidents of racist slurs and Nazi symbolism are proliferating.**

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**T**he far-right Alternative for Germany (AfD) is gaining ground in opinion polls. The fears among the populace and economic turmoil caused by the war in Ukraine are partly to thank for this recent popularity, but so too are AfD's years of efforts to infiltrate the backbone of Germany's civil society: volunteer fire departments.

## Part of Germany's social beating heart

Germany has over 1.3 million firefighters, a substantial portion of the nation's 84 million citizens. Of these, over a million are volunteers, along with an additional 270,000 junior firefighters. Germany is unique in this regard; in few other European nations do volunteers provide such a great share of fire protection.

Fire control in Germany would fall apart without the volunteer work of firefighters. Their activities extend beyond providing vital fire safety. Volunteer fire departments are the social beating heart of the nation, driving community life, especially in rural areas. For example, they organize fairs and other recreational events. In

Germany, where around 40% of the population older than 14 commits to volunteerism, volunteer fire departments are a nationwide pillar of civic engagement.

Due to their deep-rootedness in German society, zealous conservative actors have cast an eye on volunteer fire departments to penetrate into the center of society. According to the former president of the German Fire Brigades Association, Hartmut Ziebs, 10,000 extremists have infiltrated volunteer fire departments, and a 2021 government report on the threats to the constitution counted as many as 34,000.

## A long list of far-right incidents

Inevitably, the list of extremist incidents in volunteer fire departments is long. This year, five firefighters in Leonberg, a town in Germany's southwest, chanted politically charged slogans over the fire truck's loudspeakers. Berlin's fire department discharged a former volunteer after he repeatedly spouted racist slurs at fellow members. In 2021, in the wake of incidents of racism in the volunteer fire department of the northern German city of Bremen, an investigative report by the Bremen Higher Regional Court stated that racial slurs, down to the most extreme "are used at almost every station" with varying frequency.

Earlier this year, extensive research by the German magazine Stern revealed the magnitude of extremist infiltration in volunteer fire departments. Some firefighters perform the Nazi salute. Some use slurs targeting Middle Eastern people among colleagues. One police station in Cologne has the birthdays of Adolf Hitler, Joseph Goebbels and Eva Braun noted on the calendar. Stern's research triggered a fierce backlash. The magazine received countless hateful letters and hostile comments on social networks. It proved that criticizing German volunteer fire departments is stirring up a hornet's nest, hitting a sore spot of the country's civic soul.

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## **A thriving environment for the far-right**

The overwhelming, and partly concerted, backlash is a glimpse into the organizational culture that attracts radical actors to fire departments. A tomboyish and comradely esprit de corps, clear hierarchy structures and authoritarian communication styles are compatible with right-wing extremist views of society.

Equally enticing to these zealots is the demographic composition of firefighting units. According to the latest Volunteer Survey of 2019, less than 1% of fire department members were of immigrant origin. In light of Germany's population's 26% share of people with an immigrant background at the time, this represents a glaring under-representation. Meager ethnic diversity is complemented by a low proportion of women in German fire departments, at just 10.5%.

The unabating dominance of "white heterosexual men from the working class" in fire departments is by no means a merely unmediated result of external factors; it also stems from an internal skepticism of change. Volunteer fire departments operate largely under the state's radar, and measures that could help combat the lack of diversity, like complaints offices in the event of racist or sexist incidents, are rare. Hence, volunteer fire departments are fertile ground of influence with little supervision for these radicals.

## **Strategic advances from the AfD**

Unsurprisingly, AfD has zeroed in on volunteer fire departments to gain political power. The strategy seems to have paid off: AfD recently reached a historic peak of 21% in opinion polls, only trailing the Christian Democrats (CDU/CSU).

As early as 2017, AfD formulated a strategy as to which lobbying in civic organizations "is important to anchor the AfD in the middle of

society and gain access to expert knowledge. ... AfD members must also be encouraged to participate in associations or to use their association membership discreetly but consciously for the AfD." In another internal strategic paper from 2019, the AfD explicitly classifies volunteer fire departments as nationwide organizations with strong membership bases, regarded as "affiliated to the AfD."

Complementing the strategic personnel infiltration of volunteer fire departments are legislative proposals from AfD intended to portray the party as their only true advocate. The AfD state associations of the eastern German states of Saxony and Thuringia, both electoral strongholds of the party, proposed an increase in firefighters' pensions: "As a sign of our recognition and gratitude for the fact that the women and men of the volunteer fire department have risked their health and their lives ... we demand that the benefits from the fire department pension for those who work on a volunteer basis be increased."

Not only are AfD's advances appreciated by some members, but they are also reciprocated by fire departments at regional leadership levels. In September 2020, the Thuringian Fire Brigades Association invited Björn Höcke, the AfD parliamentary group leader in the state parliament of Thuringia, to deliver the welcome address at their annual meeting. Höcke is considered the enfant terrible of AfD and the most prominent representative of the party's far-right wing. Due to his ultra-nationalistic statements and use of Nazi vocabulary, he has been under surveillance by the Federal Office for the Protection of the Constitution since the beginning of 2020.

## **Standing up for democracy**

In December 2019, Hartmut Ziebs resigned under ominous circumstances as president of the German Fire Brigades Association. Prior to his resignation,

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he publicly warned that fire departments were being infiltrated by the nationalist views of AfD. Zieb's warning caused ripples in the departments, prompting both support and outrage. Although numerous members jumped to his side, Zieb received countless hate messages and death threats. His statements sparked a power struggle at the leadership level of the firefighters' associations. "Intrigues and obstructions to [his] work" led to his resignation, according to Ziebs: "I did not correctly assess that I might have had one or two people close to me who felt a certain affinity for the AfD."

Radical infiltration attempts and incidents of racism have been known to German fire departments for decades. The internal diversity and anti-racism campaigns have fallen flat given lackluster public demarcations against the zealots from within, as Ziebs stresses: "I would like to see a sensitivity ... for the dangers to our democracy." He called for "fire department commanders to be assertive and always explicitly stand behind the constitution."

Moreover, Germany's government has failed to grasp the mantle and take this danger more seriously. In a parliamentary question in 2021, the leftist party Die Linke enquired as to "what knowledge [the government has] of suspected cases of right-wing extremism among members of volunteer fire departments, professional fire departments, or plant fire departments." The government's response was sobering, stating that, with two exceptions, it did not know of any further incidents.

AfD's intrusion into volunteer fire departments should warn Germany's other democratic parties in the Bundestag to pay more attention to civic organizations outside election campaigns. Civic engagement, whether in volunteer fire departments or elsewhere, contributes to a vibrant democracy.

Conversely, neglecting civic organizations can turn them into darkrooms of extremist machinations.

History offers Germany's democratic parties a stark lesson. The infiltration of civic organizations by right-wing extremists was a precursor to the destabilization of Weimar democracy and the rise of totalitarianism.

[[Lee Thompson-Kolar](#) edited this piece.]

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\***Kiran Bowry** holds a master's degree in political science with a specialization in party and migration politics as well as the prevention of extremism. In addition to being a freelance writer, Kiran works as a practitioner, implementing extremism prevention measures at schools and coordinating cross-cultural arts projects.

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## **Pakistan's Taliban Problem and the New Fight for the Durand Line**

Bilal Rahmani  
September 14, 2023

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**Pakistan supported the Afghan Taliban to gain influence in South Asia and a better negotiating position with the Pakistani Taliban. Now, the strategy has backfired, and Pakistan has not only lost its influence in Afghanistan but risks losing control over its own territories as well.**

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**O**n September 4, 2021, the director general of Pakistan's Inter-Service Intelligence (ISI), Lieutenant General Faiz Hameed, landed in newly Taliban-occupied Kabul. With a beaming smile, he faced the camera of a weary journalist who had asked what was next and stated, "Don't worry, everything will be okay." Hameed's jubilation and optimism were understandable; the group the ISI had fostered, trained, funded and stood behind through two decades of insurmountable odds had just achieved the inconceivable feat of an almost completely bloodless takeover of Afghanistan.

The grand dream of General Zia-ul-Haq, architect of Pakistan's insurgent strategy, that Pakistan achieve geopolitical dominance in South Asia by facilitating domestic and international jihadist groups never seemed more in focus.

Now using its newfound ally's resources, Pakistan could set its security problems to rest. The Taliban had adept combat capabilities and resilient pipeline of fighters from madrasas. They also carried the credibility based on their status as a Pashtun and Islamic group.

Pakistan placed its hopes in the ability of the Afghan Taliban to broker peace between Pakistan and the Tehreek-e-Taliban-e-Pakistan (TTP), or Pakistani Taliban. The Taliban could further assist in fighting Islamic State — Khorasan Province and militant groups in Balochistan and, ultimately, continue its "Global Jihad" in Jammu and Kashmir.

Yet, the dream has been cut short by a rude awakening. The ISI has instead seen its assets tied up in a revitalized TTP insurgency, major expansion in ISIS-K operations, continued Baloch militancy and new border clashes with Afghanistan.

The Taliban haven't been Pakistan's geopolitical silver bullet; they may become one of its greatest existential challenges. Not only does Taliban-controlled Afghanistan pose new challenges to Pakistan's security establishment, but it directly challenges Pakistan's territorial integrity by igniting clashes at its border, inspiring insurgency in border provinces and sheltering new security vacuums Pakistan must fill or combat.

The Taliban had already planned their next steps for Global Jihad: pressure the Durand Line border from within Pakistan and from Afghanistan, establish shadow control over border areas and ultimately erase the Durand Line. Through this long-war strategy, the Taliban could expand Afghanistan and finally heal the scars of its colonial wars with the British Empire by regaining lands taken from the nation during the Anglo-Afghan Wars, taking on the mantle of the heroes of the Pashtun people and the saviors of South Asia.

### **The saviors of South Asia?**

In the midst of the Afghan Civil War, Mullah Mohammed Omar founded the Taliban to address issues in their immediate surroundings in Kandahar. It is unknown if Omar and his group of extremist Deobandi Islamic militant scholars saw the future of the Taliban's exploits then, but their early success certainly prepared the way for a truly meteoric rise. From the Taliban's very first successful operation against two pedophilic warlords in Kandahar, they won the hearts and minds of locals for their ability to bring stability and maintain credibility.

It was at this early stage in the group's operations that a sort of "Taliban Promise" was formed. The group could take control of territory with use of insurgent and guerilla ground tactics in storm-type attacks and defend the territory through its ability to rapidly recruit new units. Then once in control, the Taliban would govern through a mix

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of Deobandi Islamic principles — adherence to extreme literalist fundamental Islam with specific belief in declaring apostasy — and Pashtun ethnic principles — honor, reciprocity and tribal courts.

Both aspects of the Taliban's initial Afghan campaign fed into one another, and their identification as Muslim and Pashtun gave them legitimacy and access to fighters while continued territorial control and battlefield success gave their rule legitimacy. This Taliban Promise wasn't glamorous, but it was something Afghans could predict, expect, understand to some extent and accept as the alternative was being at the whims of a vagrant warlord.

Thus, the Taliban set out from Kandahar, reversing the impending balkanization of Afghanistan, destroying fiefdoms and maintaining a common link to most Afghans through religious and ethnic values. The Taliban's movement likewise stood in stark contrast to Pakistan's then main ally, Gulbuddin Hekmatyar (not a difficult feat, as he was best known for shelling residential neighborhoods in Kabul, earning him the title "Gulbuddin Rocket-yar"). With no real competitors and an incredibly successful domestic campaign, the group became the de facto future rulers of Afghanistan, gaining Pakistan's full support by 1994 and even earning financial assistance from the US in early 2001.

It was only when the Taliban was implicated in the events of 9/11 that the international community's hope for its success faded. With the façade revealed and the Taliban's links to international terror organizations like al-Qaeda plain to see, almost all of the group's bridges with the international community were burned. Then, with the US invasion of Afghanistan and the end of the Taliban government, it seemed the Taliban's fate was sealed. With no ability to fight against the US military in a head-to-head conflict, Taliban

leadership quickly withdrew across the Durand Line to Pakistan's Pashtun tribal lands.

Pakistan could never let the Taliban fail. The nation had abandoned its previous allies for the Taliban and, therefore, this was Pakistan's last real chance at creating an insurgent movement to dominate South Asia. Too much had been invested in the Taliban to let them be destroyed by the US military. So, while the US was establishing supply lines through Pakistan for its invasion of Afghanistan, the ISI began providing the Taliban arms, logistics, intelligence and shelter to ensure their survival.

### **Double games, double problems**

The Pakistani intelligence and security community would not abandon its master plan to fulfill General Zia's goal of creating and controlling the world's preeminent insurgent paramilitary group for the domination of South Asia. These were the cards Pakistan had played for over 20 years to this point, and changing strategies was not under discussion. The foundational moves for Pakistan were too consequential to even consider looking back.

General Zia's 1979 decision to combat the Soviet invasion of Afghanistan by funneling international funds specifically into extremist Islam had opened Pandora's box. Partnering with extremist Abdullah Azzam, the architect of the Global Jihad, created the current pipeline of militants, and dismantling it would be immensely difficult. This was the original "double game" Pakistan had created during the Soviet-Afghan War, supporting US interests by supporting counter-Soviet religious militants in Afghanistan but ultimately damaging US interests by instrumentalizing those militants.

Pakistan's plan, however, does not seem to have been specifically directed at damaging US national

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security. The intention was, and always has been, to open the door to extremist militant Islam while directing its violence against Pakistan's immediate national security concerns. Pakistan would become the champion of Islam in South Asia and lead the Global Jihad against the region's greatest threat: rival India — Hindustan.

Islamabad's double game therefore could not end with the US invasion of Afghanistan; it just became more dangerous. The ISI had to directly oppose the US by aiding the Taliban while also maintaining outward support for the US and facilitating its military operations. The stakes were never higher, but in 2021, with the Taliban yet again in control of Kabul and the US still not explicitly pursuing action against Pakistan for its role, it looked as if the double game had been won.

Pakistan's double game, however, has only created double the problems. Today, the nation remains ensnared by daily insurgent violence and political turmoil, all under the dark cloud of devastating natural disasters. The Taliban have not proven to be the magnanimous allies Pakistan had hoped for, and Pakistan's problems have only grown as a result of its costly partnership with them.

A stark reminder of the enmity now between the two allies is the Torkham Border Crossing clash seen in February. Pakistani Frontier Corps and Afghan Taliban troops opened fire, wounding one member of the corps and prompting a swift Pakistani diplomatic response to ease tensions.

The documented gunfights between the two militaries in broad daylight at their busiest crossing, however, do not encompass the entirety of their negative interactions. Clashes have died down since February, but smaller interactions like explosions at border points, explosives and drug seizures and illegal crossings still show the

Taliban's continued destabilizing effect on Pakistan.

The Taliban's active clashes with Pakistan are not even the largest destabilizing factor. The group's takeover of Afghanistan has proven far more problematic to security because it has given modern insurgency a proof of concept. Insurgents in South Asia and beyond may feel they don't have to settle for a seat at the table, because if they wait long enough they may own the whole restaurant just as the Taliban seized Afghanistan.

The TTP is the greatest example of this new insurgent impetus. Emboldened by the Afghan Taliban's victories, it has taken to a new campaign of violence against Pakistani forces and civilians. With no war in Afghanistan, Taliban fighters likewise gain a new purpose and can easily move through Pashtun tribal networks to join a new battlefield.

Pakistan attempted to execute its strategy of controlling the Taliban when it entered into Afghan Taliban-negotiated talks with the TTP, but this quickly failed. Negotiations between the two sides broke down after only a few rounds of talks; Pakistan assassinated TTP core leadership, decisively ending the rapprochement, and violence has trended upward since. Now, one need look no further than the front page of Pakistan's Inter-Services Public Relations or the TTP's propaganda websites to see that clashes between Pakistan and the TTP have become a daily occurrence.

Likewise, the drumbeat of attacks by Baloch militant groups like the Baloch Liberation Army, the Balochistan Liberation Front and the Baloch Nationalist Army has only increased. These groups have also become emboldened by the Taliban's advances and now conduct gruesome attacks specifically targeting Chinese nationals, like in the Karachi University bombing, and broader regional critical infrastructure.

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This turn of events has proven that although the Taliban are a byproduct of long-term Pakistani national security and intelligence decision-making, the Taliban do not feel they are beholden to Pakistan. Although the ISI sheltered the Taliban from the US, the Taliban are still a grassroots ethno-religious militant movement with its own goals that now challenge Pakistan's territorial integrity.

With Afghanistan firmly in the Taliban's grasp, a new double game is beginning in South Asia: a double game that seeks to rewrite the history of British colonial rule.

### **The New Fight for the Durand Line**

Pakistan's strategy to gain a stronger position in South Asia by supporting militant extremism has turned out to be quite flawed. While it was possible to steer the Mujahideen's Global Jihad during the Soviet-Afghan War, it does not seem equally possible to direct the Taliban. The success of Pakistan's strategy of directing militancy during the Soviet-Afghan War was largely due to the Mujahideen being a specifically Islamist militant movement; the interests of both Pakistan and the militants were mostly aligned. However, the Taliban is a hybrid organization that represents both extremist Islam and Pashtun nationalism; as a result, many of the Taliban's interests run entirely contrary to Pakistan's. Erasing the Durand Line and retaking the Pashtun land taken from Afghanistan by the British is the largest of these differing interests.

The Durand Line was drawn in 1893 by the British Empire to better administer Afghanistan after its Pyrrhic conquest during the Second Anglo-Afghan War (1878-1880). Learning from the British army's absolute decimation at the hands of Pashtun tribal alliances during the First Anglo-Afghan War (1838-1842), colonial Britain was unwilling to invest too heavily in Afghanistan and

sought a strategy that would instead defang the nation.

Abdur Rahman Khan was installed as shah by the British in 1880, allowing him to lead a violent domestic campaign to gain undisputed control of Afghanistan from the powerful Pashtun tribal networks. Then, once the Pashtun tribes had been cowed, it was necessary to permanently debilitate them so their tribal alliances could never rise again to challenge Afghanistan or British India.

Pashtunistan was cut in two by the Durand Line, dividing the lands governed by the Pashtun tribes between Afghanistan and British India. Then, with tribal networks separated by administrative and political borders, there was no way for them to form a cohesive military organization to threaten British control of South Asia again as they once did in the First Anglo-Afghan War. Furthermore, subjugating and ruling over fractured tribal networks allowed both Abdur Rahman Khan and the British to maintain a high degree of regional autonomy without consulting domestic power brokers.

The British Empire's scar on Afghanistan was challenged during the Third Anglo-Afghan War (1919), but ultimately maintained when Afghanistan gained independence. When Pakistan was created in 1947, the border was retained and it has lasted ever since.

The Durand Line served a significant strategic purpose during the Soviet-Afghan War, the Afghan Civil War and US-Afghan War which followed. The political boundary allowed combatants in Afghanistan to easily retreat and regroup into Pakistan when in danger and launch sorties from a safer position than from within Afghanistan. Yet, with no current foreign invading force in Afghanistan, Afghan militants no longer have a need for the border.

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Militant Deobandi Islam has proven to be the potion Pashtun nationalism needed to revive itself, and now the Taliban are emerging as the champions of Pashtunistan as an entity. Likewise, the Taliban have good reason to reunite Pashtunistan and erase the Durand Line, as doing so would provide them immense domestic and regional legitimacy, potentially cementing their rule.

Gheyrat and izar, the Afghan concept of honor, run deep through the nation's history and future. Invasion after invasion has instilled within our storied nation a ceaseless, brave resilience to cruelty in the face of insurmountable odds.

Just as all nations who foray into the Graveyard of Empires do, Pakistan is learning this lesson from the inside out. This all converges on the faultline of their shared scar of British colonial rule — the Durand Line — with a promise to restore Afghanistan's honor at the price of accepting an extreme Deobandi, kleptocratic military state.

Pakistan's territorial integrity is facing its first true challenge: The Taliban are increasing their influence and violence at an alarming rate, and insurgents are inching ever closer to nuclear capabilities, all as we peer from over the horizon.

[[Anton Schauble](#) edited this piece.]

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\***Bilal Rahmani** is the director of training and development at *Foreign Brief*, a geopolitical risk publication. He holds a master of arts in law and diplomacy from the Fletcher School at Tufts University, where he extensively researched international security in Asia.

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## Iran's Mahsa Revolution One Year On

Reza Parchizadeh  
September 16, 2023

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**The death of Mahsa Amini at the hands of Iran's religious police last year triggered a popular uprising that sought to liberalize and democratize the country. Yet the revolution was coopted by Pahlavists, and the Islamist regime was able to reestablish control. Has the cause of freedom been totally lost?**

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Last year, people rose up in revolt against Iran's mullahs. Iran's notorious religious police arrested 22-year-old Jina (Mahsa) Amini for not wearing the hijab properly. She was beaten and later died after falling into a coma, triggering unprecedented nationwide protests against the Islamist regime that has been in power since 1979.

The slogan "Jin, Jivan, Azadi" (Woman, Life, Freedom) reverberated throughout Iran and gave the movement its name. Women came out in the thousands. Young men joined them too. The regime was caught on its heels.

September 16 marks the first anniversary of Amini's death and the popular uprising's beginning. This is a good occasion to pose fundamental questions. What has transpired in the aftermath of Amini's death? Has the popular uprising changed Iran? Has the Islamist regime weakened or has it managed to claw its way back?

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## Who are the protesters?

The Woman, Life, Freedom Revolution was not the expression of a unified political movement. Not everyone opposes the Islamist regime for the same reasons, and people from every imaginable political stripe took part. The opposition is divided, however, into two main camps, which we can identify as the “progressive” and the “reactionary” opposition.

In the progressive camp fall the various pro-democracy movements of Iran. This includes a wide sweep of ordinary people as well as politically active individuals and organizations ranging from liberal to socialist and secular to Islamist. These currents have popular bases in Iranian society, especially among middle and lower classes as well as the marginalized sections of society such as ethnic, religious and sexual minorities.

These people typically express their demands through street demonstrations and intend to establish a political system that accounts for liberal democracy, representative rule, ethnic and cultural diversity and decentralization and circulation of power.

The reactionary camp, on the other hand, is authoritarian. It is composed largely of the Pahlavists, who claim to represent the political legacy of Mohammad Reza Pahlavi.

Mohammad Reza Pahlavi ruled Iran as a monarch, or Shah, from 1941–1979, with Western backing. Although the Shah’s regime was pro-Western, it was by no means democratic. It asserted tight control over Iranian society while it enriched the Shah and his allies by selling oil abroad. The Shah sought to modernize the country by promoting secular customs without loosening his grip on power. This alienated many Iranians, precipitating the 1979 revolution that led to an

Islamist takeover of the country under the leadership of Ayatollah Ruhollah Khomeini.

After the revolution, many of the Shah’s wealthy supporters fled to the United States. These émigrés now form an influential community on the American West Coast. Their informal leader is Reza Pahlavi, the Shah’s heir. The group finds a platform for its views in a multimillion-dollar, overseas Persian-language media industry that keeps the memory of the “Good Ol’ Days” alive.

The monarchist old guard in LA and elsewhere, however, are not the ones who have been the most active in Iran’s recent unrest; these latter are the “Pahlavists.” They are mostly composed of people affiliated with the Islamic Republic, both inside and outside of Iran. These include members of the Revolutionary Guards (a military force, distinct from the army, tasked with defending the Islamic Republic and its hardline Shia ideology) and the security forces. They also include people who had formerly been supporters of the Islamist regime but now have ostensibly become supporters of Reza Pahlavi.

These types claim that the monarchy should be restored with Reza Pahlavi as the Shah. They harshly attack supporters of democracy in Iran. They exhibit reprehensible intolerance towards Arabs and Jews, as well as towards those with different social or cultural values. Their reactionary rhetoric advocates positions that even the classic monarchists in LA would not dare support.

In my opinion, and the opinion of many other pro-democracy analysts and activists, the Pahlavists’ main function is to push back against democratic aspirations and democracy activists on behalf of the regime. They pose as if they did not work to advance the regime’s agenda but acted within the boundaries of the opposition. In so doing, they hope to command legitimacy among

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the Iranian people and the international community.

However, the Pahlavists can also have a secondary, more subtle function. Some of those who hold positions of power within the regime might hope to use the Pahlavists as a Plan B. That is, if the regime comes to a point of no return and is about to fall, those elites can utilize the Pahlavists to facilitate Reza Pahlavi's ascension to the throne so that they can hold on to their privileges. That is to say, the Islamist elite could cling onto the legitimacy of the monarch, just as Spain's Francoist elite did after the restoration of that country's monarchy.

Reza Pahlavi is now in a similar position to that of Juan Carlos in the early 1970s, and there are obvious signs that at least parts of the Revolutionary Guards and the regime's security apparatus promote him at the expense of democracy activists. Pahlavi himself has openly said that he is in touch with the Revolutionary Guards. He has even repeatedly proclaimed that anti-regime protesters must embrace the IRGC instead of fighting it and that the Guards should remain employed in positions of power after the fall of the Islamic Republic.

What is clear, then, is that the reactionary camp does not represent the demands of the ordinary people and those who want democracy, but the interests of power and wealth inside and outside of Iran.

### **The rise and fall of a revolution**

The Woman, Life, Freedom Revolution at its peak had two major stages. I call the first the "real revolution." At that stage, democracy was the central aspiration of the revolutionaries. Activists were focused on pulling down the entire system of the Islamic Republic, liberating women and empowering disadvantaged groups of people.

The revolution was a truly postmodern one, and its characteristics proved profoundly different from classic revolutions. Most important of all, it did not have individual or group leadership. Rather, its many leaders were scattered across the country and the world, but were closely connected horizontally via the Internet and local networks. The protestors used these channels to exchange ideas and plan demonstrations. They organized defense strategies as the regime launched a brutal crackdown. Different layers of society inside and outside of Iran coordinated with each other in order to confront the Islamic Republic and let the world know that Iranians wanted to establish democracy.

At this stage, the most progressive and egalitarian ideals were at the heart of the revolution. The emancipation of women was at the forefront, alongside the liberation of sexual minorities. Revolutionaries advocated pluralism, multiculturalism and multi-ethnicity. They aimed to transform Iran's historically centralized power structure by devolving governance in Iran. They demanded the rule of law and civil and political rights, which would apply to all people equally, regardless of their origin and background. For these and many other reasons, the Woman, Life, Freedom Revolution might have been the most progressive revolution in the modern history of the world so far.

But this upswelling of revolutionary ideas was not to last. The initial stage of the revolution gave way to what I call the "fake revolution." The Revolutionary Guards promoted the Pahlavists as a front organization and sought to bridle the democratic aspirations of the uprising and drive the popular revolution in an anti-democratic direction.

The Pahlavists attempted to impose a top-down dictatorial leadership on the diverse revolutionary people and groups. They abused — verbally and sometimes physically — Reza Pahlavi's critics as

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“leftists” and “separatists.” Contrary to the pluralism and progressivism that characterized the authentic revolution, the Pahlavists propounded reactionary ideas like patriarchy, absolutist monarchy and extreme nationalism.

When their attempt to make a charismatic leader out of the playboy prince failed, the regime’s agents of influence, exploiting the mainstream Persian media overseas, pulled out all the stops to create a council of celebrities centered on Reza Pahlavi to lead the ongoing revolution. However, most of these people, including Reza Pahlavi himself, had neither an organic connection with the protesters in Iran nor the necessary experience and expertise to deal with a revolutionary situation. As a result, they were soon reduced to vitriolic infighting which led to the collapse of the celebrity council.

The Pahlavist pseudo-revolution failed to gain any traction. It succeeded only in sucking the life out of the authentic revolution. The marginalization of pro-democracy activists made protesters on the ground lose their motivation to demonstrate and to fight back against the regime. This bought the Islamic Republic enough time to make peace with its foreign adversaries, suppress most of the domestic protests and come back from the brink.

### **So what have we gained from this clash of ideas?**

The Woman, Life, Freedom Revolution has significant strategic implications for the future. Most importantly, it has fully exposed the unbridgeable chasm between the libertarian and the authoritarian forces among opponents of the regime. Before the revolution, this gap was not fully exposed, as various trends only engaged in routine rhetorical battles. But the revolution forced everyone to stand up for their values and tested their conduct in the field of action. Pahlavists and

reactionaries can no longer credibly pose as revolutionaries.

Although they have suffered a setback for now, on the timescale of history pro-democracy forces have a fair chance to determine the political future of Iran. The valuable experiences they gained during the revolution have enabled them to see the situation on the ground more clearly and brought them closer together despite their differences. Their strong support of each other in the face of the joint attacks by the regime and the Pahlavists shows that Iranian democracy activists have reached a level of maturity and inclusivity that would not have become possible without the revolution.

In the end, the future of Iran will be decided by the battle, not simply between the “opposition” and the “regime,” but between the supporters of democracy and the combined authoritarian forces of the Pahlavists and the Islamist regime.

[[Anton Schauble](#) edited this piece.]

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**\*Dr. Reza Parchizadeh** is a political theorist, security analyst and cultural expert. He holds a BA and an MA in English from University of Tehran and a PhD in English from Indiana University of Pennsylvania. He is focused on Security Studies, Foreign Policy and International Relations. Parchizadeh currently serves on the editorial board of the international news agency Al-Arabiya Farsi.

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## Is the German Economy Now Destined to Decline?

Atul Singh  
September 20, 2023

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**The German economy is in crisis and its much-vaunted economic model is in question. The Russia–Ukraine War, a contracting Chinese economy and an increasingly protectionist US have triggered this historic crisis. Germany's overbearing bureaucracy, declining demography, widespread labor shortages, high tax burden and political paralysis are to blame too.**

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September has been a month of grim news about the German economy. Inflation, which brings back the specter of the 1920s, remains stubbornly high. The Federal Statistical Office tells us that the inflation rate, “measured as the year-on-year change in the consumer price index (CPI), stood at +6.1% in August 2023.”

It is not just the Russia-Ukraine War that is causing inflation anymore. The Financial Times reports that, even excluding food and energy, inflation remains at 5.5% with higher wage pressures making it sticky, if not structural. Inflation is affecting all industries. In construction, costs are now 38.5% higher than the pre-pandemic early 2020.

### **An economy in deep crisis**

New orders for construction companies have dried up. Note that these orders are canaries in the coal mine and indicate confidence in the future. They are a forward-looking indicator for the economy.

In August, the lack of new orders rose to 44.2%, up from 40.3% in July and a lot more than 13.8% in 2022.

Germany's prestigious ifo Institute informs us that cancellations in residential construction have reached a record high. In August, 20.7% of companies reported canceled projects. The building industry is in trouble. Rising interest rates, soaring costs and weaker demand threaten to force many firms out of business. Several real estate groups are filing for insolvency. Germany is facing a shortage of 700,000 homes, and its housing crisis is bound to intensify. Last year, 295,300 dwellings were built, well short of the 400,000 target, and this year the gap will be worse.

Industrial gloom is deepening too. The Federal Statistical Office's September 7 press release reveals that industrial production “was down 0.8% in July 2023 month on month after seasonal and calendar adjustment.” Carmaking has declined dramatically. Rising energy prices have hit German industry hard, and Europe's manufacturing superpower has shrunk or stagnated for the past three quarters.

Even before September, stories about the German economy have been pessimistic. On July 24, Reuters reported that “activity in Germany, Europe's largest economy, contracted in July.” Investor confidence has been plummeting and foreign direct investment in Germany falling. The OECD expects the German economy to stagnate and be the worst performer among the major economies in 2023.

In August, the ifo Business Climate Index fell for the fourth consecutive time. Sentiment among German managers darkened in manufacturing, services, trade and construction. The index is at its lowest level since August 2020, and companies are increasingly pessimistic about the months ahead.

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The Hamburg Commercial Bank's Purchasing Managers' Index (HCOB PMI) shows that German factory output has deteriorated at a rate not seen since 2009, the pandemic years excepted. Given that manufacturing accounts for a quarter of the German GDP, the fall in HCOB PMI is rather alarming.

On July 13, Matthew Karnitschnig in Berlin published a piece titled "Rust on the Rhine" in Politico. He described how "German companies are ditching the fatherland." In Karnitschnig's words, "Confronted by a toxic cocktail of high energy costs, worker shortages and reams of red tape, many of Germany's biggest companies — from giants like Volkswagen and Siemens to a host of lesser-known, smaller ones — are experiencing a rude awakening and scrambling for greener pastures in North America and Asia."

Politico has been grim about the German economy for a while. On November 10, 2022, Johanna Treeck published "Mittel-kaput? German industry stares into the abyss," asking whether the prolonged energy crisis was causing "the beginning of the end for German industry."

Not only manufacturing but also services are now declining. High inflation and rising interest rates are taking a toll on consumer confidence. Unemployment is rising. Once, the land of the Mittelstand — the small- and medium-sized industry that arose in the late 19th century and long powered the economy — was a world leader in innovation. That is no longer the case. In the World Intellectual Property Organization's "Global Innovation Index 2022," Germany only ranks eighth among world economies. Three European economies — Switzerland, the UK and the Netherlands — are ranked above it.

In a nutshell, Germany is in big trouble. Why?

## **Russia–Ukraine war spikes inflation**

Since the collapse of the Soviet Union, German industry increasingly relied on cheap Russian gas. Nord Stream 1 was a lifeline for Germany and Nord Stream 2 was set to begin operations too. Then, the Russia–Ukraine War upended German industry. Post-Nazi peacenik Berlin had not expected war to break out in Europe again. Germany had not diversified its energy supplies and was caught with its pants down.

In fact, Gerhard Schröder, Germany's former chancellor, became the head of the supervisory board of Rosneft, a Russian oil giant, and was nominated to join the board of Gazprom, Russia's state-controlled gas exporter, in his post-political career. Schröder had led the Social Democratic Party (SPD), Chancellor Olaf Scholz's party, and served as chancellor from 1998 to 2005. His reforms in the early 2000s transformed Germany from "the sick man of Europe" into the continent's economic engine.

Schröder refused to support George W. Bush's 2003 Iraq War and, in the words of *The Economist*, was a "vocal advocate of Ostpolitik, a policy of rapprochement with the eastern bloc, including the then Soviet Union, conceived in the late 1960s by Willy Brandt, another SPD chancellor." Many damn Schröder as Putin's lobbyist today, and it is true that he has made big money from Russian energy giants. However, Schröder and many other Germans genuinely wanted to tie Russia into "an energy partnership of mutual dependence with Europe."

All of that came to an end on February 24, 2022. Fuel, food, fertilizer and other commodity prices shot up. In particular, this supply-side shock caused inflation to skyrocket in Europe, especially because, unlike Canada and the US, the continent does not have substantial oil and gas reserves.

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Germany suffered more than others even in Europe. Postwar Germany has been an idealistic nation where a strong environmentalist movement became politically powerful. After all, the Greens are currently in a coalition government with the SPD. In fact, Germany attempted a green energy transformation, the so-called Energiewende. As the war was stopping the supply of Russian gas, Germany was switching off all nuclear power.

Sadly for Germany, this move caused an energy scarcity. Germany simply did not produce enough renewable energy to take up the slack. This exacerbated the inflationary shock, and Germans ended up paying three times the international average for electricity.

Inflation increased input costs for manufacturing. In parallel, when central banks raised interest rates to combat inflation, the borrowing costs for industry shot up, as did the servicing costs on debt that was not locked in under old rates. For years, German industry had gotten used to low interest rates. Just like the Federal Reserve, the European Central Bank had followed a policy of quantitative easing, which really means printing more money. This meant that the cost of capital was really cheap for companies. That cheap money era is over, and companies are scrambling to adjust to the new higher cost of capital.

Furthermore, the double whammy of increasing inflation and rising interest rates has hit consumer confidence hard. Even in the best of times, culturally Protestant Germans are savers, not spenders. Now, they are spending even less. They have more incentive to keep the money in the bank instead of spending it. Naturally, demand for goods and services is falling, and the economy is stagnating.

## **Chinese economy crashes, demand for German imports crashes too**

In recent years, Germany has profited greatly from trade with China. After Deng Xiaoping opened up the economy in 1978, the Middle Kingdom grew spectacularly. Even as China became the factory of the world, Germany provided the machines that kept this factory running. Naturally, German exports to China boomed.

When this author traveled around the eastern seaboard of China in 2004, he met German businessmen everywhere. Almost all of them were exporting their goods to the Middle Kingdom. By the 20th century, China was Germany's most important trading partner. Bilateral trade volumes amounted to \$237 billion (€204 billion) in 2018.

On October 24, 2019, DHL published a piece titled, "As China Sneezes, Will Germany Catch a Cold?" It posited that "China's weakening domestic economy and the ongoing trade tensions simmering between Washington and Beijing" would take a toll on the German economy.

DHL's piece turned out to be prescient. As the US-China trade war has heated up, Germany has found itself squeezed in the middle. Increasingly, China sees Germany as a US ally. So, Beijing has been discouraging German imports into China implicitly and explicitly. In the first four months of 2023, German exports fell by 11.3% as compared to last year.

German ardor for China has cooled too. The Bundesbank, Germany's renowned central bank, has warned German companies to cut exposure to China, warning that "the country's business model is in danger." No fewer than 29% of German companies import essential materials and parts from China. Rising US-China geopolitical tensions could disrupt this trade, bringing the German economy to a grinding halt.

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Earlier in July, Germany's 64-page "Strategy on China" attempted to chart a new policy towards the Middle Kingdom. It states, "China has changed. As a result of this and China's political decisions, we need to **change our approach to China.**" This document goes on to say, "China is Germany's largest single trading partner, but whereas China's dependencies on Europe are constantly declining, Germany's dependencies on China have taken on greater significance in recent years." The new German strategy deems China a "systemic" rival and "accepts competition with China."

Yet it is not easy for the land of the Mittelstand to decouple from the Middle Kingdom. German industry is still expanding in China. In July, BASF broke ground on a polyethylene plant at its seventh Verbund site in Zhanjiang, China. Even as this German manufacturing giant is investing \$10 billion (€9.4 billion) in China, it is cutting 2,600 jobs and reducing production in Germany. A slowing Chinese economy has hurt BASF this year, with the company's second-quarter net income falling to \$533.38 million (€499 million) from \$2.24 billion (€2.1 billion) in the same quarter a year earlier. When China sneezes, Germany indeed catches a cold.

Germany's dependence on China made Scholz fly all the way from Berlin to Beijing on a state visit on November 4, 2022. The chancellor took along a gaggle of German CEOs to meet President Xi Jinping and Chinese authorities. Scholz's visit was the first by a G7 leader to China in three years, and the chancellor flew back without even staying the night. Unfortunately for Germany, this visit has not yielded much in the way of results, and its new China policy has undercut Scholz's pilgrimage to Xi. The German economy now faces a China dilemma, and there are no easy choices ahead.

## **US protectionism hurts Germany's export-oriented economy**

Since the 1980s, the champion of global free trade has suffered from deindustrialization. People in the rust belt are angry and hurt by the loss of manufacturing jobs. In part, this resentment fueled Donald Trump to the presidency. In office, Trump adopted protectionism as a means to revive American industry and repeatedly threatened tariffs on German cars. During Trump's time at the White House, trade ties between the US and the EU remained tense.

Joe Biden's presidency was supposed to change that. Instead, Biden's Inflation Reduction Act (IRA) has upset America's European allies. French President Emmanuel Macron sounded the bugle against the IRA, arguing that Europe needed an urgent response amounting to a whopping 2% of the EU's GDP. Like China, the US is now subsidizing critical sectors of its economy. After decades, the US now has a full-blown industrial policy that subsidizes semiconductors, green energy and other technologies of the future. Posh think tanks in Washington are now breathlessly trumpeting the idea of GeoTech Wars.

After China, Germany is the country most hurt by the Biden administration's new industrial policy. It has made timid Berlin ally with flamboyant Paris in calling for a joint EU response to the IRA. The Europeans argue that US subsidies tied to locally produced goods are worth \$207 billion. This disadvantages European companies, contravenes World Trade Organization (WTO) rules and further erodes the world trade order.

As a result of the new American industrial policy, German companies are finding it increasingly difficult to export to the US. Note that exports matter a great deal to Germany. They comprise 50.3% of the GDP. In contrast, exports comprise only 10.9% of the US GDP. Last year, a

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German CEO and a member of the Bundestag, the German parliament, complained bitterly to the author about American protectionism in two separate conversations. Both remarked that the US was kicking Germany when this loyal ally was not on its knees but on its back.

A key reason for German economic troubles is that the post-1991 order is now dead. The US championed free trade and globalization for the last three decades. After the initially painful adjustment after reunification, the German economy boomed. Fueled by cheap Russian energy, Germany became a manufacturing powerhouse and an exporting superpower. In 2012, the BBC celebrated “a country whose inhabitants work fewer hours than almost any others, whose workforce is not particularly productive and whose children spend less time at school than most of its neighbors.”

What a difference a decade makes. Today, Germany is once again “the sick man of Europe” and The Financial Times reports a German manufacturer complaining, “everything is tired here.” In this post-globalization world, reshoring, nearshoring and friendshoring are the new buzzwords in the US. Washington, the architect of free trade and globalization, is turning its back on those ideas. Germany, which profited immensely from that system, is struggling to adapt.

### **Germany has its own self-inflicted wounds too**

Like India and France, Germany is infamous for its red tape. There are innumerable forms to fill and boxes to tick before starting and while running any business. Approvals take too long. Environmental, labor and governance standards are unrealistically high, making entrepreneurship and business activity in Germany notoriously difficult.

Unlike India and France, the German political leadership is more candid about its economic

problems. In an uncharacteristically bold speech, the mild-mannered Scholz declared in the Bundestag, his intention to “shake off the mildew of bureaucracy, risk aversion and despondency that has settled on our country over years and decades.” The trick for Scholz is to emulate Schröder and implement far-reaching reforms.

Unlike Schröder, Scholz does not command a majority in the Bundestag and is in charge of a fractious coalition, comprising the SPD, the Greens and the liberal Free Democrats. This traffic light coalition named after the colors of the three parties — red, green and yellow — has been plagued by infighting and has found it difficult to get anything done.

Meanwhile, Germany has many other problems that need to be addressed quickly. Manufacturers complain taxes and labor costs are too high. They are not only moving production to other EU members and Asia but also to the US and even the Brexit-afflicted UK. High taxation is also the reason talent hesitates from moving to Germany. In 2018, Deutsche Welle, Germany’s reputable state-owned international broadcaster, reported that if “you’re single with no kids and thinking about working in Germany” then “your tax burden will be 15 percentage points higher than the average among rich-income countries.”

In part, labor costs are high because Germany faces an acute shortage of workers. In June, the Federal Labor Agency’s annual analysis found that 200 out of about 1,200 professions surveyed had labor shortages in 2022, up from 148 in 2021. Germany is struggling to fill jobs “in nursing care, child care, the construction industry and automotive technology, along with truck drivers, architects, pharmacists and information technology specialists.” Improving labor immigration is high on the government’s agenda, but little progress has been made so far.

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Germans work 1,341 hours per year, the least in the OECD. In contrast, Americans work 1,811 hours annually. Managers complain of a decline in Germany's fabled work ethic. Many have confided to the author that the quality of candidates for Germany's impressive apprenticeship programs has fallen significantly from even a decade ago. The Financial Times has also heard similar complaints.

For decades, much of the world has admired Germany's dual education system. It combines vocational training with apprenticeships. This has made German labor highly skilled and its industry competitive. Now, fewer people are enrolling in vocational training and apprenticeships. In 2022, 469,000 people took up apprenticeships, approximately 100,000 fewer than in 2011.

Germany's declining demography amplifies its labor shortages. As per the Federal Statistical Office, deaths exceeded births by 327,000 in 2022 and there were just 1.53 births per woman in 2020, well short of the replacement level fertility of 2.1 births per woman. This means that Germany's population is shrinking and it simply does not have enough people to work in the various sectors of its economy. In May, Deutsche Welle published a story titled, "Germany's labor crisis is an economic time bomb." The government has admitted that it will lack seven million workers by 2035.

An aging population causes a rising pension burden as well potentially higher taxation on a shrinking labor force to support Germany's rather generous welfare state. This means that most skilled workers are likely to prefer to immigrate to countries like the US, Canada and Australia, which have the English language advantage as well.

Fair Observer's economist author Alex Gloy also points out how Germany has missed the boat in software and digitalization. In an email, he said that "the only German software company to speak

of is SAP, which was founded 1972. Germany has no social media company. The only dynamic sector is delivery startups. But you have 30 of them in Berlin, right next to each other. This makes absolutely no sense."

Germany's weakness in the digital economy and digital infrastructure has made it rely on Huawei for 5G. That is an apple of discord with Uncle Sam, which wants Germany to use more expensive American infrastructure instead. The US has also pressured Germany to increase its defense expenditure for years. Germany finally agreed to do so in the light of the Russia-Ukraine War. Yet this increased expenditure will make the tax burden even heavier for Germans unless the government makes some cuts to its overly generous welfare measures.

The German economy needs to make major reforms and painful decisions. To steal a word from Scholz's February 27, 2022 speech to the Bundestag, the economy faces a *Zeitenwende* — a historic turning point — because business as usual in the post-2022 world simply will not suffice. Sadly, Scholz's weak traffic light coalition has little appetite for tough decisions and the German economy faces a few painful years ahead.

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**\*Atul Singh** is the founder, CEO and editor-in-chief of Fair Observer. He has taught political economy at the University of California, Berkeley and been a visiting professor of humanities and social sciences at the Indian Institute of Technology, Gandhinagar.

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# Nepal's Prime Minister Visits China to Talk Trade and Energy

Syed Raiyan Amir  
September 21, 2023

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**The Nepalese Prime Minister Pushpa Kamal Dahal is set to visit China this weekend. As it recently did with India, Nepal hopes to expand its energy trade relationship with China.**

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Nepal's Prime Minister Pushpa Kamal "Prachanda" Dahal is set to embark on a crucial visit to China at the end of September. He will meet China's President Xi Jinping during the four-day trip. This is a strategic move in a world where connectivity and cooperation are increasingly indispensable. Nepal's diplomatic endeavors offer a glimpse into the nation's evolving role.

Nepal is a landlocked nation. It depends on oil imports, the vast bulk of which comes from India. At the same time, its high mountains and swift rivers make it a potential hydroelectric powerhouse. So, energy is a key foreign relations priority. With global supply chains disturbed by recent events such as the war in Ukraine, Nepal will have to maintain good relations with both of its large neighbors, China and India.

## **Nepal between two economic powers**

Prachanda's visit to India in June deepened the two nations' energy relationship. India is a big energy customer, and this means it has a lot of influence on Nepal's energy industry. India's Prime Minister Narendra Modi broadcasted this influence by proclaiming a strategic blueprint to augment power imports from Nepal to India. He set the formidable

target of 10,000 megawatt-hours over the next decade. That number had previously been only 450 megawatt-hours.

Energy is just part of the story. India is far and away Nepal's largest economic partner. India buys 80% of Nepal's exports and provides 61% of its imports. And the trade relationship between the neighbors is growing fast.

By contrast, China provides 15% of Nepal's imports, and exports from Nepal to China amounted to \$5.39 million in 2022. China has increased its involvement in the Nepali economy in recent years, serving as a key investor in Nepal's infrastructure development. China has pledged Nepal access to some of its ports so that the landlocked country will no longer have to rely on others to conduct global trade. Additionally, both nations embarked on an ambitious project to establish a trans-Himalayan railway network linking Kathmandu with Tibet.

For Nepal, the challenge will be to avoid taking sides and instead to promote a multilateral solution that will benefit all parties involved.

## **What is in store for Nepal and China?**

Prachanda's visit signifies not only bilateral cooperation but also Nepal's aspiration to become a regional energy hub. Nepal and Bangladesh have just made an energy export agreement, and Prachanda will likely negotiate an export agreement with China as well during this visit. China is the world's largest manufacturer, and that industry consumes a gargantuan amount of electricity. Nepal is an obvious choice as a partner for China.

With its eyes set on bolstering national dignity, unity, and mutual interests, Nepal forges ahead with a clear understanding of its foreign policy

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goals: regional balance, multilateral solutions and sustainable development.

### Cooperation, not competition

In a world that continuously experiences shifts in alliances and geopolitical currents, it is important to respect each country's sovereign right to engage with others based on its distinct circumstances. Such engagements should be appreciated as means of fostering bilateral ties, cultural exchanges and economic collaborations, without hastily attributing them to grander geopolitical designs.

In conclusion, while the international community may observe these diplomatic interactions with inquisitiveness, it's prudent not to overinterpret their significance. Nepal, like every nation, has its own unique priorities to pursue, but it seeks to do so in a way that is beneficial for everyone in the region. By doing so, Nepal can promote prosperity while defusing, rather than adding to, regional disputes and tensions.

[[Throvnica Chandru](#) and [Anton Schauble](#) edited this piece.]

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\***Syed Raiyan Amir** is a research associate at the KRF Center for Bangladesh and Global Affairs (CBGA). He was a research assistant at the United Nations Office on Drugs and Crime (UNODC) and International Republican Institute (IRI).

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## Money Matters: Revealing Who Is Holding Billions of US Banknotes

Alex Gloy  
September 24, 2023

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**\$6,998 of physical cash (not bank deposits) exist for every US citizen. But no one holds that much. Most of the money is overseas, where the Federal Reserve makes a hefty profit as foreign citizens use US cash to conduct exchange and store value. But stablecoins are cutting into this business.**

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**S**ometimes, it takes a tiny detail to shatter long-held beliefs.

We might wonder why glass is transparent, given that most other materials seem to stop light in its tracks without any effort. However, this perspective shifts dramatically when you envision an atom magnified to the size of a football stadium. In this atom, the nucleus, resembling a mere pea, resides at the stadium's center while electrons whiz around the outer stands. The vast expanse in between is empty space. This revelation challenges our perception. Instead of pondering “Why is glass transparent,” we should inquire, “Why do most materials block light?”

A similar thing happens when we talk about money. Most of us think that we understand what money is, because we use it every day. A little bit of science will tell us that matter is really mostly empty space, and that money is really debt. Wow! But leave aside the abstract money that exists in banks' computers. What about the cash in your wallet — at least we understand how that works, right?

### Cash is not where you think it is

Recently, I stumbled upon a piece of information buried within the US Treasury Department's quarterly “Treasury Bulletin.” The total amount of US currency, encompassing both coins and notes, currently stands at a staggering \$2.3 trillion. But



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what's really astonishing is that this amounts to a "per capita" figure of \$6,998. That's \$6,998 for every man, woman and child in the United States. That ought to mean that, on average, a typical five-person family possesses an astounding \$35,000 in cold, hard cash. Not in a bank account, but in the form of tangible currency.

Of course, we must account for other entities holding cash. Around \$100 billion is kept in bank vaults. According to a study by JPMorgan, small and medium-sized enterprises (SME) hold, on average, \$12,000 in cash. With roughly 33 million SME, the amount of cash can be estimated at \$400 billion. Finally, there are around 450,000 ATMs (automated teller machines) in the US, with each holding, on average, around \$20,000 in cash, or \$9 billion in total. In addition, small amounts of currency will be found in vending machines, parking meters, and organizations receiving cash donations.

Sure. But this still leaves around \$1.8 trillion behind — \$5,375 per capita. This is hard to believe, since studies have shown that 64% of Americans would have to deplete their savings to cover a \$400 emergency expense. So where is all the money?

According to an article published by the Federal Reserve Bank of St. Louis, an estimated 45% of all Federal Reserve Notes (paper cash), worth \$1.1 trillion, are held by non-US persons. A study published by the Federal Reserve Bank of Chicago even suggests that more than 60% of all US bills and nearly 80% of \$100 bills are held overseas. With \$1.88 trillion in \$100 bills outstanding, this would total up to \$1.5 trillion.

### **The Federal Reserve makes money from foreign use of US currency**

For the Federal Reserve, currency in circulation is a liability. You can conceive of a dollar bill as an

interest-free debt note with no end date. Since it never has to be paid back, it is "free" debt.

Commercial banks have money in accounts at the Federal Reserve, which means the Federal Reserve owes them money. When they withdraw that money as cash, the debt is now represented by paper notes. By offloading its liabilities as currency in this way, the Federal Reserve can then invest its freed-up resources elsewhere. Income earned on such investments is called seigniorage. If invested in short-term Treasury bills, those profits can be described as risk-free.

With \$2.3 trillion in currency outstanding, assuming the proceeds are invested in 1-month Treasury bills currently yielding 5.5%, the central bank would generate risk-free profits of \$126.5 billion per year. This amount is larger than the military budget of all but China and the US itself.

Of those \$126.5 billion, \$88 billion would be earned thanks to dollar bills held by foreigners. That's \$88 billion the Federal Reserve is earning on safe interest. Foreign investors could have earned that money themselves if they had held Treasury bills instead of cash. So why would they forgo the money and allow the Federal Reserve to make the investments instead?

The answer is that US currency is quite useful.

In some countries, the US dollar is used alongside or even instead of the local currency for everyday transactions. This is usually the consequence of a substantial devaluation and loss of confidence in the local currency.

Ecuador adopted the US dollar as its official currency in the year 2000, following a severe financial crisis. Since then, the US dollar has been the sole legal tender in the country.

In September 2021, El Salvador became the first country in the world to officially adopt Bitcoin as

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legal tender alongside the US dollar. While Bitcoin is now a recognized currency, the US dollar remains the primary and most widely used currency for daily transactions.

Panama does not have its own national currency; instead, it uses the US dollar exclusively for all transactions.

Due to hyperinflation and the collapse of the Zimbabwean dollar, the US dollar, along with other foreign currencies, such as the South African rand and the euro, has been used for transactions.

In Argentina, lack of trust in local currency has led to strong demand for US dollars, resulting in a 100% premium for US dollar bills in black markets over the official exchange rate.

So, all of these countries make wide use of US currency as a means of exchange and as a store of value, and the Federal Reserve collects the profits.

### **Digital currency competes with stablecoins**

However, this system only works as long as we are still using paper cash. As we shift towards a cashless society, those seigniorage profits will disappear!

This is one of the major reasons why all central banks are keen on introducing “central bank digital currency” (CBDC). Like cash, it would be money issued by a central bank (as opposed to bank deposits, which are money issued by a private institution). In a cashless society, CBDC would be the only way for citizens to get their hands on publicly issued money and for central banks to issue public money to citizens. The ability to continue to generate seigniorage profits depends on the successful introduction (and acceptance) of CBDC.

Here is where private issuers of stablecoins enter the scene. A stablecoin is a digital token that is designed to have a stable value, typically by being pegged to a reserve of assets or through algorithmic mechanisms, but which is neither issued by a central bank nor a commercial bank. Thus, stablecoins are direct competitors to CBDC.

Take Tether, for example. According to its website, Tether has issued almost \$83 billion worth of tokens. Assuming the operation is not fraudulent, Tether invests proceeds received in exchange for the issuance of tokens in interest-bearing securities like Treasury bills. \$83 billion invested at a yield of 5.5% results in interest income of around \$4.5 billion per annum. Since Tether does not pay any interest on tokens issued, this interest income, after subtracting some administrative expenses, is profit. The business of stablecoin issuance is extremely profitable! Seigniorage profits, but privatized.

Since the Federal Reserve remits most of its profits to the US Treasury, seigniorage profits by the US central bank indirectly benefit US taxpayers. Privately-owned stablecoin issuers are eating into the cake of public seigniorage. And there are limited options on how to prevent private issuers from taking a growing share of the cake.

But stablecoins are not as trustworthy or easy to use as cash. So why would anyone forgo risk-free interest income on US Treasury bonds and instead hold a non-yielding stablecoin like Tether?

Stablecoins provide a means for crypto-currency traders to quickly exit the cryptocurrency market without the need to transfer funds back to a traditional bank account. This liquidity is particularly useful for arbitrage opportunities and active trading. In traditional banking and brokerage, proceeds from a sale are not immediately available for another trade, as

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settlement of funds does not take place until a few business days later.

95% of Tether, to the extent that we can tell, is held outside the US. Tether is likely gaining popularity in countries with failing local currencies for the same reasons we cited above for the use of US paper money abroad. For a person living in Argentina, unable to access dollars at the official exchange rate of 350 pesos to one dollar, and faced with a black market rate of 725 pesos, the remote possibility of a stablecoin issuer becoming insolvent pales in comparison with the certainty of 113% inflation in local currency.

From a regulatory perspective, stablecoin issuers are accepting deposits while lacking a banking license. Therefore, they cannot call themselves banks, and the deposits they hold are not covered by any deposit insurance scheme. The lack of transparency and high risk of fraud set stablecoin issuers apart from highly regulated commercial banks.

But what if a stablecoin issuer did act like a legitimate bank? If it were a member of the Federal Reserve System and deposited its proceeds into an account with the Federal Reserve Bank, the existence of funds would be easily verifiable. Moreover, since the central bank cannot go bankrupt, there would be no default risk!

Custodia Bank of Wyoming, a US state with crypto-friendly legislation, has tried for years to do exactly that by becoming a member of the Federal Reserve System. The Federal Reserve, however, recently denied Custodia Bank's application as the firm's "novel business model and proposed focus on crypto-assets presented significant safety and soundness risks".

Seigniorage profits are substantial, especially if most holders reside outside the country of the issuing institution. The prospect of virtually risk-

free gains will continue to attract privately owned stablecoin issuers. Central banks will try to prevent those private issuers from eating into their share of profits. Perhaps users will only stop flocking to stablecoins after a good proportion of issuers run into financial troubles, fall victim to theft from insiders, get hacked or see their peg to the underlying currency fail. Central banks probably wouldn't shed many tears if that happened.

[[Anton Schauble](#) edited this piece.]

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\***Alexander Gloy** is an independent investment professional with over 35 years of experience in financial markets. He worked in Equity Research and Sales, both in Investment and Private Banking for Deutsche Bank, Credit Suisse, Sal. Oppenheim and Lombard Odier Darier Hentsch.

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## **Canada's Prime Minister Should Not Be So Quick to Condemn India**

Ranjani Iyer Mohanty  
September 27, 2023

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**Last week, Canadian Prime Minister Justin Trudeau alleged that India had assassinated a Canadian citizen. He made the announcement in a public fashion that has damaged Canada-India relations. What the two democracies need now is not a war of words but an orderly and cool conflict resolution process.**

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Last Monday, Canadian Prime Minister Justin Trudeau stood up in Parliament and spoke of “credible allegations of a potential link between agents of the government of India and the killing of a Canadian citizen Hardeep Singh Nijjar” this past June near Vancouver. In essence, Trudeau has accused India of assassinating Nijjar. In response, India has denied any link to the murder and called the accusation “absurd” and “motivated.”

After the announcement, the Canadian public broadcaster, CBC, served outrage instead of presenting an objective account. In a television broadcast, journalist Evan Dyer described the alleged killing “the action of a rogue state” and implied that India was “nominally a democracy.” Journalist Andrew Chang said that if Trudeau’s accusation were true, the killing would represent “the highest form of interference possible.”

Practicing some selective amnesia of its own contentious dealings with its indigenous peoples and Quebec separatists, Canada views itself as a beacon for human rights, a platform for free speech, and a refuge for the persecuted, such as Sikh separatists. India views Canada as a valuable friend and trade partner but also as interfering in its internal matters (e.g., Trudeau’s support of Sikh separatists over the years both in Canada and India as well as his support of Indian farmers during their 2020–2021 strike) and as a safe haven for terrorists. A situation — especially one as explosive as this — requires a calm, mature, and comprehensive analysis where all sides are examined, beginning with a presentation of the evidence, an understanding of the context and a review of the use of assassination.

First and foremost, since Trudeau has made the allegations in public, he also needs to present concrete evidence to the public. At this point, with his unsubstantiated and heavy statement, he has made himself a champion of the Sikh separatists.

There is some talk particularly in the India media that this may be a political tactic to win their votes or that Trudeau is unduly influenced by his Sikh friends and colleagues.

Either way, he may have unleashed a force he cannot control. His statement has emboldened Canada’s Khalistanis (supporters of a secessionist Sikh state in Punjab). A leader of the group Sikhs for Justice, Gurpatwant Singh Pannun, has directed a threatening video to Hindus living in Canada, claiming that “you have repudiated your allegiance to Canada and Canadian constitution” and demanding that they “leave Canada and go to India.” He is also planning protests outside Indian embassies this week. Trudeau needs to remember that he is the prime minister for all Canadians — including the roughly 630,000 people of Indian origin who are not Sikh, not to mention the other 37 million Canadians — and that Canada should be a welcoming and safe place for all Canadians.

### **Sikh separatism has a long history in India and Canada**

No event occurs in isolation. The Sikh issue has a complex and nuanced backstory that is essential to understand. In the 1930s, when India was still a British colony, the Sikhs began asking for their own nation, but when India became an independent country in 1947, for a variety of reasons, it did not ultimately happen. However, the dream remained alive, and an active and often violent separatist movement surged during the late 1970s.

This culminated in three significant events. In June 1984, the Indian army stormed the Golden Temple in Punjab to flush out Sikh militants; they found some 200 militants, a large cache of arms, as well as the bodies of 41 men, women and children who had been tortured to death. In October 1984, Indian Prime Minister Indira Gandhi was assassinated by her Sikh bodyguards whom she

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had trusted implicitly. In uncontrolled retaliation and rampage, over the next four days, rioters killed some 3000 innocent Sikhs in Delhi.

Then, in June 1985, an Air India flight from Toronto to Mumbai was bombed over Ireland killing all 329 people onboard — children and grandparents, mothers and fathers, travelers heading on summer holidays as well as people returning home. Although airline officials, Canadian police and the Indian government strongly suspected Sikh separatists in Canada, the investigation by Canadian authorities was lackadaisical, late and botched, resulting in few concrete convictions; a report many years later by Justice John Major called it a “cascading series of errors”. He said, "For too long the greatest loss of Canadian lives at the hands of terrorists has somehow been relegated outside the Canadian consciousness." After that fiasco, it would not be surprising if India lacked confidence in Canada's skill or will to bring Sikh terrorists to justice.

India is the country with the largest Sikh population in the world, roughly 25 million people (about 2% of India's total population), most living in the northern state of Punjab, one of India's 28 states. However, the dream of Khalistan now seems to burn more brightly outside of India, amongst the overseas population in places like the UK, Australia and Canada. This could be because the Khalistan movement is outlawed in India, because Sikhs in India are more focused on jobs and day-to-day concerns or because Sikhs living abroad want to strengthen their region of origin and have the means to do so.

For a country that supposedly persecutes its Sikhs, India surprisingly had and has Sikhs in influential and respected professions such as doctors, engineers, scientists, academics, lawyers and business leaders. Many Sikhs serve in India's armed forces and have often been heads of the Indian army, navy and air force. They have also

occupied powerful roles in government, including the very top ones: Giani Zail Singh was President of India from 1982 to 1987, and Manmohan Singh was Prime Minister of India from 2004 to 2014.

Today, some 1.4 million people of Indian origin live in Canada, about 3.7% of the country's population. Roughly half of those are Sikhs. Canada has the third-largest Sikh population in the world, after India and the UK. Within Canada, the largest concentrations are in Brampton, Ontario, and Surrey, British Columbia. Sikhs are a powerful minority in Canada, with substantial political influence. Some of the Sikhs living in Canada, like Nijjar, are Khalistanis. Others are just happy to have made their home in Canada and are focused on their family, school, work, gurudwaras and, in general, their lives in Canada.

### **Assassinations are more common than you think**

Nijjar was born in the Indian state of Punjab. He had been living in Canada for the past 20 years and was deeply involved in the Khalistan movement. India branded Nijjar as a terrorist three years ago and there was a warrant for his arrest. Interpol linked Nijjar to a 2007 bombing of a cinema in the Indian state of Punjab. Indian authorities wanted him for attacking a Hindu priest and in general inciting rebellion among the Sikhs in India. As the saying goes, “One man's terrorist is another man's freedom fighter.” And indeed, Indian Prime Minister Modi's terrorist is Trudeau's freedom fighter: two sides of the same coin.

Assassinations — or targeted killings, as the Americans now prefer to call them — are not new nor are they infrequent nor are they unknown. Just check Wikipedia. At times, what Canada may call a rogue state has indeed committed these assassinations. For example, when Andrew Chang of CBC did his analysis of the current Canada–India row last Wednesday in his show About That,

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he noted the 2018 murder of Saudi journalist Jamal Khashoggi in Istanbul by agents of the Saudi government and the poisoning of erstwhile Russian Intelligence Officer Sergei Skripal (a British citizen) in the UK allegedly by the Russian government.

However, Chang did not mention any of the assassinations by Canada's neighbor and friend, the US, nor those by its close strategic partner Israel, with whom Canada also cooperates on "the promotion of human rights globally." Nor did he mention possible actions by the UK's MI6. Trudeau was deeply disturbed by "the killing of a Canadian citizen on Canadian soil," and rightfully so. However, he may have forgotten that the CIA has a kill list. In 2002, the US assassinated Qaed Salim Sinan al-Harethi; it was the killing of a Yemeni citizen on Yemeni soil. In 2011, the US assassinated a US citizen on Yemeni soil via a drone strike by the order of the Obama administration. That same year, a team of US Navy SEALs famously killed Osama bin Laden, the al-Qaeda leader, on Pakistani soil. In 2020, Major General Qasem Soleimani was also killed by a US drone strike near Baghdad: the killing of an Iranian citizen on Iraqi soil. The list of American assassinations is long.

The list of assassinations by Israel is even longer. It consists of mostly members of the PLO (Palestinian Liberation Organization; also fighting for an independent homeland) but also includes a West German rocket scientist in Munich, an Egyptian nuclear scientist in Paris, a Brazilian Air Force lieutenant colonel in Sao Paulo and a Canadian engineer/designer in Brussels.

While the UK government's assassinations are not as easily enumerable, its 1994 Intelligence Services Act protects its MI6 agents who commit any crimes abroad, including kidnap, torture and murder.

Both the UK and the US are members of the Five Eyes intelligence sharing network, together with Canada, Australia and New Zealand. Therefore, Canadian intelligence works closely with the CIA and the MI6.

It might be naïve to be so surprised and upset by a possible targeted killing by another country's government. It seems it's not such an uncommon action but one committed by both so-called "rogue states" as well as "allies," authoritarian states and democracies. Perhaps it's not "the highest form of foreign interference" — invasions and election manipulations may arguably supersede it — but it seems to be one important tool in the foreign affairs toolkit of many countries. A BBC article written several years ago asks and discusses the question: "Can state-sponsored assassination work as a strategy?" This is a question worth considering without melodrama or self-righteous indignation.

This issue between two democracies is too potentially destructive to allow it to roll out in an uncontrolled manner. In the interest both of maintaining cohesiveness within Canada and keeping a good working relationship with a valued partner, Trudeau should walk back his provocative and public allegation, at least until he can present concrete evidence; then, too, he can do it behind closed doors. He could also let non-Sikh Indo-Canadians know that they too are a valued part of Canada and will be protected. The Canadian press can also help to calm the waters by giving a nuanced, historical and multi-perspective context of the situation. They could even present some of the Indian side of the story — like the informative counter-perspective to the CBC given in a recent episode of the podcast Cut The Clutter by Shekhar Gupta, Editor-in-Chief of The Print. Finally but importantly, a third party respected by both sides and well-versed in the ways of international relations, such as the US or the UK, can mediate talks between India and Canada so that they can

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soon again be the friends they should and need to be.

[[Anton Schauble](#) edited this piece.]

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\***Ranjani Iyer Mohanty** is a writer and academic editor and QR novice. After a previous career in information systems with consulting companies, banks, and development organizations in Canada, England, Holland, India, and Portugal, Ranjani now works as a writer and editor for business, academia, and the nonprofit sector. She divides her time between North America and Asia.

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## **Southern and Northern Allies Now Vie for Influence in Volatile Yemen**

Fernando Carvajal  
September 28, 2023

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**In Yemen, a fragile alliance between northern and southern anti-Houthi factions has lasted since 2019. In response to the consolidation of the southern factions, Saudi Arabia has tried to consolidate the northern factions under its aegis. This move may have been an overreach with the potential to blow up the alliance entirely.**

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**H**ostilities between Saudi Arabia and Houthi rebels have been on pause since April 2022, but the pathway to peace is unclear. As the fragile détente between Saudi Arabia and Iran-backed Houthi rebels enters its 19th month, a

diplomatic impasse is leading to desperate actions. Talks between the parties failed in April. A month later, in the South, a group of secessionist parties belonging to the Southern Transitional Council (STC) signed the Southern National Pact (SNP). The parties demanded a greater voice for the South in the Yemeni peace process and reaffirmed their commitment to establishing an independent state there.

The announcement sent shockwaves throughout Yemen. The Houthis and Muslim Brotherhood affiliate al-Islah immediately complained, but Saudi authorities and fellow members of the Saudi-led coalition — formally on the same side of the war as the STC — also expressed concerns about the strengthening of the southern parties. Saudi Arabia fears it could lose influence over parties within the Political Leadership Council (PLC), the internationally recognized Yemeni government's executive body.

The first step taken by Saudi Arabia following the STC announcement was to convene a series of meetings in Riyadh with rivals of the STC that represent Hadhramaut, in the country's east. The meetings culminated in the establishment of a National Hadhrami Council (NHC), in an apparent move to counter the STC's Southern National Pact.

Other parties formed the People's High Council of Resistance, based in the center of the country, for similar purposes.

Some observers present these developments as progress among the opponents of the Houthi in preparation for a break in the Saudi–Houthi détente. On the ground, however, it is obvious the new council is a reaction to growing STC momentum. Yemeni political factions seem to be more concerned about southern secessionism than about the threat the Houthis pose.

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## What has the STC decided, and why now?

PLC Chairman Rashad al-Alimi had exacerbated North–South tensions in February when he dismissed the southern issue as a priority. This angered southerners and put pressure on the STC to act.

Undoubtedly, this hastened the organization of the Aden dialogue conference hosted by the STC in early May. Southern factions were quick to exploit the optics of the week-long conference through well-coordinated media campaigns. They gave a general audience access to the participants. Longtime political rivals came together in Aden. With over 30 factions signing the SNP, the STC now serves as the umbrella organization for southerners. This is a significant development following recognition under the 2019 Riyadh Agreement as the representative of the southern peoples.

The STC also announced a major restructuring of its executive leadership. It expanded its membership by including some former rivals, including PLC members Faraj Salmin al-Bahsani and Abd al-Rahman al-Mahrami (aka Abu Zaraq'a) as co-vice presidents along with Ahmed Saeed bin Breik. Bahsani and bin Breik are former governors of Hadhramaut and former commanders of the Second Region Command there. This move not only cemented the strategic importance of Hadhramaut, Yemen's largest province, but it also placed allies of the South within the PLC itself — three of them within the eight-member council.

The accession of Bahsani, a Hadhrami, and Abu Zaraq'a, a Salafi leader from Lahj, as vice presidents could highlight two goals of the STC. The first is to cement the influence of the South within the PLC with regard to Saudi Arabia. The members of the PLC are seen as hand-picked by Saudi Arabia, so their legitimacy and influence cannot be questioned. Second, the vice presidents

are military leaders with a history of opposition to al-Islah's influence in the South. As former commanders of the Second Region, based in Mukalla in southern Hadhramaut, bin Breik and Bahsani represent the southerners' opposition to the al-Islah-affiliated First Region Command, based in Sayyun in northern Hadhramaut. Further, Abu Zaraq'a served as commander of the STC-affiliated Amalaqa Brigades, which act as the tip of the southern forces' spear from the Red Sea coast to Shabwah. In an environment of constant rebalancing acts, the message is abundantly clear.

## Saudi overreach derails Riyadh Agreement

The success of the STC-led dialogue among southern factions has undoubtedly raised fears of southern secessionist ambitions. Fears among Yemeni parties have grown since the signing of the Riyadh Agreement, which legitimized the STC, in November 2019. Now, nearly four years since the agreement and a year and a half after the establishment of the PLC, all efforts to stabilize the liberated areas and unite the Houthi's rivals have failed.

The STC has gained tremendous momentum since former president Hadi replaced the al-Islah-affiliated governor of Shabwah with an ally of the STC in December 2021. The conflict between al-Islah and the STC then shifted to northern Hadhramaut, with the STC demanding the ouster of the al-Islah-affiliated leadership of the First Regional Command. These developments have raised concerns in Riyadh over the extent of influence by the STC beyond its core in Aden, possibly consolidating in northern Hadhramaut along the Yemen-Saudi border.

Saudi Arabia has attempted to solidify its influence in Hadhramaut. Observers in south Yemen remain unsettled by Saudi Arabia's decision to host tribal leaders from Hadhramaut soon after the STC dialogue conference in Aden.



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The gathering of Hadhrami leaders was made public from the first flight from Sayyun to Riyadh aboard a Saudi military aircraft. Meetings in Riyadh were also broadcasted by media outlets, and on June 20 the group announced the establishment of the Hadhramaut National Council (HNC). The charter, yet to be made public, was then signed on July 27. Al-Islah was the first political party to announce signing the charter.

Further antagonizing the STC and its base across southern Yemen, members of the new council met with Saudi officials and Alimi. The composition of the council, with a number of leaders from the al-Islah, makes it appear to be a direct rival to the STC. Among the notable al-Islah members of the council are Bader Basalama, Mohsen Basura, Adel Bahamid and Abdullah Saleh Al Kathiri. Other high-profile leaders on the council include members of the General People's Congress (GPC), the former ruling party under deposed president Ali Abdullah Saleh. Alimi is also a member of the GPC.

Tension further escalated in early July when the STC organized a demonstration outside the Sayyun Palace and gunmen affiliated with members of the new council met unarmed demonstrators. In neighboring Shabwah, another group of tribal leaders announced the Alliance of Sons and Tribes of Shabwah, another attempt to challenge the STC.

The latest move exacerbating tensions among competing parties was the announcement of the Supreme Popular Resistance Council for al-Jawf and Mareb under Hamoud al-Makhlafi, a sheik from Taiz. Sheik Hamoud, an al-Islah affiliate, resides in Turkey but remains highly influential in the city of Taiz. This new council has met opposition even within Mareb City, a stronghold of al-Islah. It is undetermined if Saudi Arabia knows about or supports this group.

The factional lines are being drawn. As Saudi Arabia draws together its anti-STC allies, it puts the unity established by the Riyadh Agreement at risk.

### **Imminent escalation on two fronts**

Meanwhile, optimism remains among UN officials who view the lopsided prisoner exchange of April 2023 as a step forward. The completion of the oil transfer from the FSO Safer off the Red Sea of Hodeida is also touted as a major diplomatic victory by the UN. This has led the mainstream consensus to share the UN's optimism about their efforts to restart the peace process. However, the Safer operation's costs now surpass the current potential revenue from the oil. The wreck, in any case, remains under Houthi control and is still vulnerable to floating sea mines released by them.

Despite UN positivity, the fragile détente is on the brink of collapse. Houthis continue to clash with southern forces in al-Dhale and Yafa', and new clashes have been reported across Taiz. The Saudi-Houthi détente has merely eliminated cross-border strikes while the rebels have reinforced their positions across all fronts. Furthermore, the Houthi head of the Supreme Political Council (SPC), Mahdi al-Mashat, recently threatened new cross-border missile strikes.

Saudi Arabia evidently expects an imminent escalation by the rebels. Houthi tactics always involve escalating rhetoric or increasing demands to extract maximum concessions from Saudi Arabia or the UN. The period since October 2022 has not seen any changes in Houthi behavior. They only adhered to Saudi Arabia's agreement on halting cross-border strikes because it has allowed them to regroup, train and redeploy militia across their territory.

With crisis looming, US Special Envoy Tim Lenderking is once again in the Gulf region

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following a visit by UN Special Envoy Hans Grundberg to Riyadh in August.

Saudi Arabia's move to support the establishment of new subregional councils in Hadhramaut and Shabwah, in particular, may prove highly counterproductive. As the Houthis prepare for a renewal of hostilities within Yemen and across the border, the emergence of competing councils will exacerbate the fragmentation of the Houthi's rivals. Saudi Arabia hopes to unify anti-Houthi factions under the Riyadh Agreement, but its mismanagement of rivalries across southern Yemen and within the PLC has paved the ground for potentially larger losses in Hodeida and Taiz. Ultimately, Houthis may choose to re-engage southern forces, a move which could drag the United Arab Emirates — which the Houthis have recently attacked — back into the conflict and further destabilize the region.

[[Lee Thompson-Kolar](#) and [Anton Schauble](#) edited this piece.]

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\***Fernando Carvajal** is a consultant at ACSYS. He served on the UN Security Council Panel of Experts of Yemen from April 2017 to March 2019 as an armed groups and regional expert. A specialist in Yemeni politics and tribal relations, he has nearly 20 years of experience conducting fieldwork in Yemen.

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## Are You Sure Multiculturalism Has Failed, Ms. Braverman?

Ellis Cashmore  
September 28, 2023

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**Britain's home secretary, Suella Braverman, has proclaimed the failure of multiculturalism as a policy. But was multiculturalism — the project of giving equal opportunities to diverse ethnic groups while leaving their cultural differences intact — really a failure? The Britain of today is replete with examples of the success, however incomplete, of the policy.**

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If you were alive and sentient in Britain in the 1980s, you will remember “multiculturalism.” This was an ideal, a policy, a statement of intent and an acknowledgment of the presence of several distinct cultural and ethnic groups, all of whom should be considered valuable members of British society. Schools were encouraged to commit to the value of multiculturalism and promote it through their curricula. Employers were advised to amend their recruitment policies so that groups underrepresented in the workplace were urged to apply. This included the police which had disproportionately few officers from ethnic minorities.

UK Home Secretary Suella Braverman recently gave a speech on migration. She concluded a “misguided dogma of multiculturalism” had brought people into the UK with the purpose of “undermining the stability and threatening the security of society.” It was an adventurous claim undergirded by her premise: “Multiculturalism makes no demands of the incomer to integrate. It has failed because it allowed people to come to our society and live parallel lives in it. They could be in society but not in society.”

Has multiculturalism failed? Ideals rarely fail or succeed totally, since they envision something desirable or perfect but not likely to become a reality. They offer a guide as to how society should operate. In recent years, the word itself has been

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replaced by “cultural diversity,” but the aspiration is very similar. Both expressions describe a serviceable model of society; neither describes reality. Let me provide a historical summary.

### **Brits were not ready to accept the “dark strangers”**

Postwar Britain was taken aback by the appearance of what one sociologist of the period, Sheila Patterson, characterized as Dark Strangers. Patterson’s research in the early 1960s centered on “West Indians in Brixton.” Brixton is an area in south London where accommodation was cheap. It became a magnet for migrants from the Caribbean who traveled to the UK in search of work with the intention of saving for a few years before returning to Jamaica or one of the other islands. This became known as “the myth of return” because so few actually did go back. Most permanently settled in Britain. Britain’s other main migrant groups were from South Asia, in particular, India, Pakistan, Bangladesh and Sri Lanka. Unlike West Indians, they spoke different languages, had different faiths and often dressed in traditional clothes.

Patterson’s conclusions were essentially those of most liberals in the early 1960s. Racial prejudice and discrimination, as they were called, were temporary deviations. Indigenous whites were simply unused to different-looking neighbors with unusual accents. The presumption was that whites would, over time, become accustomed to their new confederates. Concurrently, the newcomers would assimilate, becoming absorbed in the mainstream culture to the point where they resembled whites in language, thought, ambition and, in general, outlook.

A series of disturbances labeled “race riots” — typically involving angry whites attacking predominantly ethnic minority neighborhoods — dashed these expectations. Liberals imagined that the solution would lie in controlling the numbers:

if they allowed fewer migrants into the UK, hopefully assimilation had a better chance of succeeding. The Commonwealth Immigrants Act of 1962 and other legislation designed to restrict entry to Britain followed.

### **Assimilation abandoned in favor of multiculturalism**

By the 1970s, the sons and daughters of migrants were maturing. Most had been schooled in the UK and understood Britain as their home. Their parents had settled and, while many had assimilated, many others had not.

A slew of research projects chronicled how racism, or what was then called racialism or racial discrimination, had become a feature of British society. It flared most aggressively in the predominantly white police force, which epitomized Babylon — the contemptuous term used by the then-emerging Rastafari movement, which regarded the police as oppressive agents of control. Major upheavals, variously called riots or uprisings (depending on perspective), were characteristic of the first half of the 1980s, a period when progressives dropped assimilation as a policy directive, decrying it as discriminatory. Instead, they adopted “multiculturalism.”

Part of the thinking of the time was to avoid duplicating the USA, where ethnic ghettos had appeared and blacks and Latinos seemed to have formed a permanent “underclass.” Multiculturalism was conceived as an alternative — learn to embrace rather than erase difference, but ensure there is equality of opportunity in education, the workplace and every other aspect of society. Equal opportunity is not the same as equality: as long as access is fair and evenly distributed, multiculturalism will prosper, or so the thinking went. The expectation was that all groups from whatever background would seize their chances.

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## Multiculturalism has been working

I'll remind readers that multiculturalism was an ideal. It was also a sort of prescription. It was not a guarantee: Through the 1980s, racism resurfaced with a vengeance as unemployment grew and, in particular, young people found themselves hard-pressed to make progress. Various political groups conjured up a simplistic but, in the event, persuasive formula: If blacks and Asians were not in Britain, there would be more jobs available to whites. Like every historical instance of racism or its analogs, competition over scarce resources like jobs (or houses and social services) was the root cause.

Whatever anyone says, equal opportunities, as a policy, did work. It pushed employers as well as educators to revisualize how they saw the future. They widened their scopes, created more opportunities and put together the kind of circumstances in which groups that traditionally had underachieved could prosper.

If this sounds sanguine, it's only because I am comparing the situation at the turn of this century with how it was in the 1970s and 1980s. Those who complain there has been no improvement either have short memories or haven't familiarized themselves with the research from earlier periods. I'm not disposed to optimism, nor am I naïve enough to imagine racism has been vanquished, but simple observation tells me the UK now has more politicians — including Prime Minister Rishi Sunak and Suella Braverman herself — who come from ethnic minority backgrounds.

There are also more ethnic minorities in British universities than at any time in history. Film, television and theater represent ethnic minorities amply, often reimagining historical drama to integrate black and Asian actors into the casts. Practically every city or town in the country has mosques, temples and other places of worship for

those who are not aligned with Christianity. Restaurants cater to global cuisines. Athletes from ethnic minorities have made great strides in the world of sports. So, multiculturalism, to use Braverman's word, hasn't failed. It hasn't succeeded, but it was never a pass-fail thing, anyway. It was a blueprint, a plan, an exemplar — something to aspire to.

While it's been largely supplanted by cultural diversity — which aims to go beyond accepting variety by celebrating it — I actually like multiculturalism. It implies the kind of integration I favor: not the homogenization assumed by the crude assimilationist model, but an acceptance of and respect for cultural difference. An elevation of cultural difference to the point where people become curious and want to explore cultures other than their own. That's what has been happening in the UK. Imperceptibly perhaps, but surely.

[[Ellis Cashmore's](#) most recent book is [The Destruction and Creation of Michael Jackson](#)]

[[Anton Schauble](#) edited this piece.]

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\***Ellis Cashmore** is the author of "Elizabeth Taylor," "Beyond Black" and "Celebrity Culture." He is an honorary professor of sociology at Aston University and has previously worked at the universities of Hong Kong and Tampa.

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