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**India's international ambitions
put to the test by Indo-Pakistan relations**

Frédéric Grare

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Following the December 13, 2001 attack on the Indian Parliament, the massive military deployment that took place on both sides of the Indo-Pak border and the fear of it escalating into another war between the two countries, ultimately proved to be simply a peaking of tension typical of the seesaw profile characteristic of Indo-Pak relations. Three years after Prime Minister Atal Behari Vajpayee's "historic" trip to Lahore, followed by the Kargil war three months later, and approximately one and a half years after General Musharraf's coup d'état, Indo-Pak relations are at an all-time low. Suspicion reigns on both sides to an extent never encountered before. This is all the stronger on the Indian side as for them Kargil constituted a betrayal. President Musharraf's official visit to India on July 14, 15 and 16, 2001, which could have initiated a dialogue between the two countries, ended in virtual failure.

India and Pakistan have for long structured their foreign policies around each other. And if Pakistan's obsession with India is glaring, it would be a mistake to think that the "land of the pure" is not given similar treatment by New Delhi, albeit not as its principal concern. In consequence, both at the bilateral as well as the multilateral levels, the Indian and Pakistani policies are mutually exclusive. Their respective dealings with ASEAN, the Middle East, Central Asia, the United States, as also their representation within bodies such as the ASEAN Regional Forum or the United Nations Security Council are seen by both as zero sum games.

Nonetheless, it is in both countries' interests to normalise relations for reasons that are intrinsic to each of them. To the purely economic imperatives, particularly acute in

Pakistan's case, are added certain diplomatic and strategic considerations. Striving for superpower status, India's credibility is constantly being undermined by its incapacity to put an end to its dispute with Pakistan and, generally speaking, to effectively assume the role of a superpower in South Asia. The skepticism of its partners, who are wary of becoming embroiled in the wrangling in the subcontinent, restrain or prevent it from assuming a role in the various bodies it considers important for its economic and strategic future (ASEAN + 3, Security Council...). It is to Pakistan's advantage to maintain this situation in order to check Indian hegemony in the subcontinent. But at the same time it faces increasing international pressure, especially from the USA, who is pushing for a settlement with New Delhi.

It is in this uncertain context, in which neither a worsening of the conflict nor a genuine improvement in the relationship between the two countries can be taken for granted, that the present study is situated. The central point at issue can be formulated in the following manner: are the end of the cold war and India's aspirations for superpower status incentive enough for a change in policy and normalisation of relations with Pakistan?

The answer to this involves, firstly, analysing the correlation between the costs in real terms - economic, diplomatic, political -of the situation on the ground and the potential benefits (uncertain by definition) of a rapprochement, till now unrealisable; and secondly, trying to define the realms of possibility by taking recent history into account as well as the constraints weighing on the two countries.

INDIAN AND PAKISTANI PERCEPTIONS OF THE GEO-STRATEGIC CONTEXT

Since 1947, India and Pakistan have proved incapable of resolving their differences and living in peaceful co-existence. From Islamabad's perspective, India, suspected of accepting Partition only as a temporary measure, dominates the horizon. In its most optimistic analyses Pakistan has always been apprehensive of being reduced to a client state of India, like the other small countries of the region.

As a result, Pakistan's limited strategic depth, the geographical location of its principal centres, both in demographic and industrial terms, the main lines of communication, situated for the most part in the East of the country, construe India as the preponderant threat. The dissymmetry between the two nations reinforces the sense of vulnerability, which is also partly due to the fragmentation of Pakistani society, a problem that the country has been unable to resolve in the 50 years since its creation.

This mistrust is present on both sides of the border. A number of Indian experts on strategy consider Pakistan a unique case, threatening India's vital concerns in a multitude of ways. Georges Tanham¹ has probably best summarized India's apprehensions with regard to the Pakistani threat, highlighting the dual frustration of an unwelcome Partition and unsatisfied regional and international ambitions, hampered by the economic, diplomatic and military burden weighing on India because of the prolongation of the conflict.

¹ George K. Tanham, "Indian strategic thought: an interpretative essay", in Kanti P. Bajpai and Amitabh Mattoo (eds.), *Securing India, Strategic Thought and Practice*, Delhi, Manohar Publishers, 1996, pp. 28-111.

From a geo-strategic point of view, the “land of the pure” is a hostile power, situated on the principal land routes used by the invading hordes from the north-west, and whose existence endangers the unity of the sub-continent, thus constituting a threat to its security. Although they do not pose a threat to India’s survival, the Pakistani armed forces are nevertheless a hazard, exacting a heavy toll in terms of defence expenditure. By supporting various separatist movements and other destabilising forces active within India, they divert a part of the Indian military capability deployed for the overall defence of the sub-continent. Pakistan has moreover developed its naval capability to a level that can obstruct India’s access routes to the oil reserves of the Middle East as well as other Indian interests in that part of the world. Besides which, it has through its network of alliances brought in powers hostile to India such as the United States, China and several Muslim states. Lastly, its Islamic identity is a threat to Indian secularism. Pakistan is also an indirect threat in so far as an open war with Peking would open a dual front for India to defend.

The end of the cold war has not even made a small crack in the wall of mutual distrust erected by the two countries. Their bilateral relations, as well as the regional security complex², have remained largely unchanged despite the fact that both have now had to contend with an entirely new balance of power on the international front. Several developments that occurred at the end of the eighties and the early nineties have however served to modify India’s perception of her geo-strategic environment.

The end of the East-West face off firstly brought a reduction in tensions between the superpowers in the Indian Ocean. Besides this, by virtue of the defence build-up undertaken by Indira Gandhi in the early eighties, as the cold war was drawing to a close, India became a major regional military power, stronger and more self-confident. Lastly, the Soviet pullout from Afghanistan considerably eroded the strategic importance of Pakistan, which was now no longer the vector of American policy against the Soviet Union. This led the United States and China to re-assess their ties with these two countries. For India this shift in policy resulted in a marked improvement in relations, whereas Pakistan’s links with its two traditional allies became progressively weaker.

The asymmetry between Sino-American relations on the one hand and Indo-American on the other nevertheless continued to grow to New Delhi’s disadvantage. The United States seemed to lose all interest in the Indian sub-continent. Despite accrued confidence building measures between China and India, the latter’s obvious isolation in comparison with its principal regional rival, gave Islamabad greater scope for manoeuvre. Henceforth India had less to fear from the strategic relations developed by China, the United States and Pakistan, but despite this there was no concomitant evolution in the situation from a strictly regional point of view.

² Barry Buzan has defined the concept of “security complex” as the regional security sub-systems as a whole defined in terms of friendship or hostility prevailing within specific geographical zones. This definition rests on the hypothesis that there exist locally groups of States whose perceptions and preoccupations with regard to security are sufficiently interconnected so that national security issues cannot be considered separately. Barry Buzan & Gowher Rizvi (eds.), *South Asian Insecurity and the Great Powers*, London, MacMillan, 1986, pp. 7-8.

THE EVOLUTION OF INDO-PAKISTAN RIVALRY

Centrality of the Kashmir issue

Kashmir is the pivotal problem of Indo-Pakistan relations, so much so that this qualification constitutes a major stake in the diplomacy of the two countries. Its strategic and diplomatic importance has fluctuated over time. It was the cause of the first two Indo-Pakistan wars of 1948 and 1965 and the conflict in the spring of 1999 (even if the latter was relatively unimportant). Conversely, it played a minor role in bilateral relations between 1960 and 1989. It is necessary to clarify this statement. For Pakistan, in fact, this period corresponded to a time of crisis during which an easing of tensions on its western border had become imperative. In the aftermath of the 1965 war, of which Kashmir was in fact the cause, Islamabad was not in a position to continue the fight. Nor was Pakistan in a position to oppose India after 1971 - not only had it suffered a defeat but also because of the Baluchi revolt, which started in 1973 and was quelled only in 1976. 1977 was the year of Bhutto's fall. The electoral fraud that made the Pakistani Prime minister's party, the PPP's victory possible that year was to lead to a civil disobedience movement, which ended with Zia-ul-Haq assuming power. More important however was the invasion of Afghanistan by the Soviet Union in 1979. With the 'Red Army' at its doorstep, Pakistan found itself trapped between Moscow and New Delhi and consequently tried to make amends with the Indian capital. The declarations of successive Pakistani decision-makers, who from Zulfikar Ali Bhutto to Benazir with Zia ul Haq in passing, all affirmed the need to first resolve the easier bilateral problems before gradually tackling the more difficult ones, should not be seen as proof of the good intentions of the Pakistani decision-makers of the period, but rather, viewed in the context of difficult internal and strategic circumstances.

This situation evolved significantly from 1988, when on July 31st, the Jammu and Kashmir Liberation Front (JKLF), a separatist movement launched an armed campaign against Indian domination. Pakistan lent its support to the insurgents only later, when its generals realised that they could use the Kashmiri nationalist agitation for their own ends. It was a Pakistan temporarily free of the anxiety of having to conduct a war on two fronts, and convinced of the exemplary character of the Afghan conflict (the fact that it had been successful in ousting the Soviet superpower from Afghanistan made it think that it could now liberate Kashmir from the Indian "occupant" by using similar tactics), that now began to provide the back-up to the pro-Pakistani groups at the expense of the separatist organisations. In two years the JKLF, too intractable from Islamabad's point of view, was marginalised and pro-Pakistani groups such as the Hizbul Mujahideen, backed by the Inter-Service Intelligence (ISI), took control of the insurrection. In the mid-nineties, other Islamist groups appeared, in particular the Lashkar-e-Toiba and the Harkat-ul-Ansar (since renamed Harkat-ul-Mujahideen) formed of, on the one hand, Kashmiri militants and on the other of international militants of whom some were from POK, but whom New Delhi always referred to as foreign militants. Despite rare periods of calm, the violence in Kashmir has been more or less unremitting since this date. All three, the Indian anti-revolutionary forces along with the pro-governmental militia and the insurgent groups have spread terror in equal measure.

From 1996 onwards, the situation seemed to show some signs of normality. In 1995-1996, the Indian armed forces managed to restrict the number of militants and even

curb the activities of the Hizbul Mujahadeeni³ to a certain extent. Tired of being caught in the Indo-Pakistani crossfire, the population itself became disaffected with the militants; all they wanted was for peace to return to the Valley⁴ again. In consequence, in September 1996, the relatively high participation in the elections (nearly 30%) surprised even the Indian authorities. Farooq Abdullah, a politician in favour of autonomy, was returned to power. Economic activity gradually picked up and tourists started to visit Kashmir again from 1999.

The Kargil crisis reversed the situation once more. Early in May 1999, the Indian forces discovered that several hundred Pakistani fighters, consisting of both regular troops and irregular elements⁵, had infiltrated the region and taken position in the mountains overlooking the town of Kargil, enabling them to control the road between Srinagar and Leh. Less than three months after the "historical" meeting between Atal Behari Vajpayee and Nawaz Sharif and the ensuing declaration, the fourth Indo-Pak war had broken out. The vicissitudes of the war are not important here. Intervention by the United States and Chinese neutrality ultimately forced Pakistan to retreat, although it would not be an exaggeration to state that with time and the possibility of crossing the Line of Control (LOC), the Indian forces would have eventually succeeded in throwing out the aggressors. Whatever the Pakistani reasons⁶ for this hiatus, the Kargil crisis was a definite betrayal for the Indians, particularly for the moderates - among whom numbered the Prime Minister, Atal Behari Vajpayee - who saw their policy abruptly discredited.

Both parties to the conflict insist on the fact that the control of Kashmir is essential for the defence of their respective countries. For the Indian army, giving up Kashmir would leave the plains of Punjab and Haryana, and including Delhi, even more vulnerable to a foreign attack - in other words Pakistan. The Valley is particularly significant because of the lines of communication leading to Ladakh and Siachen where the Indians and the Pakistanis are in direct confrontation. The Pakistanis on their part claim that for centuries the principal land routes to Kashmir have crossed the territory of what today is Pakistan, and that Islamabad's proximity to the disputed region renders the city vulnerable to an attack from across the river Jhelum. Moreover, again according to Islamabad, Kashmir's accession to Pakistan would provide the latter the strategic depth that it now lacks⁷.

³ It was especially the case in the North of Kashmir, in the zone surrounding the town of Bandipur. Alexander Evans, "The Kashmir insurgency: as bad as it gets", *Small Wars and Insurgencies*, Vol. 11, no. 11 (spring 2000), pp. 69-81, p. 75.

⁴ Astutely, the Indian security forces systematically targeted the pro-Pakistani forces, the Hizbul Mujahadeen and its political wing, the Jamaat-i-Islami, and their militants, arresting, sometimes even executing individuals simply suspected of sympathy towards them, thus implicitly pointing out to the population those responsible for their misfortunes, Pakistan and its agents.

⁵ According to the Research and Analysis Wing (RAW) and the Border Security Forces (BSF), the percentage of regulars/irregulars was 60-40. According to the Intelligence Bureau, this percentage was 70-30. The Kargil Review Committee, *From Surprise to Reckoning*, New Delhi, Sage Publications, 2000, p. 97.

⁶ With regard to the latter, see The Kargil Review Committee, *op. cit.*, pp. 89-90. The report outlines the political and strategic motives for the Pakistani army's intervention, namely :

- to internationalise Kashmir as a nuclear flashpoint, needing the urgent intervention of a third party;
- to modify the Line of Control and put an end to its inviolability by seizing areas in the Kargil sector;
- to be in a better bargaining position in the case of an exchange with the positions held by India in Siachen".

⁷ Stephen Cohen, *India: Emerging Power*, Washington D.C., Brooking Institution Press, 2001, pp. 212-213.

The Indus also originates in Kashmir as do the five famous rivers: the Jhelum, Chenab, Ravi, Beas and Sutlej, from where Punjab derives its name⁸. But the Kashmir dispute is much more than a territorial quarrel. It is also and primarily so, a struggle through which the national and sub-national identities are being crystallised, further complicated by domestic political games on either side. For the Pakistanis, it is a denial of justice to the Kashmiri people, the symbol of an incomplete Partition, India's refusal, in a manner of speaking, of the principle on which it was founded - i.e. the two nation theory - and in consequence a denial of the legitimacy of Pakistan itself. For India, Pakistani irredentism in Kashmir is a clear indication of the negation of a secular India.

Each one clings to his stand. For India, the State of Jammu and Kashmir is since its constitution on October 26, 1947, an integral part of the Indian Union. Nothing that India has agreed to in the United Nations Security Council resolutions of August 13, 1948 and of January 5, 1949, or in any other later document, calls into question the sovereignty of India over the State. The only aspect of the Kashmir problem legally admissible in the entire exchange with Pakistan refers to the necessity for withdrawal from the territories illegally occupied by the "land of the pure". The future status of the State is a purely domestic problem, which should be resolved within the framework of the Indian constitution. Lastly, future negotiations between India and Pakistan on the subject of the ultimate status of the State must take place within a strictly bilateral framework, in conformity with the Simla Accord of July 1972⁹. Pakistan's position is radically different. The State of Jammu and Kashmir has been a disputed territory since the end of British rule over undivided India and its accession to India in October 1947 was only temporary. This interpretation is, according to Islamabad, recognised by the resolutions of August 13, 1948 and January 5, 1949, to which Pakistan also gave its assent and which today remain valid and cannot be disregarded unilaterally by either party. Any dialogue between India and Pakistan with regard to the future status of the State should focus on the right to self-determination of the people of Kashmiri through a referendum under international supervision, as stated in the Security Council resolutions of the United Nations. This referendum should offer to the Kashmiri people the possibility of the State acceding conclusively to India or to Pakistan. Lastly, discussions on the future status of the State should be conducted in conformity with both the Simla Accord of July 1972 as well as the above-mentioned Security Council resolutions; neither can international mediation be excluded¹⁰.

⁸ Punjab means "land of five rivers".

⁹ 1947-1997. *The Kashmir Dispute at Fifty. Charting Paths to Peace*, Kashmir Study Group. Report on the visit of an independent study team to India and Pakistan, 1997, p. 6.

¹⁰ *Ibid.*, p. 32.

The 90s: the years of crisis

Other crises also affected Indo-Pakistan relations during the nineties that, as a result of the Afghan war, were marked by a relative modernisation of the Pakistani military apparatus and the subsequent growth of Islamabad's capacity to damage the Indian security equation. Sometimes a result of New Delhi's effort to check the changes taking place, at others a consequence of Islamabad's challenge to India, these crises were marked by a period of exceptionally adverse relations between the two countries.

. 1984: from Siachen to Kahuta

1984 was the year of Indian incursion into the Siachen glacier (situated in the Karakoram mountains) and of rumours that New Delhi was preparing an attack on the Pakistani nuclear installations at Kahuta. The Siachen conflict is an extension of the Kashmir dispute. It is the outcome of conflicting interpretation of the Simla Accord and of a disagreement over the demarcation of the Line of Control¹¹. The Indian army turned it into the highest battlefield in the world with the launch of operation Meghdoot. New Delhi thus hoped to pre-empt Islamabad from taking control and thereby posing a threat to India. The strategic value of the glacier is in reality very much open to question, but India, unhappy with the American arms deliveries to Pakistan¹², had no intention of letting the latter take control of the glacier and brandishing it as a victory. The Indian operation and the conflict that followed and still continues are catastrophic for both sides. Siachen has proved to be extremely onerous in terms of men and materials, politically insoluble¹³ and without the least prospect of any strategic gain.

Towards mid October 1984, the Pakistani intelligence learnt, probably from American sources¹⁴, that the Indians were planning a surprise attack on the Kahuta nuclear research centre. Islamabad responded by sending a message warning Indira Gandhi that Pakistan would retaliate by attacking Indian civil and military nuclear targets (most of which are situated in the Bombay region) if the Indians attacked Kahuta on October 21, as planned¹⁵.

¹¹ The Simla Accord signed between India and Pakistan on July 2, 1972, directed the two countries to resolve their differences "by peaceful means through bilateral negotiations or by any other peaceful means mutually agreed upon". This point forms the subject of a difference in interpretation : India insists on the strictly bilateral character of all negotiations, Pakistan on the possibility of an internationalisation of the process. The demarcation of the Line of Control moreover remained undetermined in certain areas, hence, there too, the differences in interpretation between the two countries.

¹² By virtue of the Soviet presence in Afghanistan, the United States and Pakistan had in 1982 concluded an aid agreement of 3.2 billion dollars of which half was in the form of American arms deliveries to Islamabad. India, on its part, had signed a contract with the USSR a year earlier for the purchase of military equipment totaling 4.2 billion dollars.

¹³ Ayesha Siddiqi-Agha, *Pakistan's Arms Procurement and Military Buildup, 1979-99: In Search of a Policy*, New York, Palgrave, 2001, p. 22.

¹⁴ Kumar Pramod Kanth, *India-Pakistan Relations, 1972-1987*, Islamabad Papers no. 15, The Institute for Strategic Studies, 1988, p. 23.

¹⁵ William E. Burrows and Robert Windrew, *Critical Mass*, New York/London, Simon & Shuster, 1994, pp.

Things calmed down somewhat after the Indian Prime Minister's assassination at the hands of her Sikh bodyguards on October 31, 1984, but tension between the two countries remained high.

. 1986-87: operation Brasstacks

In 1986-87, a fresh crisis arose when the Indian army decided to conduct military exercises near the Sindh border. Pakistan had been trying since the mid-eighties to orchestrate to its advantage the agitation by Sikh militants against the Indian government. No doubt the reason for the military exercise was not merely to warn Pakistan against supporting the Sikh nationalists in the Punjab. Besides providing the usual training to the units involved in the manoeuvres, its objectives were more technical - specifically to assimilate the Soviet weaponry recently delivered by Moscow¹⁶. Whatever New Delhi's intentions, the use of live ammunition convinced Islamabad that the Indians were preparing an operation aimed either at dismantling Pakistan, similar to the one realised in East Pakistan in 1971 - the choice of the zone of operations lending credit to this theory - or diverting Islamabad's attention in order to invade Pakistan Occupied Kashmir (POK)¹⁷. The Pakistani army reacted by dispatching a division to Punjab, opposite the Fazilka-Akhnoor and Gurdaspur-Pathankot sectors. The Indian army consequently cancelled the exercise.

. Impact of the May 1998 nuclear tests on Indo-Pakistan relations

The last aspect of Indo-Pakistan relations, the nuclear issue defines an asymmetrical relationship between the two countries in the sense that the Indian nuclear programme is not primarily directed against Pakistan but forces the latter to adopt a "competitive strategy", one dangerous for its economy. This was obvious during the May 1998 tests. Although the motives for the tests were principally to validate certain technical and political options, they nevertheless threw Pakistan into a quandary. If it gave up the idea of testing its own nuclear device, it ran the risk of seeing its nuclear credibility affected, in the eyes of the Indians of course, but also of its own people and Kashmiri insurgent groups. If on the contrary, it followed in New Delhi's footsteps and proceeded with the test, it would invite international sanctions which, given its precarious economic situation, would in fact have a greater impact on it than it would on India¹⁸.

However, if in May 1998 the Indian decision to go ahead with the nuclear tests was undoubtedly a cause for concern to Pakistan, it did not for all that permanently shield New Delhi from a potential Pakistani threat. No doubt it considerably stoked Pakistani fears, which were further inflamed by the Indian National Security Council's declaration in August 1998 on the *Draft Nuclear Doctrine*. But Islamabad in return accelerated its weapons

349-350.

¹⁶ Ayesha Siddiq-Agha, *op. cit.* p. 23.

¹⁷ *Ibid.*

¹⁸ See Ashley Tellis, "The changing political-military environment: South Asia", in *The United States and Asia: Towards a New US Strategy and Force Structure*, Santa Monica, Rand Corporation, 2001, p. 216.

programme. In effect, according to certain observers, South Asia is now faced with the prospect of a Pakistan in possession of a nuclear arsenal, which is more powerful and more diversified than necessary for its security. Convinced of New Delhi's strategic superiority and finding itself better armed than it had thought, it could well be tempted to engage in more hazardous strategies¹⁹. India would then find itself forced into a potentially destabilising arms race, not only for Pakistan but also for itself.

. Kashmir and the nuclear issue

One should pause for a moment, however brief, to examine the link between the reality of India and Pakistan possessing nuclear weapons and the Kashmir dispute. The latter could have remained a bilateral issue without any international dimension, if the two adversaries had not armed themselves with nuclear bombs. It is from this link that most of the questions concerning regional security arise and which can be formulated thus: can the Kashmir dispute today lead to a conventional war, which could very easily then degenerate into a nuclear conflict? Or does the possession of an atomic weapon by the two protagonists, on the contrary, prevent an escalation of hostilities?

The role of the nuclear factor in the successive Kashmir crises has already been and continues to be the subject of much argumentation. In 1990, the crisis coincided with the publication by the American journalist, Seymour Hersh, of an article affirming that India and Pakistan were on the brink of a nuclear war, with the Pakistani F-16s nuclear warhead carriers in a state of alert. This thesis was refuted by American diplomats posted in the region but the rumour nevertheless did the rounds of the United States and made it easier for the Americans to stress the risks of proliferation and underscore the role of American diplomacy in the settlement of the crisis²⁰. According to some other studies cited in the research by I. Cordonnier and B. Tertrais, the possession of nuclear capability in 1990 by India and Pakistan effectively prevented border incidents from degenerating into open war.

It is nevertheless apropos the Kargil crisis that the question of the nuclear bomb assumed great significance. In this instance again several theories were put forward²¹. One, for example, refutes the idea that the nuclear factor had any role in the evolution of the conflict; Kargil demonstrated that nuclear power status was not sufficient to prevent an open conflict between the two countries. A second opinion also denies that nuclear deterrence had any part in the development of the crisis, as the conflict did not endanger the vital interests of the two nations. According to yet other observers, the acquisition of a nuclear weapon by both camps, on the contrary, acted as a deterrent and prevented the conflict from degenerating into an open war.

As far as India is concerned, there is no doubt that its nuclear status was an essential element of the crisis. The *Kargil Review Committee* places at the top of the list of Pakistan's motivations its determination to "internationalise Kashmir as a nuclear flashpoint requiring urgent third party intervention"²². This analysis is in consonance with a series of publications by the *Joint Intelligence Committee*, all of which stress Islamabad's eagerness to link the Kashmir problem with the nuclear issue. One of these publications

¹⁹ Ashley Tellis, *op. cit.*, p. 217.

²⁰ Isabelle Cordonnier and Bruno Tertrais, *l'Asie nucléaire*, Paris, IFRI, 2000, p. 109.

²¹ For an overall account of the debate, see Isabelle Cordonnier and Bruno Tertrais, *op. cit.*, pp. 109-110.

²² Kargil Review Committee, *op. cit.*, p. 89.

cited by the *Kargil Review Committee*, published in July 1998, thus affirms: "It is noteworthy that Pakistan has used its nuclear card to attract international attention to the Kashmir issue [...]. In the post-test environment, their efforts to create a scare scenario met with a receptive audience. Pakistani firing on the LOC is thus aimed at projecting a volatile situation in South Asia"²³. From this perspective, Pakistan has met its objectives for it is clear that American political intervention in the crisis, as well as, more generally, its renewed interest in the region are the direct result of the nuclearisation of the latter.

INDIA'S DEFENCE SPENDING

It is difficult to assess the cost of Indo-Pak antagonism with any degree of accuracy. There are several reasons for this. If we can postulate, for example, the existence of an "absence of development", there exists on the other hand no criteria that can help in objectively assessing the defence requirements of a country. These are perforce dependent on a complex set of factors such as the estimation of the threat - which is itself a function of two factors of which the first, its capacity, is easily quantifiable. But the second, the intent, is by definition subject to interpretation - as also the international balance of power and the systems of alliances of the countries concerned. Moreover, even the existence of these criteria would only be an approximate measure of the development potential of any specific country. Although it is true that defence expenditure can cause distortions in a country's economy, we can also say that it enhances national security and as a result improves the environment for growth and development to take place. It is nevertheless true that its opportunity cost is high and that India's militarisation represents an additional constraint, which hinders the country's economic development and affects its credibility in the international arena.

The Indian defence expenditure has grown in direct proportion to the intensification of the perceived threat. The percentage of variation between 1995 and 1998, and which moreover had been negative in 1996, suddenly shot up in real terms by 20% in 1999 and 28% in 2000. This hike in the defence budget is the largest ever recorded in a single year. It does not take into account the outlay for its space and nuclear programmes. The total amount spent on these two programmes amounted to 709 million dollars in 1999 and 843 million dollars in 2000²⁴.

It should however be noted that in conformity with the recommendations of the Kargil Review Committee, the greater part of the budget increase is slated for the purchase of "force multipliers", in other words high technology surveillance equipment, which specifically includes unmanned aerial vehicles and generally, a range of intelligence gathering and effective communication equipment²⁵. A major part of this equipment is meant for the surveillance of the Line of Control.

²³ Kargil Review Committee, *op. cit.*, p. 199.

²⁴ *The Military Balance 2000-2001*, London, Oxford University Press/International Institute for Strategic Studies, 2000, p. 162.

²⁵ *Indian Defence Yearbook 2001*, New Delhi, Natraj, 2001, p. 286.

There is however no absolute causal link between these increases and the perception of the Pakistani threat. If the budget for the year 2000 can be taken as a direct consequence of the Kargil conflict, the 1999 budget, when the rise recorded was 20% over the previous year's budget (see above), did not anticipate any emergency, and even the Indian intelligence services were somewhat tardy in identifying the actual problem. The Pakistani threat therefore also features as a component of the Chinese "threat".

The persistence of the Indo-Pak dispute also generates a certain number of indirect costs. It is a burden on the Indian economy as it prevents bilateral trade from developing between the two countries. If India has granted Pakistan the Most Favoured Nation Status, Pakistan to date, has never returned the compliment. Although both countries have mutually granted each other preferential tariffs under the provisions of the SAPTA agreement, as both are members of SAARC. In effect, Indo-Pak trade is today limited to some 615 specific products. This limitation is of course partially circumvented by trans-border smuggling and above all third country exports via Dubai. But this obliges each of the two countries to pay more for imported goods manufactured in the other, generating an estimated surcharge of 25 to 50%, depending on the type of product.

In the last analysis, India's inability to find a solution to the conflict places it in an insoluble dilemma, liable to curtail to its long term development efforts.

In 1998, the defence outlay represented nearly 13% of Central Government spending, with half the government's revenue receipts being channelled into servicing the national debt²⁶. After the May 1998 nuclear tests, the Indian government's reluctance to accord, for example, an additional 0.5% of the GNP to elementary education was obvious, whereas proposals for a substantial hike of the Indian arsenal met with a favourable response²⁷. According to the Indian Defence Yearbook 2001, the Defence budget 2000, represented 2.8% of the GNP. In comparison, according to the Human Development Report 2001 published by the United Nations Development Programme, the percentage allotted to public health came to 2.5% of the GNP in 1998, while public education was given 3.2% of the GNP for the period 1995-97²⁸.

Such choices will inevitably affect the Indian economy's chances of taking off. Now, the Indians may be really convinced of the necessity of having a strong economy in order to attain the status of a true military power²⁹, but its current policies seem more inclined to focus on the short term. In the absence of satisfactory economic growth, stemming from its

²⁶ Mahmud Ali Durrani, *India & Pakistan: The Cost of Conflict and the Benefits of Peace*, Karachi, Oxford University Press, 2001, p. 13.

²⁷ Jean Drèze, "Militarism, development and democracy", *Economic and Political Weekly*, April 1, 2000, pp. 1171-1183, p. 1172.

²⁸ UNDP, *Human Development Report 2001*, London, Oxford University Press, 2001, pp. 161 and 172. In comparison, the public expenditure on health and education in Pakistan was slated at 0.9% and 2.7% respectively of the same indicators.

²⁹ Kapil Kak, researcher at the Institute for Defence Studies and Analysis (IDSA), wrote as follows in February 1999 : "India's vital national interests and its objectives of territorial integrity, internal cohesion for the preservation of the democratic system, and the equitable socio-economic growth of its immense population, will determine its national strategic doctrine. Economic prosperity is a crucial determinant, not only of its national security but also of its military capability. This because faster economic growth will also generate more capital for the development of its military capability". Quoted in Olivier Guillard, *La Stratégie de l'Inde pour le XXIème siècle*, Paris, Economica, 2000, p. 27.

difficulties in implementing the liberalisation programme, a commitment undertaken by the Indian Government in 1991, the increase in defence expenditure is obviously at the expense of the development of the basic public services. Apart from the increase in poverty levels after a gap of two decades, during which poverty had gradually declined, this situation also limits India's capacity to garner the financial resources necessary for building an army compatible with its aspirations for superpower status.

THE DIPLOMATIC COST OF THE CONFLICT

Indo-Pak antagonism also affects India on the diplomatic front. The mention of costs in this instance also cannot be overstated. Although less easily quantifiable, these costs are very real and all the more distressing in that, after a long period of isolation consequent to the 1962 defeat, India today has new ambitions, aspiring to an international status, of which it feels it has been unjustly deprived since Independence.

If the dynamics of the South Asian sub-system have remained constant, the thinking on international relations has nevertheless evolved considerably over the last few years, at least in India. In 1996, Georges Tanham³⁰ concluded that India lacked a strategic culture. In the recent past there have been signs of an attempt by the "strategic elites"³¹ to systematically rethink international relations and India's place in the world. This new awareness and intent originate in the events that took place in the last decade (end of the cold war, collapse of the Soviet Union, Kashmir dispute, liberalisation policy and opening up of the economy, globalisation) but also in the psychological shock resultant from the nuclear tests of May 1998 as well as the Kargil crisis.

This revival is apparent in the conviction that India has the potential to become a key economic and military player in the first decade of the new millennium. New Delhi henceforth perceives the international order and stability as a desirable consequence of a world order orchestrated by five or six nations, India being one of them. As such it would be involved in the management of the international system, a multipolar society structured around a system of cooperative security, seen as the best guarantee of peace. In view of this objective and to oblige China as well the Western powers to pay more attention to India's aspirations, the latter should aim to acquire strategic independence that will guarantee security in an hostile environment and allow it to make unpopular choices in the international system³².

What is new here is not so much the shift from a moral posture (which according to them

³⁰ Georges Tanham, *op. cit.*

³¹ According to Amitabh Mattoo, these comprise about a hundred journalists, academics, diplomats and retired defence officers drawn from various forums such as the "Saturday discussion group" of the India International Centre, whose opinions on foreign policy issues are often solicited both by the government as well as by political parties. See Amitabh Mattoo, "ASEAN in India's foreign policy", in *India and ASEAN: The Politics of India's Look East Policy*, New Delhi, Manohar, 2001, pp. 91-118, p. 93.

³² See Amitabh Mattoo, *op. cit.*, pp. 94-95.

was what characterised Nehru's foreign policy) to a new "realpolitik" than an attitudinal change.

In fact, since 1962 and the defeat inflicted by China, Indian foreign policy has been entirely conditioned by the imperatives of security, but even more than that it has been completely reactive. Now it was decided to give it a voluntarist bias in order to structure the environment on the basis of India's national interests. The 1998 nuclear tests were in consonance with this perspective and despite the sanctions that followed, the renewed international attention that they elicited, needless to say, reassured Indian leaders and strategy experts for it proved the merits of this new stance.

An independent international policy continues to form the basis of Indian strategy. It is based on the conviction that a country its size and might, with an incomparable cultural heritage and considerable potential in all fields, cannot be satisfied with becoming a satellite of any bloc, whether an ideological coalition or a true world power. This intrinsic logic is independent of the evolution of the international system and New Delhi cannot therefore let itself be shackled by constraining alliances. But for all that, it should not ignore the international balance of power and consequently modulate its attitude in consideration of the interests and the capacities of its interlocutors.

The goals of Indian foreign policy are thus characterised by a desire for international recognition that finds expression in very different registers, namely its nuclear policy and the quest for a permanent seat in the United Nations' Security Council, as also the search for the least restrictive alliances, enabling it to come out of the isolation in which it had found itself at the end of the cold war, and face or at least diffuse the threats before it.

Pakistan and its notorious rivalry with India is what permanently steers New Delhi's foreign policy: on the one hand, it impacts upon Indian behaviour, in particular when it comes to looking for suitable partners. On the other, the unending conflict affects India's credibility, for example its demand for a seat in the Security Council, as much as it inhibits its foreign policy, particularly on humanitarian issues, for fear of a challenge to its Kashmir policy.

The overriding importance of the Pakistan factor in moulding India's foreign policy

Since Independence, India and Pakistan have developed mutually exclusive foreign policies. This trend has been further reinforced in the post-cold war period. India is chiefly responsible for this state of affairs. It is particularly glaring in two regions that are of immediate interest to both protagonists, the Middle East and ASEAN. Moreover, this policy is not free of ambiguity, for it tries to isolate Pakistan while claiming to go beyond the traditional rivalry between the two countries. In so doing it sends a contradictory message and in fact only succeeds in highlighting the centrality of the dispute in the formulation of the Indian foreign policy.

. India and the ASEAN Regional Forum

It would be an exaggeration to claim that India's sole reason for strengthening its ties with ASEAN and more so its membership of the ASEAN Regional Forum (ARF) was to isolate Pakistan. The fear of a face off with China and the desire to attract the surplus capital generated by the South East Asian economies have played a key role in New Delhi's

decision to forge linkages with ASEAN from 1994. It would be a mistake not to consider its rivalry with Islamabad as a factor in its South East Asia policy, both as an independent objective as well as a constituent of the Chinese threat. Time and time again the Indo-Pak relationship proved to be the principal obstacle to India's membership of the ARF and, once this was achieved, to the strengthening of the relationship that had been established.

The "Pakistan problem" in India's ASEAN policy was focused entirely on the question of Pakistan's membership of the ARF. Like India, Pakistan had been a "partner in the sectorial dialogue" since 1993 and thereafter tried to obtain the status of a "full-fledged partner in the dialogue" prior to membership of the ARF. For New Delhi this meant that Pakistan must somehow be isolated, but more than that it had to destroy the parity necessarily elicited by any policy seeking to establish a balance between the two countries. ASEAN members, wary of becoming entangled in the South Asian imbroglio, refused this status to New Delhi and Islamabad, but eventually granted membership to India in 1995³³. Once it joined ARF in 1996, India put pressure on the other member-countries to prevent Pakistan from becoming a member in its turn, stressing somewhat ironically the risk of ARF being caught up in the South Asian bickering. In addition it put forward the argument that Pakistan did not meet the economic criteria necessary for membership.

This question took on greater meaning during the Manila conference after the nuclear tests conducted in May 1998. In support of a Japanese proposal, the Philippines External Affairs minister had wished to invite Pakistan to participate in the discussions as an *ad hoc* member in order to maintain a relative parity between the two countries. As expected, India vigorously opposed the move, arguing that the nuclear tests it had conducted were aimed at its long-term security interests and were in no way linked to the balance of power in South Asia. As decisions taken within ASEAN were by consensus, India won its point³⁴. The question of Pakistan's participation in certain discussions and its membership of ARF came up again later, the last occasion being Islamabad's submission in July 2000, at the time of the Bangkok meeting. India opposed this on the pretext that there were already too many members in the organisation, which needed to be consolidated before any initiative of this type could be taken³⁵.

More than in the question on the validity of the argument, the relevance of the Indian position resides in the fact that it is the rivalry between Islamabad and New Delhi which to a large extent moulds its attitude to multilateralism. By opposing Pakistani participation in ARF, India was above all attempting to prevent the internationalisation of its dispute with the "land of the pure" and, in particular, the intervention of the major powers in the

³³ In 1994, commenting on the concern displayed by the South East Asian countries over the dialogue with India on political and security issues, J. N. Dixit, then Secretary of State in the External Affairs Ministry, replied : "if they agree to take us as equal partners on political and security issues, Pakistan will automatically want the same thing... Once we are both there, it will be a free for all. They will promptly raise the Kashmir issue, we will just as promptly retaliate, and the rest will be absolutely disgusted by the proceedings", *Far Eastern Economic Review*, September 22, 1994.

³⁴ Frédéric Grare, "In search of a role: India and the ASEAN regional forum", in Frédéric Grare and Amitabh Mattoo, op. cit., pp. 119-145, p. 133.

³⁵ An Indian official declared on this occasion, "we can adopt the same point of view as the ASEAN countries. The Forum cannot be expanded and it is necessary to impose a moratorium on membership for some time. The ARF has recently supported the idea that the number of its members should be limited to 10 dialogue partners and is of the opinion that all expansion should be frozen", *The Indian Express*, July 25, 2000.

organisation. Paradoxically, what it was seeking from a multilateral organisation such as ARF was the legitimisation of bilateralism, which is the essence of its diplomatic thrust in South Asia, the recognition so to speak of a sphere of influence in this region.

The South East Asian countries, however, are not labouring under any such illusions. In fact, New Delhi's attitude is somewhat counter productive, especially when it is at the same time trying to become a "member of the club" by asking for the expansion of ASEAN + 3 into ASEAN + 4, as was the case in November 2000. It would again be an exaggeration to attribute the failure of the Indian attempt to join the organisation, even indirectly, to the adverse Indo-Pakistan relations alone³⁶. China in particular played a key role in ASEAN's refusal. It is nonetheless true that the problematic relations between New Delhi and Islamabad, concomitant with the nuclear risk, have also influenced the decisions of some member countries.

. The Middle East: using primary anti-Islamism to advantage

Lastly, the Pakistan factor was also reflected in India's Middle East foreign policy, and in a contradictory manner. Until 1992, India generally justified its relatively hostile attitude towards Israel by saying that it was important to prevent the formation of an Islamic bloc, which could oppose India's position on Kashmir by allying itself with Muslim Pakistan on the basis of religion. Pakistan too felt obliged to take an extremely anti-Israeli stand in order to compensate for being party to the Western system of alliances. New Delhi went one better and was much more critical vis-à-vis Tel-Aviv than it would normally have been, especially in international forums³⁷. Added to these factors was India's growing economic dependency on the Gulf countries, support of the Russian and non-aligned countries' stand, as also the Congress party's opposition to Zionism and Zionists, considered by the Indians as Europeans propped up by the imperialist powers in their endeavour to create a theocratic state in West Asia³⁸.

After the disintegration of the Soviet Union, the revival of Islamic activism in Kashmir and the need to improve relations with the United States impelled New Delhi in January 1992, to upgrade its diplomatic mission in the Hebrew state from an ordinary consulate to an embassy. At the same time, the two countries started to cooperate in the war against terrorism. Although they had no common enemy, the threat they were facing was the same, Islamic fundamentalism and, in the opinion of the Indian leaders, its corollary - terrorism³⁹. Besides, the latter felt that there were lessons to be learnt from the manner in which the Israelis were handling the Palestinian insurrection in the occupied territories, which could then be applied to Kashmir. Cooperation between the intelligence agencies of the two countries was thereafter revived⁴⁰.

³⁶ *The Hindu*, November 25, 2000.

³⁷ Arthur G. Rubinoff, "Normalization of India-Israel relations", *Asian Survey*, Vol. XXXV, no. 5, May 1995, pp. 487-505, p. 491.

³⁸ *Ibid.*, p. 489.

³⁹ See Maqsoodul Hasan Nuri, "The Indo-Israeli nexus", *Regional Studies*, 12 (3), summer 1994.

⁴⁰ This cooperation was however not new. Indian and Israeli intelligence services had as a matter of fact already collaborated in the past, including during Indira Gandhi's tenures in government (1966-1977 and

With the coming to power of the nationalist Hindu party, the BJP, whom Israel had been cultivating for many years so as to counter New Delhi's 'pro-Arab' stance, this trend was reinforced. To the anti-terrorist collaboration was now added an ideological element. To say that the only reason for the rapprochement with Israel was India's preoccupation with Pakistan would be an obvious exaggeration. Other factors such as a common desire for independence and for technological superiority⁴¹ played an important role, but it is also obvious that the Pakistan factor was equally responsible for the policy with regard to Israel, both in its formulation as well as in the manner of its implementation.

The Israelis themselves made no secret of their developing relationship with New Delhi and above all the type of equipment sold or proposed to India, and specifically intended for border surveillance. The weekly magazine *Outlook* went as far as to title one of its articles on joint cooperation in the field of intelligence, "The Mossad has done its work". Lastly, during the Kargil crisis, besides the deliveries of ammunitions and various other materials, Israel discretely helped India with intelligence data and strategic consultations.

Naturally, Arab countries were troubled by these developments, especially with regard to the possibility of Indo-Israeli nuclear collaboration in the field of defence. They informed New Delhi that as the first victims of Islamic fundamentalism, cooperation in this field should also include them, while the Arab League accused Tel-Aviv and New Delhi of developing linkages for future nuclear collaboration. It also complained to the Indian ambassador in Cairo about the the Indian Home Minister, L. K. Advani's, statement on June 14, 2000, during his visit to Israel, in favour of greater cooperation in this domain. It asked its twenty-two members "to take appropriate measures in the light of the danger posed to Arab national security by the development of Indo-Israeli relations in the nuclear and technical fields"⁴².

In effect, if pussyfooting around the Arabs for over forty years had met only with partial success, as it had not prevented the condemnation (in principle) of New Delhi's Kashmir policy, too ostensible a rapprochement with Israel carried the risk of the Arab countries forming a united front against New Delhi. The Indian External Affairs minister made a trip to Syria and Egypt in early 2001 to try and mend the breach. He assured his Egyptian hosts that India did not have a strategic partnership with Israel and exhorted them not to exaggerate the significance of its links with the Hebrew state⁴³. New Delhi had reached the limits of its anti-Pakistan policy.

This policy also highlighted its limitations on the domestic front. The nationalism of the immense majority of Indian Muslims and their opposition to Pakistan is by no means less than that of their Hindu countrymen. However, such noticeable proximity with Israel would not fail to be interpreted as anti-Muslim, in view of the BJP's stance and its links with the Rashtriya Swayamsevak Sangh (RSS, the ideological and social core of Hindu nationalism). Here too, on several occasions the government was obliged to play down the

1980-1984). On this aspect see P. R. Kumaraswamy, *India and Israel: Evolving Strategic Partnerships*, Tel-Aviv, The Begin-Sadat Centre for Strategic Studies, Security and Policy Studies, no. 40, 1998, p. 5.

⁴¹ *Ibid.*

⁴² "Arab League condemns India, Israel for nuclear cooperation", July 15, 2000, http://www.indiaabroadonline.net/press_release/00_spa/07-15-Arab.html

⁴³ Mridula Krishna, "Jaswant Singh firms up ties with Syria, Egypt", February 9, 2001, <http://www.indiaabroadonline.com/diplomacy/feb2001/jaswant/shtml>

importance of its relations with Tel-Aviv. The last time it back-pedalled was after the September 11 attack against the Pentagon and the twin towers of the World Trade Center in New York. As a matter of fact, on September 12, Major General Uzi Dayan, national advisor on Israeli security, happened to be in India, a fact that the press did not fail to play up. Questioned on the subject during a press conference some days later, the Minister for External Affairs and Defence, Jaswant Singh, could only say that it was a coincidence. He denied that the two events were linked and insisted that Israel was only one of the partners with whom India was pursuing a strategic dialogue⁴⁴.

. India and “humanitarian” interventions

If the end of the cold war rang the death knell of the great ideological confrontations, it also made way for the emergence of a new debate opposing the principles of territorial integrity and of self-determination with the emerging doctrine of humanitarian intervention. With the disintegration of the blocs, the idea that sovereignty was not an end in itself justifying the use of any and every means for its attainment was born. Formulated during the Gulf war with reference to the Iraqi Kurds, it was developed some years later during the wars in the former Yugoslavia. South Asia, and especially India, were not spared by the debate.

New Delhi really woke up after the NATO bombing of Serbia, during the Kosovo war. Its reaction was based on principle, namely the reiteration of the primacy of the principles of territorial integrity and the sovereignty of the state over human rights and humanitarian concerns. The response was two-fold. Officially, India limited itself to formally supporting a resolution presented by Russia and Belarus, condemning the NATO intervention and calling for a halt to the bombing. At no point did it take the lead in a campaign against the latter⁴⁵. On the other hand, public opinion, especially the media and most of the “strategic community”, roundly condemned the NATO intervention, from the first day, drawing a parallel between the Kosovo crisis and the Kashmir issue. It was in fact this very issue that would once again modulate the Indian stand on the crisis.

In this context it is interesting to briefly recall the history of the Indian positions on the issue of intervention. India’s stand kept fluctuating along with the circumstances, the perception of the threat and Indian interests in general, much more than in response to a rigid conception of the grand principles that were supposed to dictate international relations. In fact India was initially an enthusiastic supporter of the United Nations, to the extent that it took the Kashmir problem to the UN for arbitration. However, mistrust soon set in when instead of dealing exclusively with the interstate aspect of the dispute and ordering a withdrawal of Pakistani troops from the areas occupied in 1948, as New Delhi had been expecting, it suggested re-opening the question of Kashmir’s accession to India or, alternatively, a fresh partition of the princely state on the basis of the right of the people to self-determination. Thereafter India opposed all military intervention in support of peacekeeping operations on principle.

The 1971 war heralded the first signs of a change in India’s posture. It suddenly did an about-turn from non-intervention to a sort of Monroe doctrine, authorising itself to intervene regionally. Ironically, it used humanitarian- the protection of refugees - and pragmatic - the

⁴⁴ *The Hindu*, September 23, 2001.

⁴⁵ Radha Kumar, *Sovereignty and Intervention : Opinions in South Asia*, Pugwash Occasional Papers, January 2001, Vol. 2, no. 1, p. 2.

risk that the latter posed to national security - arguments very similar to those employed by NATO to justify its intervention in Kosovo.

The third shift in the Indian position came in 1987, when India and Sri Lanka signed the peace accord to resolve the conflict between the Tamils and the Sri Lankans. New Delhi's attempt to play an active role in maintaining peace proved a complete failure, and ultimately ended with the assassination of the former Prime minister, Rajiv Gandhi, by the LTTE (Liberation Tigers of Tamil Elam) separatists. When ten years later, in 1999-2000, the Sri Lankan President, Chandrika Kumaratunga, asked for military aid from India, the request was refused categorically⁴⁶.

Events in the late eighties and the early nineties brought about another change in the Indian position. This was not so much a planned evolution in response to clear-cut aims than a knee-jerk reaction with a tendency to fall back on traditional positions, which moreover reflected the inability to gauge the consequences of the end of the cold war. Henceforth, a new phraseology was being formulated in the debate between sovereignty and intervention apposite to the evolution in the international balance of power. In the absence of such an assessment and of a clear-cut doctrine, India was further tempted to brace itself against its conservative stand, especially as Pakistan was trying at the same time to link the Yugoslav and Kashmir issues. In 1994, it managed to convince the Organisation of Islamic Conference to set up a "contact group" on Kashmir, presided by the former Bosnian Prime Minister, Haris Silajdic⁴⁷.

The work of this "contact group" had only a limited international impact, but the very fact of its existence affected India. Paradoxically, while the official reaction had been moderate all throughout the various Yugoslavian crises, India being among the first to recognise the new Bosnian state, Indian commentators, journalists, academics and ex-diplomats, took up and expanded upon the somewhat disillusioned comments of the Pakistani elites "if Kosovo then why not Kashmir", thus playing Islamabad's game. The latter also managed to link the Kashmir and the East Timor crises during the Millennium Summit in September 2000. India, again on the defensive, was forced to justify itself.

The relevance of most of the writings published at the time lies less in their specific content than in the gradual appreciation of the arguments in favour of the emerging doctrine of humanitarian intervention. These publications brought out above all, the absence of an alternative doctrine in the proposals advanced by New Delhi. India's image could not but be affected at a time when it was trying to push for a permanent seat in the United Nations Security Council. Its eventual entry, as well as the right to veto to which it would be entitled as a member of this body, gave the impression that it would more likely be a potential source of difficulties than a responsible member. We could protest that Russia and China have already filled this role on several occasions, except that both are already members, whereas India is only a candidate for membership, with the arduous task of convincing the "international community" of its credibility. It is this credibility, which is being eroded by the interminable Indo-Pak dispute. Because it has proved incapable of resolving its dispute, militarily or peacefully, with its turbulent neighbour, India does not project the image of a responsible and benevolent power, with the confidence that a past exempt from all expansionist tendencies can give. This is the image it is trying to create, and not that of a potential troublemaker, albeit an unwilling one. Its interlocutors are wary of finding themselves embroiled in the South Asian imbroglio or seeing any international

⁴⁶ *Ibid.*, p. 3.

⁴⁷ *Ibid.*

initiative blocked by a self-doubting India caught in the trap of its own internal contradictions.

PROSPECTS FOR INDO-PAKISTAN RELATIONS

The Indo-Pak conflict thus seems to be the main obstacle to the enhancement of India's reputation and its avid pursuit of international recognition. Moreover, there is no indication to suggest that the relations between the two countries can be normalised in the short term.

In its long terms projections on, among others, the future of South Asia, the Central Intelligence Agency stated that the dynamics of mutual hostility between India and Pakistan, combined with the instability in Central Asia, would characterise the outlook for the region in 2015. The report added that India would undoubtedly be the principal regional power, with a considerable army and a dynamic economy. The widening gap between India and Pakistan, destabilising in itself, would be accompanied by considerable political, economic and social disparities between the two countries⁴⁸.

Similarly, Stephen Cohen and Sumit Ganguly stress that the possibility of a new war between India and Pakistan remains high. Examining the official American perception in detail, the authors feel that the Kashmir conflict could once again lead to a conventional war between the two countries, which could even develop into a nuclear war⁴⁹. South Asia is moreover the only region in the world where two states both armed with nuclear weapons are in confrontation.

The interminable Kashmir conflict

Numerous solutions to resolve the Kashmir issue have been suggested in the past. These included, for example, transforming the Line of Control into an international border, the creation of 'flexible' borders between the two halves of Kashmir, a region by region referendum, placing Kashmir under the trusteeship of the United Nations, a territorial division on the Andorra model, that is to say nominal sovereignty of Kashmir controlled by the two States⁵⁰... None of these saw the light of day. The last attempt to date was made after the Lahore summit on November 20, 1999. The May 1998 nuclear tests had led India

⁴⁸ *Global Trends 2015: A Dialogue About the Future With Nongovernment Experts*, National Intelligence Council, 2000-02, Washington D.C., December 2000, p. 42.

⁴⁹ Stephen P. Cohen and Sumit Ganguly, "India", in Robert Chase, Emily Hill, Paul Kennedy (eds), *The Pivotal States : A New Framework for U.S. Policy in the Developing World*, New York/London, W.W. Norton & Company, 1999, pp. 40-63, pp. 49-51.

⁵⁰ Stephen P. Cohen, *op. cit.*, p. 220.

and Pakistan to take fresh stock of the situation and to become more realistic with regard to bilateral relations. Both parties had now gone openly nuclear. It was therefore imperative to curb the risk of nuclear conflagration due to a misperception by the one of the other's actions. Moreover, in the absence of a settlement on the Kashmir issue, relations between the two countries could only remain in a state of flux, hence the necessity of a settlement that, some hoped, would be hopefully swift⁵¹.

Various working groups, including one on Kashmir, were set up. However parallel to the official process, the Prime Ministers of both countries established a secret channel of negotiation whose sole purpose was to find a solution to the Kashmir problem. Niaz Naik, a former secretary in Pakistan's External Affairs ministry, and R. K. Misra, an Indian parliamentarian, thus met on March 25, 1999 in New Delhi, over a five-day period. Four pointers had been given to help them in their deliberations:

- each side had to go beyond its traditional stand. India was not to insist on Kashmir being an integral part of the Indian Union, nor was Pakistan to persevere on the referendum issue,
- the solutions proposed were to take into account Pakistani and Indian interests but also those of the Kashmiri people⁵²,
- any solution had to be equitable and viable (that is, take into account the defence imperatives of both countries),
- the solution had to be final and not partial.

The two parties thus examined the various possibilities. For example, the Pakistani negotiator rejected the conversion of the Line of Control into an international border because this solution endorsed the status quo and limited the role of the Kashmiri people. Or the division of the state of Jammu and Kashmir on the basis of the two-nation theory, which was unacceptable to the Indian negotiator because of the inherent risk of tension between Hindus and Muslims. This initial phase of negotiations, in which only those options that had already been repeatedly explored were examined, ended in an impasse. On March 31, a message from the Indian Prime minister exhorted the negotiators to look for a new solution.

The second phase gave rise to the Chenab river option, i.e. the division of Kashmir into two sovereign entities situated on either side of the river, and enjoying a special relationship. This proposition is believed to have been accepted by both Atal Behari Vajpayee and Nawaz Sharif as the starting point for a serious dialogue between the two countries. The Kargil crisis brought negotiations to an abrupt halt.

In view of the results this incident was just one more opportunity down the drain. It differed however from earlier attempts by the obvious determination of the players, especially the Indian Prime Minister, to break away from the cycle of recriminations and reach beyond the traditional posture. It is for this attitude, perceived as complacency towards Pakistan, that Atal Behari Vajpayee would be criticised by the political rivals within his own party during the most recent negotiations conducted in Agra from July 14 to 16, 2001, which also ended in failure.

This last setback is also indicative of a constant in the history of negotiations on Kashmir, namely the difficulty of obtaining political approval for a solution from India and Pakistan

⁵¹ The time fixed for reaching a settlement was ten months. Discussions with high ranking Pakistani officials, Islamabad, June 19, 2001.

⁵² According to the Pakistani officials interviewed, this instruction had come from the Indian Prime Minister, Atal Behari Vajpayee, Islamabad, May 19, 1999.

simultaneously. It is this discrepancy that renders a fresh settlement in the short term improbable. Pakistani army officers having successfully engineered the breakdown of the Lahore process⁵³ because of the events that occurred in the spring of 1999, hoped to reinstate the process once they were in power.

A consequence of the Kashmir crisis was, however, the reinforcement of the 'hawks' in the Indian government around the person of L. K. Advani, the Minister for Interior, who made his opposition to all dialogue clear by literally sabotaging the Agra summit. The crux of the matter is that the Kashmir dispute is too intimately linked to the identity of the two States for a settlement to take place in the near future. Time in this instance is an important element in any solution to the conflict. It is ambiguous, however, because each day brings its share of tragedies that, in turn, mould the mutual perceptions of the players. In the short term it is more than likely that the status quo will remain as it is.

. The weight of the jihadi organisations in Pakistan

It would undoubtedly be useful at this stage to examine the role of the non-governmental players who intervened on one count or another in the Kashmir problem. In the first instance figure the jihadi organisations responsible for the guerrilla activity in the Valley and to which all the successive Pakistani governments have been hostage since the Islamist groups marginalised the separatist organisation, JKLF, as we have already mentioned above. We may recall that these groups, which emerged from the mid-nineties onwards, included foreign elements - mainly Afghans and Pakistanis, and it was not always possible to distinguish between them, the Kashmiris living in Azad Kashmir - and the Kashmiris.

- . Founded in October 1989, the Hizbul Mujahideen is one of the oldest militant groups in the Valley. It is in favour of the whole state of Jammu and Kashmir acceding to Pakistan, with whom it is linked ideologically, logistically and through its recruitment from the ranks of the Jamaat-i-Islami, whose armed wing in some sense it is, although it enjoys complete autonomy.
- . The Lashkar-e-Toiba is the militant wing of a Pakistani religious organisation based in Punjab, the Markaz Dawa-ul-Irshad, founded in 1987 with substantial economic interests in Pakistan. Its programmes claim to give equal weight to Islamisation as well as to the liberation of Kashmir. It recruits mainly from the Punjab.
- . Banned in Pakistan since the September 11, 2001 events, the Harkat-ul-Ansar, now the Harkat-ul-Mujahideen, was created in 1993. Its action is not restricted to Kashmir but extends to, Chechnya, Afghanistan and Tajikistan. Linked to a Pakistani organisation, the Jamaat-e-Ulema-e-Islam (a rival of the Jamaat-i-Islami), its members come mainly from Afghanistan, Pakistan and generally from the whole of the Muslim world, even if its membership does include some Kashmiri elements⁵⁴.

⁵³ It bears mentioning that the Kargil operation could not have been organised without the prior approval of the then Pakistani Prime Minister, Nawaz Sharif. However, his penchant for treating certain issues, even important ones, too lightly is a matter of common knowledge. He could therefore have given his approval to an operation that was supposed to be limited in scope without due consideration and aimed most probably at pressurizing the Indian leaders to negotiate. Discussions with high ranking Pakistani officials, Islamabad, June 19, 2001.

⁵⁴ For a more detailed description of these organisations see Alexander Evans, "The Kashmir insurgency : as bad as it gets", *Small Wars & Insurgencies*, Vol. 11, no. 1, spring 2000, pp. 69-81, pp. 70-71.

These three organisations, the most important, compete for 'leadership' of the militant activity in the Valley, but other less important groups, such as the Harkat-ul-Jihad, Jamaat Isla, Janbaaz-ul-Mujahideen,... also play a no small role⁵⁵.

Pakistan's strategy in the Kashmir Valley entails propagating religious fundamentalism to promote separatism, training youth in acts of sabotage, attacks on security forces as well as in the use of automatic weapons and explosives and lastly training groups of agitators in order to tarnish India's secular and democratic image. By fomenting turmoil in the region, they incite the Indian government to use repressive measures and thereafter try to convince the public into believing that Delhi is engaged in a large-scale and systematic violation of human rights. Islamist organisations play a key role in this strategy. They assist in the recruitment and training of international volunteers for the Kashmir cause⁵⁶, rally international opinion and collect funds. Lastly they are the principal vector of the Islamisation of elements opposing Indian rule in Kashmir.

More than the ideological content of their respective programmes or their action in the Valley, the real question that the existence of these groups poses is the degree of control exercised over them by the Pakistani army. In other words, will they or will they not constitute an obstacle to any future settlement between India and Pakistan on Kashmir? The answer to this question partially depends on whether the Kashmir dispute qualifies as a typical territorial conflict between India and Pakistan or as just one step in the global fundamentalist project. That it is the second eventuality, which is the goal of some organisations is not in doubt, but in no way does this affect the nature of the conflict as long as the Pakistani army manages to retain its hold.

It must be mentioned that some of these groups are heavily dependent on the ISI (Inter-Service Intelligence). In fact some, such as the Harkat-ul-Jihad, are the creation, pure and simple, of the Pakistani intelligence services. Others on the contrary, and particularly the more prominent among them, enjoy full autonomy, including financial, and their links with the Pakistani army and state machinery are generally more ambiguous.

Their relationship seems in fact to be characterised by mutual instrumentalisation. The Jamaat-i-Islami, which has a political and military presence in Kashmir through the intermediary of the Jamaat-i-Islami Jammu-Kashmir (member of the All India Hurriyat Conference that we will take up later) and the Hizbul Mujahideen respectively, supports the Pakistani government each time that the latter backs an Islamist cause somewhere in the world, but distances itself as soon as the same government takes a step away from the ultimate goal. At the same time no Pakistani government has ever wanted to figure as a troublemaker in the eyes of the world, any more than it can abandon the Kashmir cause. All Islamist groups are hence instruments, that moreover enable the government to deny the charge of direct involvement. These Islamist groups, even if they have limited means at their disposal, can sustain a low intensity conflict in Kashmir without Islamabad ever being seen as the instigator.

The growing professionalism of the mujahideen operating in the Valley moreover seems to indicate an increasing synergy with the Pakistani special services that alone are in a position to supply them with the necessary information. While the criminalisation of the

⁵⁵ For a complete description see P. Stobdan, "Kashmir, the key issues", Strategic Analysis, Vol. XIX, no. 1, pp. 111-39, pp. 119-20.

⁵⁶ According to the Indian intelligence services, there are 60 to 65% foreign volunteers among the militants operating in the Valley. This percentage however seems somewhat excessive as, on the contrary, the present trend is towards greater indigenisation of the guerrilla.

guerrilla and the quasi anarchy that reigned in their ranks resulted in a severe electoral setback in 1996, today the mujahideen are much better trained, use propaganda techniques to better effect and treat the local population with respect. They are thus able to garner genuine support from the people⁵⁷. The Kashmiri guerrilla today is increasingly composed of local militants operating under ISI control, which constitutes a near-ideal scenario for Islamabad, as the latter can stress the fact of the indigenous nature of the rebellion.

In fact, there have been no indications from any recent crisis that Islamabad is losing its control over the Islamist organisations. During the summer of 1999, when Nawaz Sharif decided to pull back the Pakistani troops from Kargil, the Jamaat-i-Islami and with it the Pakistani and Kashmiri Islamist current as a whole, immediately blamed the government for having ceded to American pressure, but refrained from attacking the army, which had initiated the operation and was therefore directly responsible for the fiasco. A year later, it was on Islamabad's orders that the Kashmiri wing of the Hizbul Mujahideen proposed a ceasefire on the condition that the Indian army do likewise and that a dialogue with Pakistan be initiated. It was also on Islamabad's orders that the proposal was withdrawn soon afterwards.

No doubt these movements, or at least the more important amongst them, enjoy genuine autonomy because they are not financially dependent. Their funds come from various sources, including the usual economic assets (e.g. factories...), donations from rich foreigners mostly from the Persian Gulf countries, but also from all types of trafficking across Afghanistan. These resources grant them a margin for manoeuvre in relation to the Pakistani army and a capacity for inflicting damage without however rendering them completely independent from the latter's tutelage. If Islamabad was to withdraw its support tomorrow, the Islamist organisations would probably be able to continue operations in the Valley, but would also very soon be forced into an unconditional surrender to the Indian troops. It is for this reason that the Indian government continues to insist that the Pakistani army's support to these groups be stopped, which for many Indian officials is the single most vital factor in all negotiations with Pakistan on Kashmir.

To date, the hypothesis that the Pakistani government is a political prisoner of Islamist groups is pure speculation, even if it is reinforced by the discourse of the secular elites - military or otherwise - that revel in presenting disaster scenarios (after us the deluge), an exercise in which they have become proficient, in order to solicit the backing of international financial organisations and hence continue in power. The Pakistani ruling elite for the moment remains very much in control of its decisions.

⁵⁷ A great number of the atrocities committed against the civil population is the work of the Indian forces themselves or of renegades, i.e. reformed militants operating for these forces.

. The Kashmiri people and the All Parties Hurriyat Conference (APHC)

The Kashmiri people are a crucial element in the dispute between India and Pakistan. Whether they live on Pakistani or Indian territory they are really under neither's control, and it is this control that is chiefly at stake in this conflict. No foreign observer visiting the Valley can fail to notice the degree of aversion for India felt by the great majority of the population. Years of repression, often blind, have created a deep and long-lasting resentment towards New Delhi, which still insists on treating Kashmir as a simple law and order problem. The rejection of India however does not imply that they have now joined Pakistan. Although the Kashmiris may often sympathize with the militants, they have on the contrary no illusions about the Pakistani government, who for them is equally guilty of pursuing its own agenda in Kashmir without any thought for their suffering.

If in the past the Kashmiris have expressed their rejection of Indian domination and their distrust of Pakistan, they have on the other hand never been able to come up with a genuine alternative political programme. Their political representation, which is mostly concentrated in the All Parties Hurriyat Conference, reflects this inability to unite around something other than the revolt against the existing order. It is in effect not a party but a grouping of twenty-seven political organisations, united in their common antagonism towards India. Out of these twenty-seven parties, two, the Jamaat-i-Islami and the Muslim Conference, are in favour of acceding to Pakistan, while the remaining twenty-five either opt for an independent Kashmir or vacillate between these two positions, depending on the circumstances. This situation has given to the pro-Pakistani organisations, supported directly by Islamabad and which redistribute (in the case of the Jamaat-i-Islami) a part of the funds provided by Pakistan, an importance out of all proportion to their representation. The APHC, moreover, is not the only Kashmiri political outfit. Having boycotted the Legislative Assembly elections in 1996, it is no longer represented in this forum and has made way for the National Conference led by Farooq Abdullah, who subsequently became the Chief Minister of Jammu & Kashmir. In addition, wary of being trapped into participating in elections that it could have won but, as a result of the Central Government's policies, would not have been able to fulfil the aspirations of its supporters, its participation in the next elections scheduled for Autumn 2002, remains uncertain.

However, despite its obvious flaws and disunity within its ranks, perhaps also because of the vague nature of its programme, which can be summarized more or less in a single point, a referendum for self-determination, the APHC remains a popular organisation that today cannot be ignored. Hence, it constitutes an essential stake in Indo-Pak rivalry. The Indian government is fully aware of this. As a result it is constantly trying to divide and discredit the organisation, trying at the same time, but in vain, to create an alternative political force and to identify a personality capable of rallying the support that it enjoys today in favour of India. The Pakistani President, General Musharraf, is also aware of its supreme importance. During his visit to India on July 14, 15, 16, 2001, he made it a point to invite its representatives to a "tea party" at the Pakistan High Commission, and did his utmost as head of state to confer on it all the legitimacy possible and designate it as a necessary party to the discussion. This provocation caused great irritation to the Indian government and generated a volley of criticism from the local press.

The Kashmiri people and their representatives are full partners in the drama being enacted, although incapable of preventing a hypothetical accord between Islamabad and New Delhi, they still constitute an additional political problem. They are a constant reference in the Pakistani political discourse, and it would be difficult for Islamabad to abruptly disregard them. It is true that the Indian authorities do not even now want to acknowledge the reality of a Kashmiri identity that the autonomy guaranteed to Kashmir by

article 370 of the Constitution (and never implemented) nevertheless implicitly recognises.

The affirmation of the role of the United States

In this context, would the United States be likely to facilitate an accord that seems rather hypothetical? The nuclear tests of 1998 undeniably constituted the start of a new phase in the triangular relationship of India-Pakistan-United States. The sanctions that followed prevented the United States from continuing its search for a new equilibrium, marked by a more substantial commitment towards India in view of its economic growth and strategic capabilities, yet compatible with the guarantees given to Pakistan despite the decline in their military and strategic relations⁵⁸. The nuclear tests in effect dealt a severe blow to the American non-proliferation policy and created a serious risk of nuclear confrontation in a volatile political zone, which to some extent lent credibility to the 1999 Kargil crisis.

In consideration of their long-term interests, the United States nevertheless decided to revive their efforts. These interests included preventing conflicts from developing in South Asia, the promotion of democracy, the increase in economic growth, trade and investments, and the development of political and if possible military cooperation on a series of global problems, ranging from terrorism to environment and including drug trafficking, etc⁵⁹. The United States viewed India and Pakistan as strategic partners to be treated with consideration because of the economic but also military and political risks that the sanctions and the Glenn and Pressler amendments brought to bear, in particular on Pakistan, which was far more dependent on international aid than was India. Washington nevertheless had no intentions of jeopardising its non-proliferation policy, instead thought it advisable to modify its policy to fit each case. The “normalisation” process spectacularly initiated by President Clinton’s visit to India and his brief stopover - a few hours - in Pakistan (this despite the military coup that had taken place some months earlier) during which the Americans resumed their support to the multilateral economic development programmes and made clear their willingness to revive the dialogue on strategic cooperation. The American position indicated a marked change: it showed a willingness to strengthen the dialogue with India in view of a future partnership, without disturbing the symmetry with Pakistan, which New Delhi found very exasperating. A new situation was created where the two rivals in the sub-continent competed with each other for an alliance with the United States.

Paradoxically, this rivalry had the unexpected result of placing India and Pakistan in a situation that called for mutual cooperation, which although limited went very much against the grain. Both made overtures to the same potential ally whose most exacting requirement was their reconciliation, fuelled by the fear that their dispute, which in reality was of no great significance, would be transformed into a nuclear nightmare. This was particularly noticeable during the Agra summit, which took place at a time when sharp

⁵⁸ Ashley J. Tellis, “The changing political-military environment: South Asia”, *The United States and Asia: Towards a New U.S. Strategy and Force Structure*, Rand, August 8, 2001, pp. 203-240, p. 236.

⁵⁹ Richard Haass and Morton C. Halperin (co-chairs), *After the Tests: US Policy Towards India and Pakistan*, Report of an independent task force, co-sponsored by the Brookings Institution and the Council for foreign relations, 1998, p. 4.

divisions surfaced within the ruling party over the line to be taken. This was obvious from the manner in which events unfolded. If the two governments presented the meeting as the outcome of their resolve alone, commentators on both sides of the border lost no time in stressing Washington's role. Whatever the diplomatic manoeuvres conducted by the Americans, it is certain that the United States played at least a passive role. The lifting of sanctions and, in India's case, the hope of a "strategic partnership", even if its outline was still blurred, visibly constituted an inducement for negotiations between the two countries. New Delhi moreover tried to quickly wipe out the negative impression created by its obvious responsibility in the failure of the summit.

. The consequences of the September 11, 2001 attacks

It would be useful to take a quick look at the consequences of the September 11, 2001 attacks, both for the future of Indo-Pak relations as well as for the role of the United States in the region.

The attacks created a new situation in the Indian sub-continent, which resulted in heightened competition for an alliance with America. Setting aside the years of ideological confrontation, India offered unconditional political and logistical support to America. It also declared that it would fight alongside America, qualified henceforth as a "natural ally", at the forefront of the war against international terrorism. Obviously New Delhi hoped to kill two birds with one stone. By drawing spectacularly close to the United States, it thought it could, one, further isolate Pakistan, which was indirectly responsible for the tragedy because of its support to the Taliban and to certain militant groups, who had their own training camps in Afghanistan and, two, prepare the ground for a strategic partnership with Washington, which however was directed less against Pakistan than against China.

This, nevertheless, was to disregard geography and certain regional and international political realities, as well as the Pakistani authorities' capacity for reaction. With reference to the first point the United States could, to say the least, use the Pakistani air space and also operate if necessary from Pakistani territory in case of a ground attack. The second implied that the United States had to obtain China's consent, as the counter-attack affected a country whose borders touched the Chinese frontier, which automatically excluded India. Essentially, India is one of the components of the Afghan problem. Its open support to the Pashtunistan cause since 1965, in other words the Afghan demand for territory situated between the Pakistan-Afghanistan border, i.e. between the Mortimer Durand line and the Indus, is one of the factors that motivated Pakistan's Afghan policy. In case of a conflict with India, Islamabad was concerned about having to fight on two fronts. In this context, if Washington wished to ensure Islamabad's support, India's direct participation in the operations was completely unacceptable to Pakistan; on the other hand, it had to renounce its Afghan policy (but not its objectives).

The Pakistani President was conscious of Indian intentions and the fragility of his position. In his speech to the nation on September 19, 2001, he accused India of trying to take advantage of the situation and concluding an alliance with America to Pakistan's disadvantage. At the same time he declared that Pakistan would provide total support to the United States⁶⁰. Some days later Washington announced that the sanctions imposed

⁶⁰ President Musharraf declared in particular : "They offered all military facilities to America. They want America to be on their side. Their aim is that Pakistan be known as a terrorist state, and that our strategic interests as well as the Kashmir issue suffer", *The Hindu*, September 20, 2001.

against the two countries in 1998 following their respective nuclear tests, were being lifted. But the days that followed were marked by the revival of the American-Pakistan relationship.

. The implications for Pakistan's policy

It would be interesting to know what the long-term impact of the present crisis on Pakistan's policy will be or, more specifically, what sort of room for manoeuvre Islamabad will henceforth have in its handling of the Kashmir dispute. The Kargil crisis unequivocally demonstrated that Pakistan was determined to use the tactical advantage provided by its nuclear capability to maximum advantage. Besides which, the economic and military gap continues to grow between the two rivals, increasing Pakistan's feeling of vulnerability, and thus transforming the issue of Kashmir's autonomy into an element of a wider strategy whose central aim is to weaken India significantly and permanently.

Now the options available to Pakistan, already just a handful, seem to have decreased even further. Until September 11, there were only three that could be used alternatively or simultaneously, depending on the circumstances, namely:

- negotiate with India on terms dictated largely by New Delhi;
- involve the international community in finding a solution to the Kashmir problem, but one that would take Islamabad's priorities into consideration;
- conduct a low intensity war in Kashmir in order to force New Delhi to negotiate a partial settlement with Islamabad, which would be favourable to Pakistani interests⁶¹.

Until now Islamabad had held two major trump cards: firstly, the Kashmiris themselves, whom India had to a great extent managed to alienate and who, as autonomous players, constituted a weighty argument in support of Pakistani aspirations for international legitimacy in relation to this particular issue; secondly, the fact that both India and Pakistan had acquired nuclear capability, a corollary to which was the international community's renewed interest in the Kashmir problem.

Despite General Musharraf's declaration of January 12, 2002, in which he announced the banning of the Lashkar-e-Toiba and the Jaish-e-Mohammad, he still holds the first trump card. The Pakistan President had shown due consideration to the American point of view and purportedly made a major concession to India. He however shrewdly refrained from banning the Kashmiri outfits, which give him considerable leverage over India, as it enables him to insist on the local nature of the revolt. This however has opened the door to a political settlement with New Delhi, for any compromise between these organisations and the Indian government, whenever this occurs, will be acceptable to Islamabad.

Can Pakistan, in this context, play the Chinese card and so give itself some political space in relation to New Delhi? It should firstly be observed that, by virtue of the existing links between Pakistan and the United States, Beijing's backing of Islamabad, focused primarily on precluding Indian hegemony in South Asia, has never been total. During the East Pakistan crisis in 1971, this support was mostly verbal. Also, although China continues to be the principal supplier of military technology to Pakistan, since the end of the cold war it has gradually distanced itself vis-à-vis any Pakistani action likely to jeopardize the stability of South Asia. This also applies to the Kashmir question. The chilly welcome reserved for the Pakistani Prime minister, Nawaz Sharif, during his visit to Beijing at the time of the Kargil crisis is a striking illustration of this stance. China seems to have

⁶¹ See Ashley Tellis, *op. cit.*, p. 219.

accepted the reality of Indian hegemony in South Asia. Beijing is trying to help India's neighbours to preserve their security in order to ensure that New Delhi remains within the space marked out for it and not does attempt to overreach itself⁶².

Its posture with regard to the American reaction in the aftermath of the September 11 attacks is in consonance with this. Already committed to the war against terrorism in Central Asia as a member of the "Shanghai group", like Russia, it has no choice but to support an intervention of this scale against terrorism, for which the only concession it has asked for is a guarantee from the United Nations. This does not mean that it is happy about the American military presence in the region. In view of this it is difficult to envisage the circumstances that could induce it to question the policy for the maintenance of the status quo in favour of Pakistan, except perhaps the improbable scenario of an Indo-American alliance openly directed against it. There is no doubt that the renewed American interest in Pakistan signifies the decline of Chinese influence in this country. On the whole Islamabad's room for manoeuvre has decreased but not disappeared.

Incidentally, the crisis triggered by the September attacks in the first place highlighted the real weight of the "jihadi" organisations. The announcement of Pakistan's support to the American operations triggered off a number of demonstrations in which some people were also killed, especially in Karachi. The more pessimistic reports even envisaged the possibility of the destabilisation of the regime. But this was forgetting rather too quickly that these demonstrations were not the outcome of the activism of the jihadi organisations alone, in fact the ethnic factor played an infinitely more important role than ideological considerations in mobilising the Pathans from the North-West. This was the area where a great number of Afghans had taken refuge and which had experienced maximum turmoil during the entire period of the Afghan war. This was also forgetting that there were profound divergences in the anti-American or pro-Taliban rhetoric spewed out by the Islamist organisations, which were accompanied by fierce internecine struggles for power. If the Jamaat-e-Ulema, the main supporter of the Taliban, could not but oppose American intervention and President Musharraf's actions in support of it, the enthusiasm shown by the rival organisation, the Jammat-i-Islami, purged from the Afghan scene when the Taliban seized power in 1996, was more questionable. Once the passions had been somewhat spent, one can imagine that its leaders were none too vexed to see the balance of power between the Islamist organisations restored to some extent in their favour. Lastly, it was also forgetting that the Pakistani Islamist parties, even when they claimed to be a radical alternative to the incumbent power, are not much more than an element of the institutional opposition to the latter. Thus they form an integral part of the political establishment of which they are only one of the extremes. They fulfil the function of aggregating and channeling the various expressions of protest that to a large extent they manage to prevent, if imperfectly, from spilling over.

⁶² *Ibid.*, p. 228.

Economic cooperation and bilateral relations

. The low priority given to economic relations

In these circumstances, what is the present and future role of economic relations between the two countries? Bilateral economic cooperation between India and Pakistan has been very limited since Independence. During the nineties, while India saw its foreign trade double, the percentage of its commercial exchanges with Pakistan in comparison with the total volume of trade remained constant, when it did not regress. Neither of the two countries imports any of the principal export products manufactured by the other. It goes without saying that direct investment is non-existent.

Pakistan has until now refused to grant the Most Favoured Nation status to India. As at each meeting of the Organisation of Islamic Conference since 1993, Pakistan has reiterated its demand for the Muslim states to impose economic sanctions on India because of its human rights violations in Kashmir, it would be politically contradictory for it to suddenly offer this status to New Delhi. Just before assuming office in October 1999, the External Affairs minister had notably declared, "Pakistan has till now deemed trade an integral part of its policy on India... Tensions and threat perceptions to security do not permit normal neighbourly relations in any field... We can only suppose that past policies (linking trade with the Kashmir issue) were wrong; that our political leaders, our professional analysts and public opinion went astray; and that now, suddenly, the government has seen the light, in such a way that regulations and caution can be abandoned in favour of free trade and even preferential trade with India"⁶³. In fact, Pakistan is under no obligation to grant India the status of Most Favoured Nation, just for the sake of reciprocity. It is authorised to refuse it or impose conditions under the provisions of article 24 paragraph 11 of the 1994 GATT Agreement, which refers specifically to trade agreements between India and Pakistan.

The antagonism between the two countries is however not the only reason. The Indian and Pakistani economies are more competitive than complimentary, and their exports are based on the same categories of products (textiles, leather, shoes, maritime goods and other labour intensive ready-to-wear manufactures). Pakistan is apprehensive of not being able to compete with India and is particularly afraid of suffering the same fate as Bangladesh, which was flooded with Indian goods without being able to export to India in return. Despite trade restrictions between the two countries, Pakistani industrialists complain that the country is inundated with consumer goods of Singaporean origin that are re-exported to Pakistan via India. Despite the surcharges generated by these practices, these products are cheaper than the corresponding Pakistani goods. A free trade policy would only aggravate this trend. The question that needs to be answered is whether there is genuine potential for cooperation between the two countries and, if the answer is yes, to see if it can lead to a significant improvement in relations.

We may however remark that it is the Pakistani textile industry that first took the initiative in requesting that India be given the most favoured nation status. In effect, it does not have the funds necessary for modernisation, which has now become vital in view of the removal of the quotas restricting imports and exports towards the end of 2004. Besides this, because of the American and Japanese sanctions as well as an excessive external debt, it

⁶³ B. Raman, "Liberalisation but not normalisation", South Asia Analysis Group, Paper no. 272, <http://www.saag.org/papers3/paper272.html>

cannot obtain credit facilities necessary for the purchase of machinery from its traditional suppliers (Japan, Germany, UK). It is therefore planning to import the same machines from India, as their quality is comparable and transport costs less. Despite the conservative arguments referred to earlier, we also note that President Musharraf seems ready to consider the possibility of liberalising the existing restrictions, without however completely normalising economic relations or granting India the Most Favoured Nation status.

It would nevertheless be unrealistic to expect that either of these two countries, India in particular, could have a major impact on the other's foreign trade in the near future. The Confederation of Indian Industry (CII) nonetheless estimates that the potential of bilateral trade is around 5 billion dollars per annum instead of the present 800 million⁶⁴.

. Energy, a possible factor in rapprochement?

If there is any sector that has the potential to draw India and Pakistan closer, it can only be energy, and in particular, natural gas. Energy is in fact one of the rare areas in which the economies, not only of India and Pakistan but also of the entire region, are complementary and the capital necessary for its development relatively easy to obtain.

According to the American Department of Energy, Indian energy consumption should normally double by 2020, increasing on an average by 3.7% per annum. The increase in the consumption of natural gas should be even higher, with the average rate of increase slated at approximately 6.5% per annum. These projections for the consumption of natural gas alone are an indication of the discrepancy between demand and supply: the production capacity is estimated at 25 billion cubic metres. Other projections of Pakistan's energy consumption show that it will double in the next ten years⁶⁵. Moreover, both countries are searching for less expensive and less polluting energy sources as an alternative to petrol imports on which they are at present greatly dependent.

India and Pakistan have made every effort individually to develop their imports of natural gas from the Persian Gulf and Central Asian countries. Several projects for laying down pipelines linking Iran, Qatar, Turkmenistan, Emirates to Pakistan and thereafter to India have been proposed. No project has been finalised to date. Only one, linking the Iranian gas field in southern Pars to Pakistan and India seems to have found approval with the Indian authorities. In effect, all the studies undertaken on this subject concur that the construction of common pipelines would result in vast economies of scale and thus in a substantial reduction in the unit cost of natural gas. In the case of both India and Pakistan, in addition to a very welcome improvement in their respective balance of payment positions, these projects would ease the pressure on the infrastructure of the ports, roads, railways, which, as there is no alternative for the moment, is used for the transport of liquid fuel. This would automatically help in preserving the environment and also reduce the cost of production of electricity. To this would be added the returns from several billions of dollars worth of investment. The construction of these pipelines does not pose any technical problem⁶⁶. The Indians do not refute these arguments. The snags lie with the

⁶⁴ "Immense opportunities exist for strengthening Indo-Pak bilateral trade ties", *CII News*, Press Releases, July 2001.

⁶⁵ Hilal A. Raza, "Potential and prospects of trade and cooperation in oil and gas sector between India and Pakistan", *India's Energy Security: the Oil and Gas Dimensions*, New Delhi, April 10-11, 2001.

⁶⁶ See Rahul Tongia & V. S. Arunachalam, "Natural gas imports by South Asia: pipelines or pipedreams? ",

security, political and above all psychological aspects. The Indians do not like the idea of finding themselves dependent on Pakistani goodwill, as they would be in a position to block the supply of gas to India, depending on the degree of political instability between the two countries. It is politically difficult to get the public as well as an important section of the political class to endorse such a project. Lastly but most importantly, this same political class has strong reservations about any project which would benefit Pakistan.

However, we also have the example of the Indus water treaty, concluded in 1960, which has never been challenged despite three wars - 1965, 1971 and 1991. What is much more important is that neither country would be interested in sabotaging the project as both would be drawing substantial benefits from it. This pipeline would be constructed by a consortium of multinationals and would necessitate multilateral funding, with both these factors guaranteeing the durability of the project.

Until recently, these arguments proved insufficient to convince New Delhi, as it was the political and psychological imperatives that prevailed. Iran and Pakistan tried for months to promote this project but in vain⁶⁷. India seems to prefer the option of an underwater pipeline running along the Pakistani coast, but resting on the continental plateau, which it feels is safer although much more expensive. The situation only evolved significantly in the spring of 2001. In answer to an Iranian proposal, Jaswant Singh, the External Affairs minister, declared at a press conference that the construction of a pipeline between Iran and India was a bilateral matter between New Delhi and Tehran⁶⁸. By ignoring the Pakistani dimension of the project, the Minister was eliminating the main political obstacle to its implementation. It was Iran's headache to deliver the gas purchased by India and to settle the transit problems with Islamabad.

The stakes involved in the construction of the pipeline are obviously not limited to the sole issue of the delivery of gas. It goes beyond the purely symbolic aspect of a commercial relationship, which strictly speaking is somewhat banal. The construction of energy transport networks, the creation therefore of real links is, at the end of the day, likely to generate interdependence connecting the two countries more solidly than any other confidence building measure because of its long-term implications based on mutual interest. This would involve contributing to the security of the two countries through the transport of energy just as much as ensuring their security in the field of energy. In this context, it also subscribes to the outlook defined by the new Indian "realpolitik", i.e. to make a determined effort to shape the immediate environment and not merely to react to external constraints.

At the same time, it would be advisable not to exaggerate the scope, or even the potential, of such an achievement if it ever materialised. The gas conveyed in this manner represents a mere fraction of India's energy imports and would affect its overall consumption only marginally. It is precisely the small stakes involved that makes this an acceptable risk in comparison with the expected benefits on both the economic and political fronts.

The construction of this pipeline however remains uncertain if not improbable. Although it may have the potential to promote confidence between the two countries, it implies that this confidence be at least partially restored in advance. The agreement in principle to a

Economic and Political Weekly, May 1, 1999, pp. 1054-1064.

⁶⁷ *Financial Express*, April 12 2002.

⁶⁸ *The Hindu*, May 30, 2001.

bilateral transaction with Iran is artificial. It of course enables circumvention of the political obstacle, but does not in any way eliminate the difficulties that will inevitably arise during the implementation of the project. This will constitute a confidence building measure in itself. The latter will, of its own accord, act as a measure of the genuineness of the political will of the protagonists.

Thus the economic option does in no way constitute an alternative to the diplomatic and political options. It is of course tempting to establish a parallel with European construction and to lay stress on the establishing concrete links between the two countries, in order to try and promote their rapprochement. This however would be to forget that the decision to start off by constructing an economic Europe was a highly political decision. It would also mean postulating the existence of a very uncertain economic determinism. Economic considerations, which can be said to be negligible, are for the time being merely possible facilitators.

CONCLUSION

The obstacles to peace are numerous on both sides of the border, and if the disparity between their respective strengths is increasing, for the moment it only guarantees a persisting instability in the relations between the two countries. Although it may be possible to think of a peace process which would help in resolving or at least reducing the differences, peace itself however seems far removed and even improbable.

It seems that even now India has not really accepted Partition except superficially. By choosing to treat the Kashmir issue as a law and order problem, New Delhi demonstrates its rejection of the "two-nation theory", and by this it denies its neighbour's *raison d'être*. And if in Pakistan the problem is posed in somewhat different terms, the obstacles to peace are no less important. The difficulty is not so much the monopolisation of the debate by the more radical elements but the crushing weight of the army on this debate. The Pakistani army still seems to perceive the "land of the pure" as a fortress under siege by India. The debate on Pakistan's Islamic identity is still valid, although the intensity and instrumentality vary in degree according to the nature of the threat to which the country feels exposed at a particular moment in its history. But in the final analysis, it is of secondary importance when compared to the security considerations, even if it is responsible for presenting a rather hazy view of Pakistan to the rest of the world. Even if he is an Islamist, a Pakistani serviceman is firstly a soldier. If the weight of Islamist organisations in the political life of Pakistan is seen as preponderant even now, this judgement is belied by the facts; the crisis engendered by the September 11 attacks being merely the last example to date. We continue to forget that the Islamist organisations, initially against the creation of Pakistan, have become what they are today only through a permanent dialogue, even if it is one of opposition, with the State. As a result, they have become more "nationalised" than the State has become "Islamised". Beyond the Islamist rhetoric, the distinction between the claims of a serviceman on Kashmir and those of an Islamist is very fine, just sufficient to enable the instrumentalisation of the latter by the former.

From this perspective, no change in Indo-Pak relations can be excluded a priori, but all

evolution presupposes an advance transformation of the internal situation in both countries. Many authors have tried to imagine these changes and analyse the events that would follow.

The scenario according to which Pakistan would collapse under the weight of its own contradictions is a recurrent theme of this type of literature. The only variable is the perception of the possible consequences. India has started to realise that a weak Pakistan would still be a nuclear Pakistan, with all the risks that a nuclear bomb in the hands of extremist groups would entail. Another more recent and more optimistic version from the Indian point of view, the outcome of the imaginings of the RSS ideologues, is that Pakistan would succumb to the "civilisational" attraction of India. Few Indians however are enthusiastic about the prospect of some 140 million Muslims suddenly being reintegrated with India.

We cannot ignore disaster scenarios in which a nuclear Pakistan turned suicidal Pakistan through an erroneous judgement of India's intentions, would drag the latter down with it in its fall.

More realistic however, and which seems to have been validated by President Musharraf's January 12, 2002 speech, are the scenarios envisaging a shift in Pakistan's goals, which would henceforth give priority to development. India would then find itself in a paradoxically embarrassing situation for the ball would now be in its court to give proof of the sincerity of its efforts to resolve the Kashmir dispute.

It is however rather improbable that the players will be able to settle their differences without an external mediator, the United States being ideally designated for this role. The temptation, already present, would then be for each side to make the US their exclusive ally. This however does not really fit in with America's plans.

It is thus reasonable to think that the volatility that characterises the relations between the two countries would continue, involving a dual frustration for India: it cannot resolve its dispute with Pakistan either by force, or peacefully, and it cannot afford to ignore it. Pakistan will be known in South Asia as the "nation of refusal", the anti-status quo State, and a permanent thorn in New Delhi's flesh, whose foreign policy continues to be affected by it. India will no doubt remain the dominant power in South Asia. Because of the Pakistan problem it is highly unlikely on the other hand that it can find a role that conforms to its aspirations.