

**PAKISTAN-INDIA RELATIONS
IN
THE POST-COLD WAR ERA**

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CERTIFICATE

This is to certify that the dissertation entitled "**PAKISTAN-INDIA RELATIONS IN THE POST-COLD-WAR ERA**" submitted by **S.R.T.P. SUGUNAKARARAJU** in partial fulfillment of the requirements of the degree of **MASTER OF PHILOSOPHY (M.Phil)** of the University is his own work and has not been submitted for the award of any other degree of this University or any other University to the best of our knowledge.

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IN LOVING MEMORY OF MY FATHER...

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CHAPTER-I

INTRODUCTION

In the last fifty years Pakistan-India relations, unfortunately, have remained adversarial. The two countries have fought three wars in the past and even during the rest of the period their bilateral relations were characterised by mutual distrust, suspicion and tension. The tensions and conflicts in their bilateral relations have had their impact not only these countries and their peoples but also on the entire South Asian region. The pace and direction of the Pakistan-India relations has been determined by their bilateral disputes, their respective domestic socio-political dynamics and by the global cold war politics into which south Asia has also been dragged. The basic determining factors that have influenced the formulation of Pakistani and Indian foreign policies vis-à-vis each other have been the problems created by the partition of the sub-continent and their respective domestic political compulsions as well as the dynamics of the cold war politics. The partition of the subcontinent has created the problems like territorial and border disputes, the problem of minorities, evacuee property sharing of the western river waters, distribution of financial assets. The differences over these problems affected adversely the course of the Indo-Pakistan relations in the past. The contentious bilateral issues that have largely determined the direction of Pakistan-India relations include the Kashmir issue, Siachen, Wular Barrage project, Sir Creek etc. While some of the problems that have arisen both during and after the partition were

resolved by the two countries, some other intricate and complex issues like Kashmir continue to strain the relations between the two countries even today.

The national ideologies, national interests, and their respective attitudes towards world politics have determined Indian and Pakistani foreign policies towards each other. Indian foreign policy in general and India's Pakistan policy in particular are based on the principles of non-alignment, democracy, secularism and peaceful co-existence. India's policy towards the Indo-Pak bilateral issues is governed by its supreme national interests of promoting and protecting its national unity and territorial integrity. In line with its foreign policy posture of non-alignment India has followed the approach of bilateralism towards its disputes with Pakistan while the latter seeks to involve third party to resolve the bilateral disputes. The interesting feature of Indian foreign policy towards Pakistan is that from the beginning there has been a broad national consensus in the country on the foreign policy matters, be it in the case of Kashmir or any other dispute with Pakistan. Indian foreign policy towards its neighbours, including Pakistan has been predicated on principles of Panchasheel which include peaceful co-existence and non interference in internal affairs of other countries and forging of good and friendly relations. Another domestic factor that plays a significant role in the formulation of India's Pakistan Policy, directly or indirectly, is the presence of large number of muslims in the country who constitute the largest

national minority. For instance, it is argued that the state of Jammu and Kashmir, with a majority Muslim population, is central not only to India's territorial integrity, but also to strengthen the secular foundations of the Indian state.

Pakistan's India policies have largely been determined and shaped by both the domestic political compulsions as well as the external factors. Pakistan internally faces an identity crisis vis-a-vis India and this has been a major domestic political consideration impinging on its India policies. Pakistan faces the problem of identity crisis in that it has no natural frontier and separate history, or even culture, linguistic or ethnic identity of its own. Except that the bulk of Pakistanis are Muslims, it has almost everything in common with India. Moreover, the two nation theory, on the basis of which Pakistan came into existence was proved to be fallacious by the secession of East-Pakistan and emergence of Bangladesh. Also, Islam has not been successful in forging and consolidating national identity and integration in what remained of the united Pakistan. As 'Pakistan ideology' proved to be fallacious, the Pakistani rulers emphasized on the inculcation of an anti-India attitude of mind as an essential component of Pakistani patriotism. This has inevitably led to an abiding anti-Indian stance in Pakistani foreign policy. Another major determinant of Pakistan's India policy is the belief of the Pakistani rulers that the validity of the two-nation theory can be reasserted and reaffirmed only if the Muslim majority Indian state of Jammu and

Kashmir secedes from India and joins Pakistan. Therefore Pakistan's India policy has largely been determined by the Kashmir factor. Pakistan also claims that it is the guardian of the Muslims of the sub-continent and, therefore, is concerned about the safety and future of Muslim minority in India. The basic and more important than the above, determinant of Pakistan's India policies is that from the inception Pakistani decision-makers believed that India has not reconciled itself to the creation of Pakistan and is bent on undoing Pakistan and, therefore, poses a security threat to Pakistan's territorial integrity. Pakistan perceives India as a politico-military and religious threat to it, even if any actual threat does not exist.

The first and foremost objective of the Pakistan's foreign policy therefore, had been to seeking security against India. For Ayub Khan, the 'security and development' were the principal objectives of Pakistan's foreign policy and this security included preservation of Pakistan's ideology.¹ Pakistan in the initial phase had sought to forge Islamic solidarity and brotherhood with all the Muslim countries of South West Asia. Prime Minister Liaquat Ali Khan speaking before the world Muslim conference at Karachi on 9 February 1951 had stated: "If the western democracies can enter into pacts to protect their way of life and if the communist countries can form a block on the basis that they have an ideology, why can't the Muslim peoples get together to

¹ Mohammed Ayub Khan, *Friends Not Masters: A Political Autobiography*. London, 1967, p.115

protect themselves and to show to the world that they have an ideology and way of life which ensures peace and harmony in the world".²

In line with these objectives, Pakistan sought to enlist the support of the Muslim countries to balance India militarily and for political and diplomatic support over the Kashmir issue. In the immediate post-independence period, Pakistan turned to the Islamic nations of South West Asia. This was ideologically attractive, as at that time Pakistan took its Islamic status much more seriously than did most of its neighbours to the west; moreover, it seemed to hold the promise of Pakistan's inclusion in an Islamic system that would allow Pakistan to limit its involvement in South Asia³. However Pakistan has failed in its endeavour because of the basic differences within the Muslim countries of South West Asia. Pakistan, therefore in its anxiety to achieve military parity with India pursued a policy of total alignment with the West thereby paving the way for Great Power involvement in the affairs of the subcontinent.

It was the Pakistani leadership which initially devised a strategy of involving the U.S. in the affairs of South Asia to neutralize India. Even before the sub-continent was partitioned, Mohammed Ali Jinnah

² Cited in S.M.Burke; *Mainsprings of Indian and Pakistan Foreign policies*. p.117.

³ Richard Sission and Leo E. Rose. *War and Secession: Pakistan, India and the creation of Bangladesh*. 1990, p. 47.

started sending feelers to the United States about the utility of Pakistan for American interests in the region. He elaborated two types of threat, in the containment of which Pakistan could play an important role: Russian aggression and Hindu imperialism. His contention was that Pakistan was situated in an ideal position to check both menace and, hence, the United States should provide assistance to it. Before taking over the reins of power in the newly created Pakistan, Jinnah had conveyed to the American Ambassador in India and other Department of State officials that a sovereign Pakistan would be in consonance with American interests.⁴ The colonial powers especially the United States had developed an intrusive interest and patronization in the sub-continental affairs. Their thinking was that colonial power would continue to play a guiding role in the sub-continent even after India's partition into two political countries. The derivative logic was as the partition reflected the bitterness and antagonism between the two major communities inhabiting India, the British and other important western powers would have to play an arbitrating, pacifying role in setting relations between them.⁵ The great powers intervened in south Asian affairs to promote their global strategic interests. In the early 1950s the U.S was looking for new allies in Asia to contain China and the Soviet Union. Pakistan's geographical situation, its contiguity to China, and its position below Russia's belly were

⁴ Cited in D.D. Khanna and Kishore Kumar, *Dialogue of the Deaf: The India-Pakistan Divide*, p. 212.

⁵ J.N. Dixit, *Anatomy of a flawed inheritance* 1995, p.212.

considered ideal for military bases from where the U.S. could operate. The U.S. therefore, entered into a military pact with Pakistan. The U.S. interest in South Asia, apart from containment of communism, was to check India's power and influence in the region by acting as a useful counter force to Nehru's neutralism.⁶ Pakistan, on its part, gave up its initial foreign policy posture of non-alignment and joined the western military alliance led by the U.S. Between 1953 and 1962 Pakistan got \$2.1 billion in aid from the U.S.A. of which \$1.6 billion was economic aid and \$ 0.49 billion was military aid.⁷

During the 1960s Pakistan adopted an approach of bilateralism under which Ayub Khan sought to cultivate China against India. Following the worsening of relations between China and India and 1962 Chinese aggression against India, China came close to Pakistan. This foreign policy posture of bilateralism was meant to maintain good equation with all the three major powers the Soviet Union, the U.S and china and seek guarantees and assistance from them to balance India. In the words of Ayub Khan "it would be like walking on a triangular tight rope it was vital to determine the limits of tolerance within which bilateral equations might be construed. The big power might have their differences but Pakistan need not get involved in that; we should neither philosophize about their problems nor act as

⁶ V.D. Chopra, *Pakistan and Asian Peace*(New Delhi: Patriot Publishers, 1985), p. 49.

⁷ K.R. Singh, "Pakistan and Southwest Asia" in V.D. Chopra (ed.) *Studies in Indo-Pak Relations*, 1984, p. 275.

busy bodies. This approach is dictated by a sense of Pakistan's limitations: we have neither the desire nor the capacity to get mixed up in their wrangling. We are not in a position either to influence their decisions or to solve their problems. The basis of our foreign policy thus is that we stay within our own means, political as well as economic".⁸ This policy had resulted in cementing of China - Pakistan ties and China extended its help to Pakistan during 1965 Indo Pakistan war over Kashmir. Pakistan received hefty economic assistance from china during the 1960s. In addition to the loans of \$60 million given to Pakistan in 1965, and another loan of \$40.50 million advanced in 1969, China gave \$6.90 million to Pakistan for the purchase of food. During President Yahya Khan's visit to Peking, China pledged a further 500 Yuan (over \$200 million) for Pakistan's Fourth five-year plan, thus doubling the amount of assistance given towards the previous plan.⁹

By initiating the 1965 war Pakistan attempted to snatch Kashmir from India. Six rounds of negotiations were held between India and Pakistan to resolve the Kashmir issue between 1962 and May 1963. However, neither side was prepared to make significant territorial concessions and these bilateral talks proved infructuous. The failure of bilateral negotiations gave rise to Pakistani misgivings

⁸ Cited in S.M. Burke, *Pakistan's foreign Policy: A Historical Analysis*, 1973, p. 360.

⁹ *Ibid.*, p. 363.

that its claim to Kashmir was steadily losing ground. The Pakistani leadership, therefore devised a strategy to foment a rebellion in the valley and then seize Kashmir through use of force. During this time following the theft of a holy relic from the Hazratbal shrine in Srinagar a series of riots and violent demonstrations erupted in the Kashmir valley in December 1963. Pakistan construed these events in Kashmir as indicative of widespread Kashmir resentment. Secondly, during the Rann of Kutch incident, when Pakistan tried some military incursions, the Indian government decided not to respond vigorously. These events, led Pakistani leadership to miscalculate and underestimate Indian military strength and Pakistan launched the 1965 war against India. The war, however, ended in a stalemate and under the terms of the agreement reached at Tashkent with the Soviet mediation, the two countries agreed to return to the status quo ante.

After the 1965 war Pakistan was receiving only little military aid from the U.S. and, therefore, Pakistani rulers relied heavily on China to meet Pakistan's security needs. During the 1971 Indo-Pakistan War over East-Pakistan, China gave Pakistan strong moral backing and the United States too tilted towards Pakistan. It may be noted here that the U.S. had sent U.S.S. Enterprise aircraft carrier into the Bay of Bengal as a way of reassuring Pakistanis of U.S. support of opposition to the impending occupation of East Pakistan by Indian forces. This war had led to the secession of East Pakistan from the Pakistan and emergence of Bangladesh as an independent nation.

Following its military debacle Pakistan entered into 1972 Shimla Agreement with India. Under the Shimla accord both Pakistan and India have agreed to resolve all the outstanding issues, including Kashmir through peaceful means bilaterally. The total military rout at the hands of India in the 1971 war compelled the Pakistani policy makers to look for alternative ways of seeking security against their perceived Indian threat. The Pakistani rulers' perception that India is out to undo partition and dismember Pakistan was further strengthened by Pakistan's military defeat in the war and secession of East-Pakistan. However, the Pakistani rulers failed to see the reason and understand the actual factors that have led to Pakistan's dismemberment. It was indeed Pakistan's domestic political economic and cultural factors that have led to the breakup of Pakistan and not any foreign hand as Pakistani decision makers believed. The domination of the Punjabis in the Pakistani military, bureaucracy and politics, the economic exploitation of East Pakistan by the west-Pakistani entrepreneurs and the imposition of Urdu on the East Pakistan Bengalis as the national language by Pakistan - all these factors combined together to alienate East Pakistanis from West Pakistan.

When the Bengali speaking people protested against the step-motherly attitude, the Pakistan army crushed and suppressed the protest movement with an iron hand. To escape the atrocities, and the repression let loose by the Pakistani army, millions of East Pakistanis

crossed the border and took refuge in India. Unable to accommodate the inflow of refugees India eventually had to intervene in the conflict. The emergence of East Pakistan has given a death blow to the two-nation theory on which Pakistan's national ideology was based. The secession of East Pakistani Bengali Muslims from Pakistan has falsified the two-nation theory on the basis of which Pakistan was carved out from Indian Subcontinent in 1947. However, the secession has created fears in the minds of the Pakistani rulers about the Islamic foundations of the Pakistani state and it is interesting to note that in the subsequent years there has been an increasing Islamisation of Pakistan polity. As mentioned earlier, Pakistan looked for alternative ways of seeking security against India after the 1971 war and Bhutto intensified Pakistan's quest for acquiring nuclear capability to balance India's conventional superiority. It was probably the humiliating defeat in 1971 war that crystallized Bhutto's thinking on the nuclear issue and set him irreversibly on the course to nuclear capability. However, Bhutto's nuclear ambitions for Pakistan could be traced back to a much earlier period. Addressing the National Assembly of Pakistan in 1965, Bhutto asserted, "If India builds the bomb we will eat grass and leaves, even go hungry. But we will get one of our own, we have no alternative."¹⁰ India's peaceful nuclear explosion of 1974 at Pokhran proved to be a convenient excuse for Pakistan to accelerate its own nuclear Programme and justify it to its own people. However,

¹⁰ Cited in Prithvi Ram Mudiam, Indo- Pak Nuclear Rivalry, *Strategic Analysis*, June 1997, p. 478.

Pakistan faced difficulties in obtaining technological aid from the external sources, as the western countries, including the U.S had tightened their nuclear non proliferation laws considerably following the Indian nuclear explosion in 1974 and kept a close watch on nuclear threshold states, that is, the states which are on the verge of acquiring nuclear capability. As the military aid was not forth-coming and the U.S has tightened its non proliferation laws Pakistan started searching for new avenues of economic aid for its nuclear programme. Pakistan negotiated with France in 1973 to buy a plutonium reprocessing plant despite American pressure not to do so and signed a deal for the same in 1976. However, France backed out of the deal in 1978 under American pressure. Pakistan, therefore, devised an alternative strategy and started pursuing the uranium- enrichment path of nuclear capability. In view of the resource constraints for achieving nuclear capability Pakistan began looking towards the West Asian Muslim countries for obtaining the required financial and technical assistance. Pakistan used India's nuclear explosion of 1974 to its advantage and sought to play the Islamic card for its nuclear programme. Pakistan argued that there had been Indo-Israel collaboration in the nuclear test conducted by India in order to rouse the feelings of the West Asian nations and to attract economic assistance from them. It was in this context that Bhutto referred to Pakistan's bomb as "Islamic" in nature. Bhutto asserted "The Christian, Jewish and Hindu civilizations have this capability only Islamic civilization was without it but that position was about to

change".¹¹ Thus by playing Islam card Pakistan had succeeded in extracting financial assistance from the Muslim countries like Libya, Saudi Arabia the United Arab Emirates and Turkey and by 1987 Pakistan had clandestinely achieved the nuclear capability.

Again during the 1980s, with the Soviet invasion of Afghanistan and the emergence of the 'Second cold war' Pakistan became a front line state in the American strategic designs to contain the Soviets. Pakistan served as the conduit point for the supply of huge quantities of sophisticated arms for the Afghan Mujahideen. The U.S had pumped in hefty military and economic aid packages into Pakistan. General Zia, to serve his own political interests, that is, to legitimize and consolidate his military dictatorship aligned totally with the U.S and allowed Pakistan territory to be used by the U. S in its fight against the Soviet forces in Afghanistan. Pakistan on its part welcomed the newly acquired status (as an ally of the U.S against the Soviet union) because it conveniently corresponded with Zia's plans of legitimizing his precarious position at home by raising the specter of Soviet threat to his government and thus extract maximum possible military aid from the west and to secure maximum economic aid from the oil rich Arabs in the name of Islamic solidarity and the collective defence of Islamic Umma community. In fact Zia has reaped maximum benefits from the Afghan crisis.¹² The authorities in

¹¹ Z. A. Bhutto, *If I am Assassinated* (New Delhi, Vikas, 1979), P. 137.

¹² Uma Singh, "Pakistan's Foreign policy Under Zia" in V.D Chopra (ed.) *Studies in Indo-Pak Relations*, 1984 P.286.

Islamabad diverted much of the sophisticated arms meant for the Mujahiden to aid and abet terrorists and secessionist elements in India. The connection between Khalistan terrorist and Kashmir militants and the Pakistanis was a well-established fact. The Americans, on their part, also knew about the diversion of arms meant for Afghan Mujahideen to India and Pakistan's proxy war against India in the border states of Punjab and Kashmir. The Pentagon and State Department officials knew it very well but did not make any objection nor did they stop pumping of money and arms into Pakistan as it served the U.S's strategy well. In fact the Americans were involved in creating a triangular axis consisting of the U.S., China and Pakistan against India and the Soviet Union. Pakistan's decision to become involved in the Afghan conflict was motivated by geostrategic and domestic imperatives. Pakistan's determination to oppose communist domination of Afghanistan and willingness to block any Soviet military adventures represented its strategic objectives convergent with those of the United States. In effect Pakistan assumed the role of a strategic ally in an effort to contain and, if possible, defeat the Soviet Union.¹³

Pakistan was worried about the severity of the Soviet military and political threat to it. Pakistan feared that Moscow would instigate, through material support, ethnic separatist movements in Baluchistan

¹³ Marvin G. Weinbaum, "Pakistan and Afghanistan: The Strategic Relationship", *Asian Survey*, June 1991, p. 497.

and North-West Frontier province. Pakistan, therefore, sought to remove the Soviet forces from Afghanistan. Secondly, Pakistan's foreign policy objective was to establish a federation between Pakistan and Afghanistan to attain the benefit of the 'strategic depth' vis-à-vis India. A conflict inside Afghanistan that ended favourably could provide the kind of friendly regime, expectedly an Islamic one, in Kabul that would enable Pakistan to avoid traditional insecurity or at least neutralize its western tribal borderlands and avoid future Afghan governments with strong links to New Delhi. With territorial depth, a Pakistan vulnerable to India's superior military forces and strategic position could gain some new military assets and capabilities. More positively an alliance with an Islamic government in Kabul, together with similar understandings with Iran and possibly even Turkey, gave promise of new offensive options against India through broad military co-ordination.¹⁴

Thus, Pakistan in general and General Zia in Particular had reaped maximum benefits from the Afghan crisis. However, this crisis has resulted in serious internal domestic problems for Pakistan such as terrorist activities of the hostile Afghan groups, drug-trafficking, arms smuggling and presence of large number of Afghan refugees. Besides these problems intra-Afghan war also hampered Pakistan's efforts to develop its economic relations with the newly emerging central Asian States. These landlocked states could not have the shortest and most

¹⁴ Ibid., p. 498-99.

economical outlet to the Arabian Sea via Afghanistan and Pakistan due to the continuing War in Afghanistan. The civil war also made it impossible to implement the accords signed between Pakistan and Central Asian States for building pipelines to transport oil and gas as well as other projects to promote development in the context of E.C.O.¹⁵

In the aftermath of the Soviet withdrawal from Afghanistan, the U.S. policy towards the region in general and Pakistan in particular has changed significantly and Pakistan's importance in the strategic designs of the US. has considerably diminished. The global detente between the superpowers has brought about "significant positional changes in the U.S. policy towards South Asia, showing a new path and new challenges."¹⁶

Pakistan in the Post-cold war era has enlarged the scope of its foreign policy objectives. A re-orientation in Pakistan's foreign policy goals and objectives in the Post Cold war period is discernible. Pakistan while trying to seek security against India, seeks to pursue its strategic and economic interests in West Asia and Central Asia. As far as India is concerned Pakistan's foreign policy objectives in the Post-Cold War era have been to seek adequate defence against India by trying to achieve military parity with India. Secondly, Pakistan

¹⁵ Pakiatan Horizon, vol. 50, no. 3, July 1997, pp. 115-116.

¹⁶ Abha Dixit., "India, Pakistan and the Great Powers" in Jasjit Singh (ed.) *India and Pakistan: Crisis of Relationship*, p. 33.

seeks to attain a bargaining position vis-à-vis India over the Kashmir issue. As regards the central Asia, Pakistan has worked in the direction of expanding the defunct ECO (Economic Co-operation Organization) and inducted the five newly emerged Central Asian Republics into this economic block. Pakistan's military and strategic interest in Central Asia is determined by its rivalry with India. The geo-political factor of 'strategic depth' against India has been a major foreign policy objective for Pakistan in Central Asia. Moreover, because of its complex identity crisis vis-à-vis India Pakistan perceives that the Islamisation of Central Asian States would strengthen and rationalize Pakistan's own existence as nation-state.¹⁷ Pakistan invoked the card of Islamic fraternity to pursue its economic and strategic interest in this region. Pakistan's relationship with the U.S. and China in the Post Cold War era has assumed new importance. The U.S. requires Pakistan in the Post Cold War because of the latter's geo-political proximity to the resource and oil rich Central Asian Republics and the middle East. The U.S. also seeks to garner the support of a moderate Muslim country which, in US.'s assessments combines the practice of Islam with the modern democratic ideals, to pursue its strategic and economic interests in the Muslim World. China has continued to be a reliable ally of Pakistan in the Post Cold War period and extended critical scientific and technological assistance to the latter in its missile and nuclear programme. In the post-Cold War period, Kashmir issue and the

¹⁷ Strategic Analysis, November 1993, pp. 1109-1114.

question of nuclear weapons have further aggravated the tension between India and Pakistan. Pakistan's strategy from 1989 onwards in Kashmir has been to sponsoring terrorism and subversion by giving moral and material support to the militants. As Thomas Perry Thornton observed: "preoccupation with India has led Pakistan into costly debacles such as the misbegotten 1965 war, waste of budgetary sources and policy choices that were probably counter to its values and broader interests. Attempts at pressuring India by subversion (Kashmir in 1947, 1965, the 1980s and the 1990s, and Punjab in the 1980s) proved costly and infructuous".¹⁸ Pakistan's policy of waging a proxy war against India is conceived in the light of the failure of the last two attempts (1947-48 war and 1965 war over Kashmir) to force the issue through military means. Pakistan's calculation is that the war of attrition by Kashmiri and foreign mercenaries costs Pakistan little in human and material terms where large Indian military manpower is kept engaged with adverse world publicity for increasing civilian casualties which may in the long-run rap new Delhi's will.¹⁹ Thus, Pakistan's proxy war in Kashmir against India has been a determinant of Indo-Pakistan relations. Further, on Kashmir, which both Pakistan and India agreed under the Shimla Agreement to resolve bilaterally through peaceful means, Pakistan's approach has been to

¹⁸ Thomas Perry Thornton in Selig S. Harrison, Paul H. Kreisberg, and Denis Kux (ed.) *India and Pakistan: The First Fifty years* (Delhi: Cambridge University Press 1999), p. 184.

¹⁹ Kalim Bahadur, *Democracy in Pakistan: crises and conflicts* (New Delhi: Har Anand publication, 1998), p.262.

seeking to internationalize Kashmir by calling for third party intervention. What is more, Pakistan has sought to link up every other Indo-Pak bilateral dispute to the resolution of Kashmir to its satisfaction. Pakistan insists that Kashmir is a 'core issue' between the two countries and it should be resolved first, if any progress is to be made on other issues.

The Post-Cold War Era: The Significance:

Thus, Pakistan-India, relations are significant in the post-cold-war era in many ways. The relations between the two countries have assumed an autonomy of pace and direction in the sense that during the cold war years bilateral relationship of the two countries used to be hostage to the dynamics of global cold war politics. Now, with the end of the super power rivalry and a receding of the interest of the major extra-regional powers in the South Asian affairs, the course and direction of the Pakistan-India relations has acquired a kind of autonomy. There has been a discernible shift in the policy and approach of the U.S., the sole super power and global hegemon in the present-day world, towards Indo-Pak bilateral issues. For instance, on the Kashmir issue, the U.S. now seems to advocate that India and Pakistan should engage in bilateral negotiations to resolve the Kashmir problem. And, the U.S. offers its mediation in the settlement of the problem only if both India and Pakistan agree to such mediation. The U.S. has turned down Pakistan's appeal for its mediation on Kashmir saying that such an appeal for its intervention

should come both from Pakistan and India. This shift in U.S. attitude has partly been a result of corresponding improvement in the Indo-U.S. relations. Similarly, China which took a completely pro Pakistan stand on Kashmir during the cold war years, seems now to advocate that Kashmir is bilateral dispute and should be settled by Pakistan and India bilaterally. The shift in Chinese policy is largely a consequence of improvement in the Sino-India relations. However, this is not to gloss over the fact that as far as the China-Pakistan relations in general are concerned, China continues to extend critical nuclear and missile technology to Pakistan.

The study of Pakistan-India relations assumes significance also because of drastic changes in the strategic and security environment of South Asia. Both Pakistan and India have now become openly the nuclear weapons states. In fact, nuclear dimension has been added to the Indo-Pak relationship long back. By 1987, Pakistan has acquired the nuclear weapon capability through clandestine means, while India has maintained for a very long period an ambiguous nuclear policy from its first peaceful nuclear explosion in 1974. Indo-Pak relations, thus, now draw more than before the attention of the international community in general and the U.S. in particular whose main global concern has been the non-proliferation of nuclear weapons and technology. With the nuclear dimension added to the Indo-Pak relations, now it is argued, especially by the west, that Kashmir is a "nuclear flashpoint". Also, as mentioned earlier, Pakistan's sponsoring

of terrorism in Kashmir has aggravated the tension between the countries with border skirmishes becoming normal between the countries and contributed to the worsening of the security situation in South Asia. The end of cold war has brought about drastic changes at the global and regional level in the economic and political spheres of life.

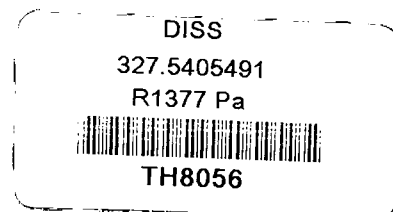
The post-cold-war world is characterized by free trade and increasing economic co-operation among the states and free-trade zones have emerged in different regions of the globe to promote and facilitate free international trade. At the regional level in South Asia, SAPTA, a preferential trading agreement has come into existence to promote free trade. Nevertheless, Indo-Pak trade and economic co-operation have remained unaffected by these changes in the global and regional economic environment. Despite tremendous trade potential Indo-Pak trade has remained almost stagnant due to the political differences. This is despite the fact that a large volume of illegal trade is taking place between the two countries. In view of the above mentioned factors, the study of Indo-Pak relations in the post-cold war era becomes significant.

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Survey of Literature:



Many books and articles have been written on the subject of Pakistan-India relations in the post-cold war era. Some of these works attribute the continued hostility between Pakistan and India to



the underlying mutual distrust which, in their view, could be traced to history, religion and the politics of Hindu-Muslim divide of the subcontinent. J.N. DIXIT (*Anatomy of a Flawed Inheritance*, 1995), for instance, argues that India and Pakistan have inherited an adversarial relationship from the partition and this is at the root of the hostility between the two countries that continues even today. Dixit says that Pakistan perceives India as a politico-military and religious threat to Pakistan even if there is no actual conflict. D.D. KHANNA & KISHORE KUMAR (*Dialogue of the Deaf*, 1992) argue that mutual distrust is at the root of adversarial relationship between India and Pakistan which can be attributed to the Hindu-Muslim divide, a historical and attitudinal problem. These two authors point out that the fate of the Shimla Agreement reflects the lack of confidence in each other. Some other works analysed the situations of crisis between the two countries and drew the attention to cold war in South Asia. KANTI BAJPAI & STEPHEN CHOEN (ed.) (*South Asia After the cold-war*, 1993), for instance, argue that since the end of the cold war India and Pakistan have remained engrossed in their own cold war by engaging themselves in propaganda, internal subversion and search for the allies against each other. In another work KANTI BAJAPI and others (*Brasstacks and Beyond*, 1995) have asserted that the crisis between India and Pakistan following the Brasstacks military exercise probably led Pakistan to 'weaponize' its nuclear program. A few of these works analysed the Kashmir problem that continues to be a major bone of contention between Pakistan and India. SUMIT

GANGULI (The crisis in Kashmir, 1997) for example, argues that Pakistan's irrendentist claim to Kashmir has led some of its decision-makers to provide support to the insurgency in Kashmir. He considers the rise of separatist movement in Kashmir as a part of the second wave of ethnolinguistic assertion that has swept the other portions of the country as well during 1980s. The problem in Kashmir was further compounded by, according to Ganguli, decay of political institutions and curtailment of civil liberties.

MUSHTAQAR REHMAN (Divided Kashmir, 1996) comes up with a neutral solution to the Kashmir issue on the basis of the Indus Waters Treaty of 1960. He proposes the splitting of the state of Jammu and Kashmir following the terms of this treaty. The Western rivers of Indus, Jehlum and Chenab and their basins should join Pakistan and the eastern rivers-the Sutlej, Ravi and Beas and their basins as well as remaining parts of Kashmir should join India. But neither Pakistan nor India is likely to accept the further splitting of Kashmir in view of their high political stakes in Kashmir. Some other works have appealed for building friendship with Pakistan. MANI SHANKAR AIYER (Pakistan Papers, 1994), for instance, pleades for friendship and an uninteruptable dialogue with Pakistan, however much Pakistan and its people might seek to aggravate India and even harm it.

A good number of articles have also been written about Pakistan-India relations in the post-cold war era. K. SUBRAHMANYAM for instance in one of his articles (World Focus,

July-1998) discusses about the Indian and Pakistan nuclear tests conducted in May 1998. He refutes the arguments of possible nuclear exchange between India and Pakistan and argues that the scenarios of accidental and unauthorised use of nuclear weapons, risks of conventional war escalating to nuclear exchange which were prevalent in the situation between the super powers in the pre-1985 era are now totally out of date and do not apply to the present India-Pakistan nuclear situation. KULDEEP NAYYAR (World Focus June-July, 1998) argues that the nuclear tests have only whipped up Pakistani interest in Kashmir. The Kashmir dispute, he says, which had been receded into background, has now become the centre-piece of any Indo-Pak dialogue.

Methodology:

This study is based on a survey of literature on the subject of Pakistan-India relations in the post-cold war era. This study makes use of secondary sources such as books and articles from various magazines and research journals and newspaper reports.

This dissertation contains a total of five chapters. Chapter-I deals with the basic determinants of Pakistani and Indian foreign policies vis-a-vis each other, giving a brief history of Indo-Pak relations. In Chapter-II the nuclear dimension of Indo-Pak strategic and security relations has been discussed. Chapter-III presents a brief history of Kashmir issue and examines the role of Kashmir in

Pakistan-India relations in the post-cold-war-era. Chapter-IV discusses the tremendous trade potential between the two countries and highlights the need for greater trade and economic co-operation between the two countries. Finally, chapter V contains conclusions drawn from the discussion in the foregoing chapters.

CHAPTER-II

STRATEGIC AND SECURITY CONSIDERATIONS IN INDO-PAK RELATIONS

Strategic and security considerations have been a significant determining factor in the formulation of Pakistani and Indian foreign policies towards each other. The two countries fought three wars in the past. Even though the post-Shimla Agreement phase in Indo-Pak relations witnessed no war, strategic and security perceptions of the two countries largely determined their foreign policy stance vis-a-vis each other. As mentioned earlier, from the beginning, Pakistani decision-makers perceived a major security threat from India to Pakistan's territorial integrity. This perception of a security threat from India stemmed from the belief of the Pakistani ruling elite that India has not reconciled itself to the creation of Pakistan and therefore India is out to dismember Pakistan. Thus, the perceived 'security threat' from India has always dominated the formulation of Pakistan's India policies. In fact, security from India and development have been the major objectives of Pakistan's foreign policy even today. Pakistan's security threat perceptions about India have been largely because of the conventional superiority of India. India, being the largest country in the region is naturally endowed with superior military capability and economic power than its smaller neighbours in South Asia. Pakistan, which has been carved out of India in 1947 naturally possesses inferior military capability vis-a-vis India. Pakistani leadership, both civilian and military, perceived this Indian conventional military superiority as a source of security threat to

Pakistan's territorial integrity and this has largely shaped Pakistan's India policies. One of the major foreign policy goals of the Pakistani foreign policy makers has been to undo this disparity vis-a-vis India and establish a sort of 'parity' with India in military terms. Pakistan's parity syndrome and its foreign policy objective of seeking security against India led Pakistani rulers to search for alternative ways of establishing adequate security. Pakistan, therefore during the cold war years entered into western military alliances like SEATO and CENTO for obtaining military and economic aid from the western countries led by the US. Pakistan's unique geo-strategic location vis-a-vis the two communist powers namely the former Soviet Union and China, came as an added advantage for Pakistan in its bid to acquire military and economic aid from the west. The U.S. in its global strategy of containing communism, considered Pakistan as a 'front-line' state against the former Soviet Union and extended all kinds of military and economic aid. Pakistan had established good equation with China as well especially from the late 1950s while India fought a war with China in 1962. The 1971 war with India has proved to be a major setback to both Pakistan's 'national ideology' and territorial integrity. East Pakistani Muslims seceded from Pakistan and an independent Bangladesh emerged disproving the fallacious two-nation theory on the basis of which Pakistan came into existence in 1947. The humiliating defeat of Pakistan in 1971 war with India has thus resulted in the dismemberment of Pakistan and also disproving of the two nation theory. This has also established the fact that Pakistan

is no match for India militarily. The Pakistani rulers, therefore, further reinforced their anti-Indian foreign policy stance and concentrated on acquiring nuclear weapons capability, by fair or foul means in order to off-set the Indian conventional military superiority and establish military Parity with India. Thus, a nuclear dimension has been added directly or indirectly to the Indo-Pak security relations from the mid - 1970s.

Pakistan's Nuclear Quest:

Despite the proclamations of peaceful purposes of nuclear energy, Pakistan's quest for nuclear weapons capability began even before the Bhutto era when it was intensified and given a military and anti-India thrust. Although, Pakistan's interests in the peaceful uses of nuclear technology can not be discounted, it must be reasoned that the purpose was two-fold, one to champion and spearhead technological revolution in the Islam world and secondly to reach the nuclear weapons capability.²⁰

Pakistan's search for nuclear status started in 1965 when Bhutto sought funding for a Plutonian reprocessing plant. Bhutto's proposal, however, was rejected by president Ayub Khan due to reasons of financial stringency on the advice of Finance Minister Shoiab.²¹ The

²⁰ Sinha P.B. and Subramanian R. R, *Nuclear Pakistan : Atomic Threat to South Asia* (New Delhi: Vision Books, 1980), p. 95.

²¹ Ibid. p. 88.

driving force behind Pakistan's quest for nuclear capability had been its obsession with India in its security calculations. India factor has always remained a major calculation in Pakistan security perceptions. Pakistan's nuclear policy is largely based on its parity syndrome vis-à-vis India. Pakistan sought to offset India's conventional superiority through acquiring nuclear capability by hook or crook as a deterrent force. Therefore, Pakistan embarked on a nuclear program, irrespective of India's activities in the nuclear field. Acquiring a nuclear deterrent was considered to be inevitable in the calculations of Pakistani leadership, both military and civilian to neutralize India's superiority in the conventional force. However Pakistan has consistently maintained that its nuclear program is a reaction or response to India's actions in the nuclear field. Pakistan's concern with India is borne out by the following words of Z.A. Bhutto: "it appears she (India) is determined to proceed with her plans to detonate a nuclear bomb... Our problem, in its essence, is how to obtain such a weapon in time before the crisis begins. India, whose progress in nuclear technology is sufficient to make her a nuclear power in the near future can provoke this at a time of her own choosing. Pakistan must, therefore, embark on a similar programme, although a nuclear weapon will be neither a real deterrent nor can it be produced in few years."²² Pakistan's concern and confrontationist approach becomes further clear from the following opinion of Bhutto: "Is the quarrel with

²² Zulfikar Ali Bhutto, *The Myth of Independance*(London: Oxford University Press, 1969), p. 153.

India eternal? eternal quarrels do not exist, but eternal interests do. Pakistan can maintain her vital interest only by confronting India until all disputes are equally resolved".²³ Thus, the essential logic of Pakistan's nuclear weapon program has been indo-centric. The domestic compulsions had also played a significant role in the development of Pakistan's nuclear weapon program. Pakistan's identity crisis, political instability, regime legitimacy have been domestic imperatives in Pakistan nuclear quest that have played a crucial role. The domestic factors were more powerful in Pakistan than in India. In Pakistan, the panacea for all its dilemmas is perceived to be the acquisition of nuclear weapons, which is a national objective that enjoys widespread popular support. It is also believed to provide a symbolic equalizer with India and a shield behind which Pakistan might feel secure. The alternative defence policy vis-à-vis India of effecting conventional arms modernization can in no way increase Pakistan's ability to raise the cost for an aggressor to an unacceptable level. These perceptions are firmly embedded in the structure of Pakistan's belief system and especially that of its military.²⁴ Before Bhutto's ascendance Pakistan's domestic politics, for most of the time after its emergence in 1947, were dominated by the Pakistani military. The role of military generals had been instrumental in the formulation of Pakistan's foreign and defence

²³ Ibid p. 186

²⁴ P. R. Chari, *Indo-Pak Nuclear stand off: The role of the United States* (New Delhi: Manohar, 1995), p. 22.

policies. Bhutto, therefore, believed that acquisition of nuclear weapons would reduce the power and influence of the military in the power structure of Pakistan.²⁵

Bhutto gave importance to the development of nuclear program as a means of strengthening his political position in the military-dominated Pakistani political scene. He hoped that a nuclear weapons program, with the civilian command on it would effect a shift in power which would favour a civilian regime. Thus, Bhutto's attempt to restructure the political power structure by developing nuclear weapons has been a significant factor in Pakistan's nuclear development.

Another rationale for Pakistan's nuclear programme has been its ambition to become the leader of the Islamic World. It was believed that having nuclear weapons would create the image of Pakistan as a technically advanced state in the Muslim world based on which it could later make claims for leadership of the Islamic world.²⁶ Pakistan also wanted to reduce its dependence on the United States by acquiring nuclear capability. That was why it relied heavily on the critical Chinese technical assistance in its clandestine nuclear weapon programme.

²⁵ D.K. Palit and P.K.S. Namboodiri, *Pakistan's Islamic Bomb* (New Delhi: Vikas, 1979), p. 15.

²⁶ Sumita Kumar, "Pakistan's Nuclear Weapon Program" in Jasjit Singh (ed.) *Nuclear India* (New Delhi: Knowledge World and IDSA, 1998), p. 158.

Another significant reason for Pakistan's nuclear program is the belief that Pakistan has placed in terror as a weapon to achieve political goals. Not only are nuclear weapons "terror" weapons par excellence. Pakistan has waged Jihad against India by contesting a proxy war in Kashmir since 1988 onwards under the cover of nuclear weapons.²⁷

However, K. Subrahmanyam argued that although Pakistan has justified its nuclear quest to the U.S. and the west entirely on the basis of a perceived Indian threat, there are many more dimensions to Pakistani nuclear program.²⁸ According to him there are five elements in Pakistan's nuclear quest: Firstly, Pakistan's leadership believed that only countries with nuclear weapons are really sovereign. Secondly, Pakistan has always nursed a sibling rivalry vis-à-vis India. Thirdly, Pakistanis had perceived nuclear threat from India. They argued that a nuclear India could exercise hegemony over the entire subcontinent. Hence, they felt the need for a deterrent. Fourthly, the possession of nuclear weapon could give them a sense of confidence in dealing with rival Shia Iran with greater resources. Lastly, Pakistan had to have insurance against the United States downgrading its relationship – as it has done since the 1990s – and the tension developing with China on account of the Islamic upsurge in Central Asia. Highlighting

²⁷ Ibid., p. 159.

²⁸ K. Subrahmanuyam in Kanti p. Bajpai and Stephen p. Cohen (ed), *South Asia After the Cold War: International Perspectives* (Boulder Westview Press, 1993) p.183.

Pakistan's security concerns other than India K. Subrahmanyam observes: In India we are obsessed with Pakistani accusations against India and have a sense of guilt. But India is only one factor in Pakistani security calculations. It has for more complex problems of security vis-à-vis Afghanistan and Iran about which it does not dare say much in order to maintain the image of Islamic solidarity. At present India may be the biggest factor in Pakistan's security calculations but as Prof. Stephen Cohen has rightly pointed out Pakistan is in a vital geo-strategic location and India may not in the long run prove to be its main security pre occupation.²⁹ He points out some domestic compulsions of Pakistani ruling elite that have given stimulus to Pakistan's nuclear quest. Pakistan does not have the basic stability of India since as a nation-state it is conceived in terms of Punjabi domination over the rest just as the Chinese State is. In such circumstances it is natural for the majority to think of a symbol of power to dominate over the rest. The nuclear weapon serves this purpose for China and Pakistan.³⁰

Eventhough Pakistan's quest for nuclear technology began in 1953 with the establishment of the Pakistan atomic Energy Committee which was soon upgraded into an Atomic Energy commission primarily in response to India's expanding interest and activities in relation to nuclear technology, Pakistan's nuclear programme moved

²⁹ K. Subrahmanyam in *Sunday* 7-13 July, 1985, p. 45.

³⁰ Ibid p. 45.

at a slow pace until it came under the influence of Zulfikar Ali Bhutto. The Bhutto's era in Pakistan's nuclear development was significant in that the nature and scope of Pakistan's nuclear programme had dramatically changed with Bhutto's ascendance to power. Bhutto himself referred to the crucial role that he played in the development of Pakistan's nuclear programme from his death cell in 1979. "I have been actively associated with the nuclear programme of Pakistan from October 1958 to July 1977, a span of nineteen years. I was concerned directly with the subject as foreign Minister, as Minister for Fuel, Power and Natural Resources and as Minister in charge of Atomic Energy. When I took charge of Pakistan's Atomic Energy Commission it was no more than a signboard of an office. It was only a name. Assiduously and with great determination, I put my entire vitality behind the task of acquiring nuclear capability for my country".³¹ Bhutto's zeal for nuclear capability to balance India can be gauged from his following assertion in 1965. Bhutto asserted: If India builds the bomb, we will eat grass and leaves, even go hungry. But we will get one of our own, we have no alternative.³² As mentioned earlier, during Bhutto's period, Pakistan's nuclear programme received a military and anti-India thrust. Pakistan embarked on a programme for bomb making. The Pakistan decision to go in for a bomb was not a reaction to the Indian nuclear activities.

³¹ Zulfikar Ali Bhutto, *If I am Assassinated* (New Delhi: Vikas, 1979), p. 137.

³² Cited in *Strategic Analysis*, June 1997, p. 478.

“The decision to embark on a bomb programme was taken two years before the first-India test. In other words, Pakistan did not ‘follow suit’ as per Bhutto’s ‘eating grass’ statement... From January 1966 to December 1971 the Indian nuclear explosion project had been cancelled by Prime Minister Indira Gandhi. One can not think of any particular Indian nuclear development which could have induced a Pakistani nuclear response in January 1972 when Bhutto made the bomb decision. Rather the circumstances underlying Bhutto’s decision were primarily, if not exclusively, domestic in nature. The timing and the circumstances debunk the western theory about the deterministic relationship between Indian and Pakistani nuclear actions.³³ The reasons underlying Bhutto’s decision were rather different. The humiliating defeat of Pakistan in the Indo-Pak war of 1971 compelled Bhutto to seek a viable alternative force to neutralize India’s conventional superiority and Bhutto saw this in the development of a nuclear weapon that can deter any future Indian attack. Pakistan’s low-keyed work on nuclear weapons was transformed overnight into a crash programme when the country’s army suffered its ignominious defeat at the hands of Indians during the war over East Pakistan in 1971... It showed Bhutto in the most dramatic way how vulnerable his country was to a better-armed opponent. And Bhutto became convinced that nuclear weapons would

³³ Ashok Kapur, *Pakistan’s Nuclear Development* (London: Croom Helm, 1987), p. 137.

prove to be the great equalizer.³⁴ Bhutto, therefore, initiated measures in the direction of acquiring a nuclear capability. He took personal political charge of Pakistan's Atomic Energy Commission. In 1973, talks were held with France for setting up a reprocessing plant at Chasma near Rawalpindi. Thus, Pakistan's nuclear quest began well before India's nuclear test. However, Pakistan used the Indian Nuclear peaceful explosion on May 18, 1974 at Pokhran as an excuse to accelerate its own nuclear programme and justify it to its own people. As a result of the negotiations with France to buy a plutonium – reprocessing plant, a deal was signed with France in 1976. However France backed out of the deal under the American pressure. Pakistan, at the same time made determined efforts to pursue uranium-enrichment path to nuclear capability and for this purpose a nuclear plant was established at Kahuta in which Dr. Abdul Qadeer Khan played a key role. The activities at Kahuta are driven by Pakistan's long, secret, almost frenzied pursuit of atomic weapons to offset India's early lead. The effort has involved intense research, widespread and precisely orchestrated smuggling, vast sums of money and help from a variety of nefarious suppliers, some of them nations³⁵. In the aftermath of the Indian nuclear explosion, Pakistan argued that there had been an Indo-Israeli collaboration in the nuclear test

³⁴ William Burrows and Robert Windrem, *Critical Mass: The Dangerous Race for Superweapons in a fragmented world*, (London: Simson and Schuster, 1994), p. 361.

³⁵ Ibid.p.349

conducted by India in order to rouse the feelings of the West Asian nations against India's nuclear test and probably also as a ploy to attract West Asian petro-dollars to assist Pakistan's own nuclear effort³⁶. The idea behind this strategy was clearly to extract financial assistance from the Muslim countries of West-Asia and the middle-east. It was in this context that Bhutto referred to Pakistan's bomb as the "Islamic bomb". Bhutto asserted: The Christian, Jewish and Hindu civilizations have this capability. Only the Islamic civilization was without it, but that position was about to change.³⁷ Pakistan succeeded in getting economic aid from some Muslim countries. Saudi Arabia, the United Arab Emirates (UAE) and Turkey assisted Pakistan's nuclear activities.³⁸

During the Zia period Pakistan's nuclear program reached its logical conclusion. Bhutto's nuclear ambitions materialized and Pakistan had succeeded in acquiring nuclear capability through clandestine means. Zia implemented Bhutto's nuclear policy. The credit for the conceptual design and the foundation of Pakistan's nuclear infrastructure belongs to Bhutto but the credit for taking Bhutto's nuclear ambitions to their logical conclusion by developing Pakistan's nuclear weapons potential and by developing Pakistan's

³⁶ *Strategic Analysis*, June 1997, p. 480.

³⁷ Zulfikar Ali Bhutto, n. 13, p. 138.

³⁸ Sreedhar, *Pakistan's Bomb: A Documentary Study*, (New Delhi: ABC publishing House, 1987), p. XIII-XV).

nuclear presence in regional and international affairs – belongs to Zia³⁹ Zia adopted the policy of nuclear ambiguity as a well calculated move to carry forward successfully Pakistan's nuclear program without any obstacles in the way. Zia's nuclear ambiguity was motivated by the following considerations. Firstly, Pakistan going nuclear openly was most likely to jeopardise U.S. aid to Pakistan, notwithstanding indispensability of its role in Afghanistan. Secondly, going nuclear openly could compel India to enter the nuclear arms race overtly. Thirdly, Soviet Union could bring to bear strong pressure on it.⁴⁰ Zia's strategy of nuclear ambiguity was designed primarily to avoid pressure from the U.S. and to neutralize India's policy of nuclear ambiguity and the extended maintenance of its nuclear option.⁴¹ Zia, unlike Zulfikar Ali Bhutto, did not reveal his intention to acquire nuclear capability and instead launched a "peace offensive" against India. He offered to sign a 'no-war' pact with India. The Indian Prime Minister Indira Gandhi, however, suggested that the two countries sign a Peace and Friendship Treaty instead of a no-war pact. Zia's strategy appeared to be to project Pakistan's reasonableness as well as to put pressure on India by adopting an ambiguous nuclear stance. At the same time the strategy was aimed at silencing the opposition to Pakistan's nuclear activities in the U.S.

³⁹ Ashok Kapur, n.33, p. 183.

⁴⁰ P. L. Bhola, *Pakistan's Nuclear Policy* (New Delhi: Sterling Publishers, 1993), p. 124

⁴¹ Ashok Kapur, n.33.p185

congress.⁴² To seek a camouflage for Pakistan's clandestine nuclear network, Zia came up with a proposal for a 'Nuclear Weapon-Free Zone' in South Asia excluding China. Since Indian's approach to the disarmament and arms control measures was global rather than regional this proposal was not acceptable to India. Moreover, in this proposal China was excluded. India, therefore, rejected the proposal. Nevertheless, Pakistan became successful in using the Nuclear Weapon-Free Zone proposal as a diplomatic weapon after the 1974 Indian nuclear explosion. Thus, with its declarations of favouring non-proliferation and professions for the use of nuclear technology for peaceful purposes and willingness to subscribe to confidence-building measures through nuclear arms control diplomacy, Zia's nuclear policy assured the character of calculated ambiguity.⁴³ Pakistan successfully acquired the nuclear capability to make a bomb through its clandestine program by 1987. This was testified by the statements and pronouncements of the high-level Pakistani officials. For instance, General Mirza Aslam Beg, former Chief of Army staff of Pakistan revealed at a press conference in London that Pakistan had acquired the nuclear capability in 1987. Ishaq Khan, the former President of Pakistan stated that it was Pakistan's nuclear capability that deterred India from launching an alleged "fourth round of attack" against Pakistan. And then Pakistan's former care-taker Prime Minister, Moeen Qureshi, disclosed on 31 July, 1993, that Pakistan's

⁴² P. L. Bhole, n. 22, p. 103.

⁴³ Ibid p. 105

nuclear program is in the state where we can manufacture a nuclear device whenever we need it.⁴⁴ Prime Minister Nawaz Sharif, while addressing a large rally at Neela Butt on August 23, 1994 confirmed Pakistan's acquisition of a nuclear bomb. He stated: "I confirm that Pakistan possesses an atomic bomb".⁴⁵ Above all, the father of the "Islamic bomb" Dr. A.Q. Khan himself is widely believed to have revealed about the Pakistan's possession of a bomb. That Pakistan has had the capacity to test and deploy nuclear weapons since about the late 1980s is reasonably certain. Perhaps the most authoritative statement of Pakistani capabilities came from Dr. A. Q. Khan during the Brasstacks crisis of January 1987 when he revealed Pakistan's hand to the visiting Indian journalist Kuldip Nayar.⁴⁶

The Chinese Connection:

The role of china in the development of Pakistan's nuclear programme has been instrumental. China has provided critical nuclear and missile technology to Pakistan in the latter's quest for nuclear weapons. In the aftermath of the India-China border conflict of 1962, china and Pakistan came close to serve their own geo-strategic interests. In 1963 the two countries signed a border agreement and the

⁴⁴ Chintamani Mahapatra, "Withstanding the Patron's Pressure" in *Strategic Analysis* November, 1993, p. 1130.

⁴⁵ POT(Pakistan Series), August 26, 1994.

⁴⁶ Kanti P. Bajpai in Amitabh Matto(ed). *India's Nuclear deterrent : Pokhran II and Beyond*(New Delhi: Har Anand publishers, 1999), p. 152.

arms transfers from china to Pakistan began. This development came about because of the growing feeling within Pakistan that dependence on the U.S. was becoming a constraint on Islamabad's diplomatic flexibility and Washington could not be relied upon.⁴⁷ In entering this enduring relationship with china, Pakistan's calculation was that firstly it can balance India within south Asia with the Chinese help and, secondly, that whenever the U.S. suspends its military and economic aid to Pakistan, the latter could approach china for assistance. China, on its part, found in Pakistan a reliable ally that could be of immense help in its rivalry with both the former Soviet Union and India. China sought to balance India within the confines of South Asia by assisting India's rival in South Asia. China's enduring nuclear co-operation with Pakistan has been part of a conscious effort by Beijing to build a solid political alliance with Islamabad. Chinese strategic co-operation with Pakistan may reflect Beijing's strong desire to balance India within the sub-continent.⁴⁸ The China - Pakistan relationship has correctly been described by a Pakistani analyst, Mushaid Hussain thus: the Sino-Pakistani relationship began as an exercise in real politick on both sides with the operating assumption being that the 'enemy of my enemy is my friend.' The enemy in this instance was none other than India.⁴⁹ China had

⁴⁷ Sujit Dutta "Beyond the Special Relations" in *Strategic Analysis* November 1993, p. 1089.

⁴⁸ Sumita Kumar, n. 8, p. 163.

⁴⁹ Sujit Dutta, n. 26, p. 1084.

assured its help to Pakistan in the Indo-Pak war of 1965 over Kashmir. During this war, China conveyed an ultimatum to India. Sino-Pakistan nuclear co-operation consisted of both civilian and military aspects. An agreement was signed between China and Pakistan in 1992 by which China agreed to build a 300 MW atomic power plant for Pakistan located at Chashma with China's indigenous technology.⁵⁰ In the military field, China has transferred to Pakistan military equipment like tanks, naval vessels, aircrafts, missiles and weapons technology. It is believed that China might have provided Pakistan with the design for manufacturing a nuclear bomb. Speculative reports also suggested that China transferred low-enriched uranium to Pakistan, and allowed a nuclear test to be conducted at Lop Nor.⁵¹ It is also widely believed that Zulfikar Ali Bhutto signed a significant deal with China in June 1976 ensuring wide-ranging Chinese help in the development of Pakistan's nuclear weapons programme.⁵² China was believed to have provided Pakistan with its own design of the bomb which China tested in 1966. "In fact, China actually supplied Pakistan with essentially the same design and trigger mechanism that it has perfected in 1966, when it tested its fourth nuclear weapon".⁵³ In 1995 China sold 5,000 ring magnets to the A.Q. Khan Research Laboratory in Kahuta. These ring magnets are used in gas centrifuges

⁵⁰ P.R. Chari, n. 6, p. 27.

⁵¹ Ibid pp. 27-28.

⁵² Ashok Kapur, n. 15, pp. 244-245.

⁵³ William Burrows and Robert -Windrom, n. 16, p. 68.

that enrich uranium for weapons⁵⁴. Pakistan also received help from China in the development of its missile programme. In 1989, Pakistan had successfully tested its Haft-I and Haft-II missiles which are believed to be capable of carrying nuclear war heads. Pakistan also received nuclear capable 300 Km range M -11 missiles from China. The Haft-III missile test fired in July 1997 is a derivative of the Chinese M-19 missile. Though Pakistan claims that its 15,000 Km range Ghauri missile is a product of Pakistan's indigenous programme, the Ghauri missile is almost probably a newly developed Chinese missile, and an indicator of continued Sino-Pak co-operation in the transfer of missile technology.⁵⁵ Thus, China has become the chief architect by which Pakistan acquired its nuclear bomb and the delivery systems of nuclear weapons.

India and Pakistan : The Nuclear policies :

From the inception, India viewed technology as a means to achieve economic progress which would revive India's political fortune and enable it to deal with the developed countries on equal terms and possibly from a position of strength. In the immediate aftermath of Independence India was confronted with the hard tasks of elimination of poverty and achieving economic development to raise the standards of living of the people. The Indian leadership, therefore,

⁵⁴ Sumita Kumar, n. 8, p. 164.

⁵⁵ Ibid p. 166.

emphasised on the need of utilising science and technology for achieving economic development. Nehru observed in 1948: "consider the past four hundred years of history, the world developed a new source of power, that is steam - the steam engine and the like - and the industrial age came in. India with all her many virtues did not develop that source of power. It became a backward country in that sense: it became a slave country because of that ... how we are facing the atomic age: we are on the verge of it if we are to remain abreast in the world as a nation which keeps ahead of things, we must develop this atomic energy".⁵⁶ Notwithstanding the professions of peaceful uses of technology in general and atomic energy in particular the Indian leadership has not been innocent of or averse to, the military applications of science. The idea of military applications of the atomic energy is a product of India's concerns about its national security. Nehru observed in 1946: "As long as the world is constituted as it is every country will have to devise and use the latest scientific device for its protection. I have no doubt India will develop her scientific researches and I hope Indian scientists will use the atomic energy for constructive purposes. But if India is threatened, she will inevitably try to defend herself by all means at her disposal."⁵⁷ On the military use of nuclear technology Nehru

⁵⁶ *India: Constituent Assembly Debates*, vol 15 2nd Session April 6, 1948, pp. 336-38 quoted in *Strategic Analysis*, June 1997, p. 481.

⁵⁷ Cited in *Strategic Analysis*, June 1997, p. 482.

observed: "Indeed, I think we must develop it (nuclear technology) for peaceful purposes.... of course, if we are compelled as a nation to use it for other purposes, possibly no pious sentiments of any of us will stop the nation from using it that way."⁵⁸ However, India's interests in the military applications of nuclear energy gained coherence after China's first nuclear test in October 1964. China's acquisition of nuclear capability caused great alarm in India. Since then the Chinese factor has become a significant factor in Indian security calculations and concerns. It was during Lal Bahadur Shastri's premiership..... that the father of India's nuclear programme Homi Bhaba is believed to have received the green Signal to pursue India's nuclear weapon option, and a small group was set up to study sub terrain Nuclear Explosions for peaceful purposes (SNEP). Indira Gandhi, as is well known, sanctioned the first nuclear test in May 1974; although it was termed a peaceful nuclear explosion (PNE), the architect of the test, Raja Ramanna, has recently suggested that it was a weapon that was tested.⁵⁹ India adopted the posture of nuclear ambiguity till the time of its overt nuclearisation in May 1988. Even though India has the capability to go nuclear, it has not exercised its nuclear option and kept it open till recently. This nuclear ambiguity is in line with its security concerns and its global approach to nuclear issues. India in

⁵⁸ Ibid p. 482.

⁵⁹ Amitabh Matto (ed) *India's Nuclear Deterrent Pokhran II and Beyond*, (New Delhi: Har Ananad Publishers, 1999), p. 17.

tune with its global and comprehensive approach to nuclear policy has consistently refused to sign the Nuclear Non-proliferation Treaty (NPT) and the Comprehensive Test-Ban Treaty (CTBT) terming them as discriminatory and unequal. Similarly, India has rejected the moves for regional nuclear non-proliferation and instead advocated its global approach to the issue of nuclear non-proliferation. India has consistently objected to the discrimination between the nuclear haves and nuclear have-nots and worked in the direction of total elimination of all nuclear weapons. Nevertheless, India has kept its option to go nuclear open largely because of its nuclear threat perceptions from China and Pakistan as well as nuclear weapons base of the United States in Diego Garcia in the Indian ocean. India's nuclear programme was evolved in the era when not only China had become a nuclear power but the United States had also its nuclear weapons base in Diego Garcia in the Indian Ocean apart from which the U.S. fleet armed with nuclear arms patrolled the sea lanes.⁶⁰ India's security environment has drastically changed during the 1990s. India perceived a nuclear threat to its national security from two nuclear adversaries in its neighbourhood China and Pakistan. As mentioned earlier, Pakistan has acquired the nuclear weapons capability by 1987 and this has greatly enhanced India's security concerns in the post-cold war era. The Chinese nuclear capable missiles stationed in Tibet

⁶⁰ Kalim Bahadur, *Democracy in Pakistan Crises and Conflicts*, (New Delhi: Har - Anand Publishers, 1998), p. 244.

have been a major security concern to India. Indian security strategists perceive a possible threat from Chinese tactical nuclear weapons, despite china's declaratory policy of no-first-use of nuclear weapons. China continues to possess and test these tactical nuclear weapons even though the great-powers, the U.S. and the former Soviet Union have given up their tactical nuclear weapons under some arms control agreements. K. Subramanyam asserts: China conducted an underground megaton nuclear test during the visit of Indian President to China on 21 May, 1992. The Chinese also conducted a tactical nuclear weapon test on 25 September, 1992. While other nuclear powers have given up tactical nuclear weapons, the Chinese tactical nuclear weapons are of normally first-use weapons. Therefore, their continued possession, especially their testing, speaks louder than declaratory policy of 'no-first-use' professed by China since its initial test in 1964. The configuration of Chinese nuclear arsenal does not pose a threat to the United States or the Western powers but only to China's neighbours. China's nuclear arsenal is basically one of regional effectiveness and therefore figures prominently in the threat perception of its immediate neighbours.⁶¹ The Chinese threat in Indian security calculations and arguments in favour of building a credible and effective nuclear deterrent are based on the calculation of

⁶¹ K. Subrahmanyam in Kanti p. Bajpai R. Stephen P. Cohen (ed), no. 10, pp. 175-192.

following security concerns.⁶² By far the most serious concern is the help provided by Beijing to Pakistan's nuclear programme. Pakistan has relied enormously on China's help in its nuclear programme and has received critical nuclear and missile technological assistance including weapons designs. The nuclear nexus between China and Pakistan has enormously exacerbated Indian security concerns in the 1990s. Secondly, Chinese unwillingness to settle any of the bilateral irritants to which India attaches importance. Despite repeated promises, Beijing has still not recognised Arunachal Pradesh or Sikkim as a part of India and in 1997-98, violated the letter and spirit of the bilateral confidence building measures (CBMs), on more than a dozen occasions. Another Indian strategic concern vis-à-vis China has been the latter's inroads into Myanmar, including the reported construction of a Chinese naval facility on the Coco Islands. Above all, the Chinese nuclear missiles deployed in Tibet have obviously been targeted against India. Moreover, the Chinese inter-continental ballistic missiles elsewhere could also target India. The above security concerns have constituted the Chinese threat that compelled the Indian government to go in for overt nuclear in May, 1998.⁶³

⁶² Amitabh Mattoo, n. 41, p.

⁶³ Indian Strategic opinion on Chinese nuclear threat, however, is divided. Some scholars have taken a liberal view of China. Kanti P. Bajpai, for instance, argues that China is a satisfied power, and does not pose a nuclear threat as far as border dispute is concerned. Kanti P. Bajpai, p. 156 "The Fallacy of an Indian Deterrent" in Amitabh Mattoo (ed) *Indian Nuclear Deterrent: Pokharen II and Beyond*.

India in view of the nuclear threat perceived from China, Pakistan, and the United States nuclear missile base in Indian Ocean has decided to go in for overt nuclearisation and conducted six nuclear tests in May, 1998. This has brought to an end of the hitherto followed policy of nuclear ambiguity. The reasons of national prestige and power also seemed to have provided a stimulus to overt nuclearisation by India. The Bharatiya Janta Party for instance even before therefore coming to the power has consistently advocated nuclearisation by India for security and national prestige and power. The B.J.P. leader and Indian Home Minister has stated that India must go nuclear and reject pressure from the U.S. and international community because a nuclear capability is necessary to safeguard the country's integrity, security and sovereignty.⁶⁴ Jaswant Singh, another BJP leader and Foreign Minister in the BJP-led coalition government explained the rationale behind Indian nuclear tests in May, 1998 thus: Faced as India was with a legitimisation of nuclear weapons by the haves, a global nuclear security paradigm from which it (India) was excluded, trends toward dis-equilibrium in the Asian balance of power and a neighbourhood in which two-nuclear weapons countries act in concert, India had to protect its future by exercising its nuclear option. By so doing , India has brought into open the nuclear reality that had

⁶⁴ The Pioneer (New Delhi), June 11, 1994.

remained clandestine for at least the past 11 years.⁶⁵ He further states: The nuclear tests it conducted on May 11 and 13 (1998) were by then not only inevitable but a continuation of policies from almost the earliest years of independence. India's nuclear policy remains firmly committed to a basic tenet: the country's national security in a world of nuclear proliferation lies either in global disarmament or in exercise of the principle of equal and legitimate security for all.⁶⁶

Pakistan from the inception has maintained the posture of nuclear ambiguity. This ambiguous strategy has been devised keeping in mind the critical economic and military aid Pakistan has been receiving from the U.S. ever since it joined the western military alliance to seek security against India. Pakistan's nuclear ambiguity served as a cover up to its clandestine nuclear weapon programme and to avoid suspension of economic and military aid and other international sanctions. However, it may be noted here that on some occasions the U.S. looked the other way while Pakistan was indulging in smuggling and other secret means of acquiring nuclear weapon capability, to serve its own geo-strategic interests. The U.S., for instance, provided Pakistan military and economic aid in the aftermath of the Soviet occupation of Afghanistan despite its policy of global

⁶⁵ Jaswant Singh in *Foreign Affairs*, Volume 77, no. 5, September/October 1998, p. 49.

⁶⁶ Ibid pp. 41-42.

non-proliferation. In 1980 the U.S. offered \$400 million aid to Pakistan. In 1981, the U.S. congress provided a waiver to the symington. Amendment for five years in Pakistan's case under certain conditions. The U.S. chose to ignore smuggling scandals, involving Nazir Vaid in 1984 and Arshad Parvez in 1987, for the smuggling of equipment to be used in nuclear bomb.⁶⁷

Pakistan's nuclear programme either covert or overt at the same time has been reactive responsive to India's nuclear programme and policies. The Pakistani Posture on arms control measures such as NPT and CTBT also has been formulated as a response or reaction to India's stand on nuclear arms control and disarmament measures. Pakistan, for instance, has made its signature on both NPT and CTBT conditional upon India's accession to these treaties.

The nuclear philosophy of India has been almost repeated in Pakistan or rather it could be said that Pakistan has been reactive to India, as it has been over the whole gamut of bilateral issues.⁶⁸ In line with its reactive nuclear policy and its parity syndrome vis-a-vis India Pakistan conducted six nuclear test in chagai Hills of Baluchistan on 28 and 30 May, 1998 as a response to India's nuclear tests a fortnight before. After the tests, the Pakistanis felt a sense of equality with

⁶⁷ D.D. Khanna and Kishore Kumar, n.4, p.149.

⁶⁸ Ibid p. 157.

India. The Pakistani nuclear tests now Pakistanis feel, have wiped out India's superiority in conventional weapons. Secondly, from Pakistan's viewpoint, the Kashmir problem which has receded into the background, is now the centre piece of any Indo-Pak dialogue.⁶⁹

India-Pakistan: The Nuclear Deterrence:

The question that becomes important after the overt demonstration of their nuclear capability by the two countries is whether the state of nuclear deterrence provides stability to Indo-Pak relations? Now that two countries have tested their nuclear capability and ended their nuclear ambiguity, there definitely emerged a bilateral nuclear deterrence between India and Pakistan, which is based on certainty. Now each country is certain about the nuclear capability of the other. The nuclear deterrence which is based on a balance of terror induces a sense of caution on each side. Now each country is assured and certain of a retaliatory strike in case of a first-nuclear strike by one side. Their deterrent relationship is based on the fear of mutual destruction.

Even before the overt nuclearisation by the two countries a rudimentary form of undeclared deterrence existed between the two.

⁶⁹ Kuldip Nayar, "Visit to Pakistan After the Tests", *World Focus*, Vol 19, No. 6-7, June-July, 1998.

A rudimentary system of undeclared nuclear deterrence is emerging in the region on the basis of the level of nuclear capabilities of India and Pakistan⁷⁰. The experience of India and Pakistan since 1971 war seems to support this formulation. There has been no any major conflict between India and Pakistan, despite several occasions in the last decade when tensions between them reached crisis proportions, as during Exercise Brasstacks in 1986-87.⁷¹ This no-conflict situation has been mainly due to the awareness of each country about the nuclear capability of the other. An awareness in India and Pakistan about their mutual capability to manufacture nuclear devices within shattering time-frames has succeeded in constructing a crude deterrence relationship between the two countries.⁷²

After conducting the nuclear tests in May 1998 India has propounded its nuclear doctrine. There are three main elements in India's nuclear doctrine. The most important is that India will maintain " a minimum but credible nuclear deterrent". For maintaining credibility this deterrent, India no longer requires any

⁷⁰ Leonardo S. Spector cited in P.R. Chari et al. (ed.), *Nuclear Non-proliferation in India and Pakistan* (New Delhi: Monohar, 1996), p. 123.

⁷¹ P R. Chari, n. 24, p 8.

⁷² Susan M. Burns, "Preventing Nuclear War: Arms Management" in Stephen p. Cohen (ed), *Nuclear proliferation in South Asia* (New Delhi: Lancer International, 1991),p.92

A rudimentary system of undeclared nuclear deterrence is emerging in the region on the basis of the level of nuclear capabilities of India and Pakistan⁷⁰. The experience of India and Pakistan since 1971 war seems to support this formulation. There has been no any major conflict between India and Pakistan, despite several occasions in the last decade when tensions between them reached crisis proportions, as during Exercise Brasstacks in 1986-87.⁷¹ This no-conflict situation has been mainly due to the awareness of each country about the nuclear capability of the other. An awareness in India and Pakistan about their mutual capability to manufacture nuclear devices within shattering time-frames has succeeded in constructing a crude deterrence relationship between the two countries.⁷²

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⁷¹ P. R. Chari, n. 24, p. 8.

⁷² Susan M. Burns, "Preventing Nuclear War: Arms Management" in Stephen p. Cohen (ed.), *Nuclear proliferation in South Asia* (New Delhi: Lancer International, 1991),p.92

further nuclear testing. Being assured about the credibility of its nuclear deterrent India has announced a voluntary moratorium on further nuclear testing.

India has also expressed its willingness to move towards its de jure normalisation. In other words, India has expressed its willingness to sign the CTBT, although on some conditions. However, India has reserved its right to review this decision, if in its judgement 'extraordinary' events take place that jeopardise its Supreme national interests.

The second element of the Indian nuclear doctrine is that like China, India will not use nuclear weapons against the non-nuclear weapons countries and that it will not be the first to use nuclear weapons against nuclear weapons countries. This 'no-first-use' policy means that India would not be the first to use nuclear weapons unless they are used first against this country. The weapons will be used only for retaliation and to deter the use and threat of use against India. The third element is India's commitment to all non-discriminatory arms control and disarmament agreements. India has offered unilaterally no-first-use concept for any bilateral or collective agreement. This doctrine ensures, according to K. Subrahmanyam, that the nuclear weapons are not deployed in forward positions and are not meant for fighting a war. The Indian weapons will, therefore, not run the risk of accidental or unauthorised use. Therefore, the burden of preventing nuclear escalation will shift entirely to Pakistan. He

further argues that most of the fears expressed about a nuclear exchange being triggered off by unauthorised and accidental use, or by escalating a conventional war to the nuclear level, can now be discounted on the Indian side. India should now ask the international community to persuade Pakistan to adopt a similar policy. If Pakistan does not agree it means that it intends to use nuclear blackmail to get its way on the Kashmir issue. That would also explain why it is not interested a bilateral dialogue with India on Kashmir, why it is intensifying terrorism and ethnic cleansing in Jammu and Kashmir and adjoining areas and why it is stepping up cross border firing.⁷³

Pakistan, on its part, now feels that it has established a credible nuclear deterrence against India. Pakistan's nuclear capability, Pakistanis believe, will deter any future Indian nuclear or conventional attack. In fact even before its six nuclear tests in Chagai Hills in May 1998, Pakistan convinced itself that it has established a successful nuclear deterrent against India. In June 1988, General Zia, for instance proclaimed the existence of undeclared nuclear deterrence between India and Pakistan.⁷⁴ Pakistan has also argued that its nuclear deterrent has kept the peace in the subcontinent since 1987 in spite of continuing tension (Over Kashmir) since then. However, Pakistan is not likely to agree to India's proposal for a 'no-first use'

⁷³ The Times of India. (New Delhi). August 5, 1998.

⁷⁴ Zafar Iqbal Cheema "Pakistan's Nuclear Policies" in P. R. Chari. et. al (eds.), n. 51, p 122.

agreement on nuclear weapons. Because entering into such an agreement with India means foreclosing its option of use or threat of use of nuclear weapons. This means that Pakistan can no longer exercise its nuclear deterrence against India's conventional superiority which has been the *raison d'être* of Pakistan's nuclear weapons programme. Pakistan may be expected to express a willingness to agree to conventional force reduction agreements, but it is not likely to accept any commitment that undermines its nuclear deterrence against the conventional forces of India.⁷⁵ Thus, the differences over the question of nuclear weapons between the two countries has resulted in India-Pakistan nuclear stand off or nuclear stalemate. However, this nuclear stalemate adds positively to the stability of Indo-Pak relations rather than detracts from it. Now, war has become a distant possibility between India and Pakistan because of the fear of mutual assured destruction. Even if there is disparity in the nuclear force/strength of two countries and India might have a nuclear edge over Pakistan in terms of nuclear force, delivery systems, command and control systems, intelligence etc., the terror of 'proportionate deterrence' that at least one or two Indian cities will get destroyed deters a nuclear attack by the country with larger nuclear force (India). Similarly, the possibility of a pre-emptive strike by Pakistan on account of its limited strategic depth can also be discounted in the Indo-Pak nuclear

⁷⁵ Jasjit Singh "A Nuclear strategy for India" in Jasjit Singh (ed.) *Nuclear India*, n. 8, p. 307.

situation.⁷⁶ It is probable, therefore, that the no-conflict situation between India and Pakistan may lead to greater stability and consequently to peace in the region. The nuclear terror compels the political leadership on both sides to engage in some confidence building measures and search for ways and means to sort out their differences.

Confidence-Building Measures:

Broadly defined, CBMs are measures used to alleviate tensions between states. Their initial purpose is to increase openness or “transparency” into the military activities of rival or potentially rival states. CBMs can include not only military measures but also economic, diplomatic, social and cultural measures that are meant to reduce tensions and build trust between the states.⁷⁷

In South Asia confidence building measures are necessary to reduce tension and avoid miscalculations and accidental or unauthorized use of nuclear weapons. Moreover, the Pakistan Indian nuclear relationship has witnessed major crises such as Brasstacks (1987) and the 1990 crisis over Kashmir which brought the two countries on the brink of war.

⁷⁶ C. Raja Mohan and Peter R. Lavoy in Michael Krepon and Amit Sevak (eds). *Crisis Prevention, Confidence Building and Reconciliation in South Asia* (New Delhi: Manohar Publishers, 1996), p.29

⁷⁷ Amit Sevak in Michael Crepon and Amit Sevak (ed) n. 76, p. 1.

Some confidence building measures are already in place between India and Pakistan in the nuclear field. The countries signed an accord on No-Attack on Nuclear installations on 31 December, 1988. This agreement, however, came into affect in January 1991 and both sides exchanged the lists of covered nuclear facilities. Similarly, in the Lahore accord signed in February 1999 India and Pakistan have agreed to take immediate steps for reducing the risk of accidental or unauthorized use of nuclear weapons and discuss concepts and doctrines with a view to elaborating measures for confidence building in the nuclear and conventional fields, aimed at prevention of conflict.⁷⁸ Apart from these existing measures have been suggested in the Indo-Pak nuclear situation. K. Subrahmanyam proposed a three-phased CBMs (i) an agreement not to attack each other's nuclear installations (which is already in place) (ii).an agreement not to use nuclear capabilities of each against the other and (iii) initiating an agreement first among the two countries, thus in South Asia, thereafter in Asia and then the whole globe to ban the use and threat of use of nuclear capabilities, pending nuclear disarmament.⁷⁹

In the aftermath of nuclear tests both India and Pakistan entered into negotiations with the U.S. on non-proliferation and the C.T.B.T. The U.S. non-proliferation objectives in the region in the aftermath of

⁷⁸ Mainstream, vol. XXXVIII, No. 10 February 27, 1999.

⁷⁹ K. Subrahmanyam in Jasjit Singh (ed), *India and Pakistan: Crisis of Relationship* (New Delhi: Lancer Publications, 1990), p. 96.

overt nuclearisation by India and Pakistan, have been to urge India and Pakistan to sign and ratify CTBT; to halt all production of fissile material, which constitutes the essential building block of nuclear weapons; to ensure that India and Pakistan maintain 'strategic restraint'; prevention of export of fissile materials and technologies from South Asia; finally to promote Indo-Pak dialogue on bilateral issues.⁸⁰ However, no tangible progress has emerged from the dialogue with U.S. though U.S. sanctions against Pakistan were partially lifted.

Thus, the undertaking and effective implementation of confidence building measures is an imperative need to reduce tension and establish peace between India and Pakistan.

⁸⁰ Strobe Talbott in Times of India (New Delhi) November 13, 1998.

CHAPTER-III

KASHMIR AND PAKISTAN-INDIA RELATIONS

Kashmir is an issue which has its roots in the developments leading to and following the partition of the Indian subcontinent. In the last fifty years Kashmir has remained an intractable and contentious issue between Pakistan and India and even today a durable solution to this long-standing issue seems elusive mainly because of the high political stakes of both Pakistan and India in Kashmir. Both countries fought three wars in the past over this issue. It is now argued especially by the western scholars, that Kashmir has become a “nuclear flash-point”. Pakistan is interested in Kashmir because without Kashmir which is a Muslim Majority state Pakistanis would feel a sense of incompleteness as far as the state-building and national ideology of Pakistan is concerned. For Pakistan, Kashmir is an “unfinished business of the partition.” This means that in accordance with the logic of the partition of the Indian subcontinent, Kashmir with its predominant Muslim population should have acceded to Pakistan. The differences over Kashmir between Pakistan and India continue to strain the relations between the two South Asian neighbours. To put the Kashmir issue in its proper perspective and understand its role and influence in the Indo-Pak relations, a brief historical background of the issue would be in order.

Kashmir Issue: A Brief History:

Kashmir is an issue clearly linked to the partition of the Indian subcontinent in 1947. On the eve of the partition of the sub-continent into two independent dominions of India and Pakistan, the princely states of the British India had the political choice of acceding to either India or Pakistan. Similarly, the princely state of Kashmir had the option to accede to either India or Pakistan. However, the ruler of Kashmir Maharaja Hari Singh, at that stage had harbored the notion of an independent Kashmir by keeping off both the newly emerged independent dominions while the Muslim League unequivocally upheld the sovereign rights of the rulers of the princely states and guaranteed to them that it was in their power to choose either of the dominions or to remain independent, the theory of independence of the states was not acceptable to the Congress and it called on the rulers of the princely states to join either of two dominions.⁸¹ The Indian leadership rejected the principle of independence to the princely states, firstly because vast majority of them was closely linked geographically with the dominion India and moreover, the nature of the geographical distribution of these states was such that a complete acceptance of the principle of independence for the states would probably have led to virtual paralysis

⁸¹ Sisir Gupta, *Kashmir : A Study in India-Pakistan Relations*, (Bombay, Asia Publishing House, 1966), pp90-91.

and chaos in the new India and, Secondly, the Congress, unlike the League, had long struggled for responsible governments in the Indian States.⁸²

In line with his ambition of an independent Kashmir, the Kashmiri ruler, Maharaja Hari Singh decided to enter into "Stand Still Agreements" with both India and Pakistan. The standstill agreement between Maharaja Hari Singh and Pakistan obliged the latter to supply food and other essential supplies. However, Pakistan with a view to exert pressure on Maharaja to accede to Pakistan imposed a total economic ban and trade blockade of Jammu and Kashmir. Pakistan also connived in inciting the invasion of Kashmir by the fully armed tribesmen from its north-west frontier regions with a view to annex Kashmir. Pakistan army regulars and other nationals invaded Kashmir in the guise of Tribesmen. To India and Kashmir it appeared as a full-fledged invasion and pre-planned aggression. Even though the government of Pakistan repudiated its complicity in the tribal invasion, it did not deny that their sympathy was for the raiders whom Pakistan called as "liberators" who in Pakistan's view, went to Kashmir on hearing the woes of fellow Muslims.⁸³ The invaders started committing arson pillage and plunder

⁸² Michael Brecher, *The Struggle for Kashmir*, (New York: Oxford University Press, 1953), p. 20.

⁸³ SiSir Gupta, n.81, p. 115

in Kashmir and the small and scattered Kashmiri state forces were unable to stop the invading tribesmen who were well-equipped with arms and ammunition. It was in the context of this invasion that Hari Singh thought of acceding to India and getting Indian assistance to stop the raiders before they could occupy the state. To protect the lives and property of the Kashmiri people and to drive the invaders out of Kashmir, the Kashmiri ruler, Maharaja Hari Singh sought military help from the Government of India. However, the Indian Government informed Maharaja that such a military aid could be extended to Kashmir only after the state had constitutionally acceded to India. Then, the Maharaja made the accession offer and signed the instrument of Accession. The Indian Government accepted the Kashmir's accession to India and sent its military troops to the Kashmir valley on 27 October 1947⁸⁴ Kashmir's accession to India was final and legally valid. With the acceptance by Mountbatten (as Governor - General of India) of the instrument of accession signed by the Maharaja, Kashmir became an integral part of India. Such a procedure for accession was in accordance with the partition Agreements.⁸⁵ Pakistan, on its part, questioned the validity of the instrument of accession and charged that the accession of Kashmir to India was a product of a conspiracy between the Indian Government,

⁸⁴ Michael Brechaer, n.8 2, p. 27.

⁸⁵ Ibid, p. 38.

the Maharaja and Sheikh Abdullah. Pakistan described the accession of Kashmir to India as based upon "fraud, deceit, and violence" and maintains that it was totally against the wishes of the long-oppressed Muslim Subjects of Kashmir.⁸⁶

Pakistan also maintains that the question of Kashmir's accession to India is not final and is conditional upon the outcome of a plebiscite in Kashmir. However, it should be noted here that Indian Government's wish that the question of Kashmir's accession should be settled by a reference to the people did not in any way affect the legality of Instrument of accession. Furthermore Mountbatten specifically indicated that this Indian offer to seek the will of the Kashmiri people on the accession issue would be implemented only after law and order have been restored in Kashmir and the invaders expelled from the state.⁸⁷ Thus, the differences over Kashmir and divergent understanding of the developments leading to accession of Kashmir to India in India Pakistan led to the first Indo-Pak conflict of 1947-48.

With a view to get the Pakistani invaders and other nationals out of Kashmir, India referred the matter to the United Nations. However, what perhaps went wrong was to refer the matter to the U.N. under chapter VI

⁸⁶ SiSir Gupta, n. 81, p. 446

⁸⁷ Michael Brecher, n.82, p. 38

of the Charter, which deals with peaceful settlement of disputes rather than calling for appropriate action with respect to acts of aggression as provided for in chapter VII of U.N. Charter. While Pakistani acts of encouraging and supporting its tribes and other nationals to invade Kashmir which legally became an integral part of India clearly amounted to aggression against India, Nehru did not refer the matter to the U.N. as an act of aggression. The U.N. Security Council ordered a cease-fire and passed resolutions for holding a plebiscite in Kashmir. The U.N. Resolution envisaged the complete withdrawal of Pakistani troops from Pakistan-occupied Kashmir (POK) as a precondition to the holding of a plebiscite. The key U.N. Resolution of August 1948 enumerated certain sequential steps which must be taken, first by Pakistan and then by India before a plebiscite could be held. Firstly, Pakistan must withdraw all troops sent in by it. Secondly, Pakistan must assist in the withdrawal of all tribesmen who had come through Pakistan, whether with its encouragement and assistance or not.⁸⁸

During the 1950s Pakistan's decision to join the Western military pacts like SEATO and CENTO gave a new twist and dimension to the Kashmir issue. The global cold-war had a profound impact on the Kashmir dispute. The geo-strategic and political environment that would

⁸⁸ Pran Chopra, *India, Pakistan and the Kashmir Tangle* (New Delhi: Indus, Harper Collins Publishers, 1994), p. 26.

be necessary to hold a plebiscite in Kashmir was clearly absent. The cold war influence on Kashmir issue led to situation in which the credentials of the some of the major powers became increasingly suspect. By the mid-sixties the divide of the Super powers was complete with the U.S. backing Pakistan on Kashmir and India relying on the Soviet veto to block U.N. plebiscite Resolutions on Kashmir. As far as the U.S. is concerned, Indian leaders almost always perceived the U.S. policies and approaches towards resolving the Kashmir issue as anti-Indian in character and the U.S. administration, on its part, felt the Indian position unhelpful in the resolution of the problem. India perceived the U.S. Pakistan alliance as a threat to its security interests in the region. The economic and military aid granted by the U.S. to Pakistan disturbed the existing balance of power in the region and led to an arms race in the region and this has greatly disturbed Indo-Pak relations.⁸⁹

In 1965, Pakistan made an abortive attempt to snatch Kashmir by force. Pakistan devised "operation Gibraltar", a two-phased plan to seize Kashmir by force. According to this plan, Pakistani troop disguised as local tribesmen would cross the porous border and foment an insurgency in the border areas of the state in the first phase. In the second phase, Pakistani troops would capitalize on the prevailing chaos and then invade and seize the state in a sharp war. However, this strategy failed

⁸⁹ Strategic Analysis, vol. XXI, no. 7, October 1997, p. 987.

miserably as the Kashmir is did not co-operate in the endeavor. Though the 1971 was fought primarily over Bangladesh, Kashmir was also one of the Pakistani targets. The landmark Shimla Agreement signed following the 1971 war opened a new phase of hope in India-Pakistan relations. Both countries agreed under this agreement to settle all their bilateral issues including Kashmir, by peaceful means through bilateral negotiations or by any other peaceful means mutually agreed upon by them. Hence, in India's view any attempt to internationalize the Kashmir dispute goes against the "Shimla Spirit". The two wars of 1965 and 1971 have shown the futility of any attempt to disturb the status quo in Kashmir. Infact, at the Shimla Summit, Indian Prime Minister Indira Gandhi had even mooted the idea that the cease-fire line be converted into a line of actual control.⁹⁰

The onset of the Second Cold War in the wake of the Soviet invasion of Afghanistan, however, belied the hopes raised by the Shimla Agreement. The second cold war led the sub-continental adversaries to succumb immediately to the erroneous analysis and policies of the Super-powers, and as a consequence the fallacious 1954 scenario of an action-reaction arms build up was reenacted.⁹¹

⁹⁰ Gowher Rizvi, *India, Pakistan and the Kashmir Problem 1947-1972*, in Raju G.C Thomas (ed.) *perspectives on Kashmir* (Boulder: Westview Press, 1992), p. 73

⁹¹ Jagat S.Mehta, "Resolving Kashmir in the international and context of the

Consequently, the process of steady improvement in India-Pakistan relations that was under way was rudely shaken. Pakistan from the late 1980s has changed its strategy from use of force to waging a proxy war against India by sponsoring insurgency in Kashmir. Simultaneously, Pakistan sought to internationalize the Kashmir issue by raking it up in various international fora and by charging India with large scale human rights violations in Kashmir.

Kashmir: The Divergent Cases of Pakistan and India

Ever since Pakistan came into being in 1947, its relations with India have remained a hostage to the Kashmir dispute with the alternative patterns of war and sullen peace. This is because of the irrevocably opposed positions held by both Pakistan and India on Kashmir. For both India and Pakistan, Kashmir is not merely a territorial dispute, but an issue closely linked to their national ideologies, their concepts of political organization, and their ways of life. "The real cause of all the bitterness and bloodshed, the recalcitrance and the suspicion that have characterized Kashmir dispute is the uncompromising and perhaps un-compromisable struggle of two ways of life, two concepts of political organization, two scales of values, two spiritual attitudes, that find themselves locked in deadly conflict, a conflict in which Kashmir has become both symbol and

1990s" in Raju G.C Thomas (ed), n. 10, p. 29.

battle ground”⁹² To India the subcontinent is inescapably one nation while to Pakistan the subcontinent constituted two antagonistic nations with mutually divergent interests. It is this underlying mutual distrust and suspicion that has coloured their criticism of each other’s policy towards Kashmir. Pakistan claims that the Partition of the subcontinent was based on the recognition of the separate nationhood of the Indian Muslims, and Kashmir with a overwhelming Muslim population should logically belong to Pakistan.

Thus, for Pakistan, Kashmir is “an unfinished business of the partition”. On the other hand, Kashmir for Indian leadership is, in miniature, another Pakistan, and if this Muslim nation can be successfully governed by India, then their philosophy of secularism is vindicated.⁹³ While, for Pakistan, religion was the rationale of the partition, India argues that the Indian Independence act, on which the partition was based, made no reference at all to anyone’s religion: that it only gave an option to certain territories to decide – only through the legislators already elected by these territories and not through any kind of a plebiscite or other form of direct reference to the people -- whether they wished to opt out of India: that millions of Muslims opted to remain in

⁹² Josef Korb, *Danger in Kashmir* (Princeton: Princeton University press, 1966), p. 25.

⁹³ *Ibid.*, p. 42.

India when they would, as Muslims, have migrated to Pakistan if religion had been the basis of the partition and that India continues to be home to more Muslims than Pakistan is or any other country except Indonesia.⁹⁴

India and Pakistan have criticized each others conduct in Kashmir on political, moral and legal grounds. India maintains that by sending her troops into Kashmir Pakistan committed aggression against India. Secondly, Pakistan, by occupying the “Azad Kashmir” violated the UN resolutions and has suppressed the rights and liberties of the people of this area. Thirdly, by building military bases in Azad Kashmir and by not withdrawing her army form there Pakistan violated the UNCIP’s resolutions. Finally, and more importantly, Pakistan has been waging a Jihad (holywar) or a proxy war against India by sponsoring trained insurgents into Kashmir. Pakistan, on its part, contends that India violated U.N. dictates when it integrated Kashmir into the Union and suppressed all opposition and basic human rights of the Kashmiris. Secondly, India has retreated from her international commitment to hold a plebiscite under the auspices of the United Nations.⁹⁵ As regards the Pakistan allegation of India’s retreat from its international commitment to hold a plebiscite, it may be noted here that Pakistan itself has

⁹⁴ Pran Chopra, n. 88, p. 10.

⁹⁵ SiSir Gupta, n. 81, pp. 446-47

contributed to the change and hardening of India's political approach to the Kashmir problem. "Nehru was, in fact, serious and had genuine intention as regards the implementation of India's early plebiscite pledge. However, Pakistan definitely made a grave miscalculation by instigating the tribesmen's attack and its own military efforts. By further refusing to withdraw from Azad Kashmir Pakistan seems to have contributed to a hardening of the Indian Political approach to the Kashmir problem. "If Pakistan had not gambled but trusted India, history might well have changed its course in the subcontinent."⁹⁶

Apart from the element of mutual distrust between the two countries, Pakistan seems to harbour some fears about India which make its position on Kashmir more rigid and hard thereby further complicating the already complex and intractable Kashmir issue. After 1971 war in which Pakistan faced a humiliating military debacle, it is frequently felt and articulated in Pakistan that Pakistan's dismemberment in 1971 was the handiwork or making of India and not a consequence of the policies followed by the western wing against the eastern wing. Secondly, Pakistan believes that India caused her dismemberment in retaliation against Pakistan's attempts to enforce its claims on Kashmir. Thirdly, Pakistan holds the belief that India's calculations and aims include the

⁹⁶ Lars Blinkenberg, *India-Pakistan: The History of unresolved conflicts*, vol. II (Odense University Press, Denmark, 1998), p. 44.

dismemberment of what was left of Pakistan after 1971. Fourthly, Pakistan believes that with a view to dismember Pakistan India has been inciting trouble in the Sind province. Lastly and most importantly, Pakistan regards her struggle for Kashmir and its hostility towards India as a part of wider Islamic Jihad.⁹⁷ That is why Pakistan regards the infiltrators and militants as “freedom fighters” and “liberators.” The gulf between the two countries has been further widened by the fact that from 1989 onwards Pakistan has been actively aiding and abetting militancy in Kashmir. Pakistan’s involvement in the sponsoring of insurgency in Kashmir has reached such an extent that now terrorism has become one of the major issues between India and Pakistan. Further, Pakistan’s strategy internationalizing the Kashmir issue despite the fact that both Pakistan and India have agreed under the 1972 Shimla Agreement to resolve all their bilateral issues including Kashmir, through peaceful means bilaterally or any other means agreed to by the two countries, has made Kashmir issue more complex and intractable. India, on its part, has been consistently opposing any move to internationalize the Kashmir issue. Another strategy of Pakistan has been to making the improvement of Indo-Pak relations hostage to the Kashmir issue. Pakistan maintains that Kashmir is the “core” issue between two countries and that unless and until Kashmir issue is resolved progress could not be made on any other issue. This is precisely why many bilateral issues, including trade

⁹⁷ Pran Chopra, no. 88, p. 9

and commerce, have remained unresolved even today. It was general Zia-ul-Haq who put a stop to economic and cultural relations and made them conditional on the resolution of the Kashmir issue. It was Zia who began calling Kashmir as 'the core issue.'⁹⁸

Kashmir: Extra-regional Powers:

Three extra-regional great powers exercised enormous influence on the Kashmir issue, namely the United States, the former Soviet - Union and present Russia and China. During the cold war, the tentacles of the global cold-war had been extended to the south Asian region and the regional issues, including Kashmir and their course had been greatly influenced by the super-power rivalry. The role and impact of the super-powers is clearly reflected in their respective positions on the Kashmir issue and in the voting pattern of super-powers in the Security Council resolutions. As is well-known, Pakistan in its bid to seek security against India joined western military alliances thereby bringing the global cold war to South Asia. The US, in its global strategy of containing Communism, backed Pakistanis in the regional matters and extended economic and military aid to Pakistan. While the US - Pakistan alliance played only an incidental role in containing communism, it enabled

⁹⁸ Kalim Bahadur, "India Pakistan-Relations in the 21st century conflict and Harmony" in Bhatt S & Mani V.S (eds.) *India on the threshold of 21st Century*, (New Delhi: Lancer Books, 1999), p. 371.

Pakistan to take much stronger positions in its disputes with India than would otherwise have been possible.⁹⁹ The US endorsed Pakistan's policy on Kashmir, namely demanding holding of a plebiscite in Kashmir. The Indian leaders, on the other hand, almost always perceived the US policies and approaches towards resolving the Kashmir issue as anti-Indian in character and the U.S. administration on its part, felt the Indian position on Kashmir unhelpful in the resolution of the problem. The US took a pro-Pakistan tilt many a time. The UN Security Council Resolution of April 1948 primarily moved by the US and the UK, failed to criticize Islamabad for the aggression and treated the aggressor and the victim of aggression equally. Similarly, when India and Pakistan fought a war over Kashmir in 1965 in the wake of Pakistan launching "Operation Gibraltar", the US attitude was clearly pro-Pakistan. Again in 1971, the Nixon Administration's "tilt" towards Pakistan during the Bangladesh war is now a well-known fact of history.¹⁰⁰

In the post-cold war era both the United States and Pakistan have developed a common cause by linking up the Kashmir issue with the nuclear issue in the South Asian context. The US supported the Pakistani viewpoint that Kashmir is a core issue resolution of which has to be part

⁹⁹ Richard Sission & Leo E. Rose. *War and Neutrality: Pakistan, India and the creation of Bangladesh*, (New Delhi, 1990), p. 48

¹⁰⁰ Chintamani Mahapatra "American Activism on the Kashmir question" in *Strategic Analysis*, vol. XXI, no. 7, October 1997, pp. 988-89.

of a comprehensive approach to other issues. It clearly suggests that Kashmir issue could not be treated in isolation from other problems between India and Pakistan which includes nuclear proliferation also.¹⁰¹ The US goal seems to highlight its non-proliferation concerns by raising the Kashmir issue. In 1993 the US Assistant Secretary of State Robin Raphel referred to Kashmir as a disputed territory. The present American policy towards Kashmir can be understood by the following statement of Robin Raphel: "The recent elections in Kashmir would not resolve the underlying question of Kashmir as a disputed territory, which needed to be sorted out between India and Pakistan. But the elections would certainly provide an opportunity for India and the elected state government of Jammu and Kashmir to ease tensions in the valley by bringing basic governance back to the surface against."¹⁰²

The former Soviet Union and the present Russia has been consistently supporting Indian stand on Kashmir ever since the two Soviet leaders Khrushchev and Brezhnev, on a visit to India in 1955 declared their unequivocal support to New Delhi on the Kashmir issue.¹⁰³ China which shares borders with Jammu and Kashmir on both sides of

¹⁰¹ P.R. Chari, *Indo-Pak Nuclear stand off: The Role of the United States* (New Delhi: Manohar Publishers, 1995), pp. 72-73.

¹⁰² The Hindustan Times (New Delhi) December 14, 1996.

¹⁰³ Richard Sission and Leo Rose, n. 99, p. 49.

the line of control has also exercised its influence on the Kashmir issue. With a view to consolidate its strategic ties with Pakistan China supported Pakistan's stand on Kashmir. In 1963 China and Pakistan signed a boundary agreement by which Pakistan ceded some territory of the Pakistan-occupied Kashmir to China. China has also been instrumental in the development of Pakistan's nuclear and missile programmes. Pakistan received critical technological aid from China. India on the other hand fought a war with China over the boundary dispute. From 1980 onwards, however, due to normalization and improvement of Sino-Indian relations China began to resume a neutral policy which has been kept unchanged till today.¹⁰⁴ Thus, the great powers have exercised profound influence on the Kashmir issue while trying to serve their own global and regional strategic security and economic interests.

Militancy in Kashmir:

From the late 1980s the state of Jammu and Kashmir witnessed the emergence of militancy and unprecedented levels of violence. The rise of insurgency can be attributed to two factors, namely domestic factors and external factors. The domestic factors include power politics between the central government and the Kashmir state government,

¹⁰⁴ Mao Siwei, "China and the Kashmir issue" in *Strategic Analysis*, vol. XVII, no. 12, March 1995, p. 1574.

political ineptitude of the state government in handling the legitimate demands of the Kashmiri people, political mismanagement and economic neglect of the central government in Kashmir etc. The external factor that has largely been responsible for rise of the militancy in Kashmir is Pakistan's role in fomenting and aiding terrorism in Kashmir. At the domestic level, the proximate causes for the rise of militancy have been the events like rigged elections of 1987 which made the Kashmir believe that the elections in Kashmir are not free and fair. Similarly earlier in 1984, the dismissal of the Farooq Abdullah government and installation of G. N. Shah regime convinced the vast majority of the Kashmiris in the valley that the national government had a reckless disregard for constitutional procedures.

It is argued that secessionist insurgency in Kashmir emerged because of the increase in political mobilization among Kashmiris against a background of institutional decay.¹⁰⁵ The Sheik Abdullah government, while in power, centralized decision-making and passed some laws which seriously curtailed civil liberties. This has created resentment among Kashmiris. The Islamic sentiment emerged in Kashmir from four sources.¹⁰⁶ The limited success of the central government in promoting

¹⁰⁵ Sumit Ganguli, *the Crisis in Kashmir: Portents of War and hopes of peace* (Cambridge University press and Woodrow Wilson centre press, 1997), p. 21.

¹⁰⁶ Ibid , pp 73-76

economic development in the state alienated the younger Kashmiris acquired a modicum of education and became aware of their economic deprivation. Another source for the spread of Islamic sentiment has been the migration of Assamese Muslims to Kashmir many of whom were employed as Maulvis (religious teachers) in the *madarassas*. The entry of these Muslim migrants most likely spurred the development of a new brand of the ethno-religious sentiment directed against the Indian state. Thirdly, the organizational structure the National Conference the dominant political force in Kashmir, was such that it did not allow any scope for dissent within the party and the new entrants were discouraged from entering party. Fourthly, Pakistan took advantage of the growing sense of disenchantment within Kashmir. The peculiar combination of these four sources contributed to the rise of Islamic fundamentalism in the Kashmir valley. The political tragedy of the Kashmir politics was the failure of the local and national leadership to permit the development of an honest political opposition. The channels for expressing political discontent were curbed. One of the reasons for the Kashmiri discontentment to take an ethnic turn was that the geographic isolation of the valley separated Kashmiri Islam from the larger currents of Muslim politics in India. The Kashmiris did not air their grievances as part of the national community but as a regional sub-community with particular and parochial concerns.¹⁰⁷

¹⁰⁷ Ibid., p. 40

The political mismanagement by the central government of the Kashmiri affairs was the major cause of Kashmiri disenchantment. Terrorism in Kashmir can not be ascribed to administrative or economic reasons alone. At the root of the problem is the deprivation of political power due to which Kashmiris feared that their dignity and identity are threatened.¹⁰⁸ A different line of argument for the rise of separatism in Kashmir is that it has taken its root on the one hand, from a lengthy history of separatist politics as well as, on the other from the very distinctive Kashmir culture and Kashmiris' strong sense of identity. This identity is being significantly inspired and reinforced in our day by the experiences of other separatist movements like Punjab and is refashioned by the cultural assertiveness and anti-secularism of the powerful Islamist elements that are present in the neighbourhood and, indeed, Kashmir itself.¹⁰⁹ The denial of democratic rights and subversion of democratic representation by the Indian state in Jammu and Kashmir almost continuously since 1947, eventually led to the outbreak of a popular-based movement for separation from India.¹¹⁰ Denial of democracy and autonomy to Kashmir by the Indian state is the ultimate cause of the

¹⁰⁸ Balraj Puri: *Kashmir: Towards insurgency* orient Longman Pvt. Ltd., 1993, p. 81.

¹⁰⁹ Robert G. Wirising: *India, Pakistan and the Kashmir Dispute : on the regional conflict and its resolution*, (London: Macmillan, 1994), p. 118

¹¹⁰ Sumantra Bose, *the Challenge in Kashmir: Democracy Self-determination and a just peace* (New Delhi: Sage publications, 1997), p. 170.

crisis in Kashmir.¹¹¹ A different line of argument attributes the rise of Kashmiri separatism to the developments like giving of sophisticated weapons by the US via Pakistan to the Mujahiddeen (holy warriors) who fought the Soviet-supported regime in Afghanistan and the inspiration Kashmiri separatists took from the break-up of mighty Soviet Union into independent ethnic nations.¹¹² Thus, the roots of militancy in Kashmir are multiple, some of them readily traceable to policy failures in New Delhi, others to political and social currents in Kashmir and still others, inevitably, to the designs of neighbouring Pakistan.

Pakistan's Role in Militancy:

After the humiliating debacle in 1971 war, Pakistan concluded that another confrontation with India on the battle field would not be paying. Pakistani decision-makers calculated that another conventional war with India would not be cost-effective. Pakistan, therefore, decided that a low-intensity conflict over a prolonged period could be successful in Kashmir. This could break the morale of India. The strategy was to destabilize India to the extent they can and weaken the adversary as much as they can. As is well-know, Pakistanis had their experience in waging a low-intensity conflict and causing destabilization in Afghanistan and in

¹¹¹ Ibid., p 176.

¹¹² Ajit Bhattacharjee, *Kashmir: The wounded Valley*, (New Delhi: UBS Publishers, 1994), p. 255.

Indian state of Punjab during 1980s. Moreover, the surplus arms from the Afghanistan conflict and the Afghan Mujahiddeen and other Islamic mercenaries were at their ready disposal. In line with this policy, "Operation Topac", an unconventional war was planned and put into effect. The Inter-Services Intelligence (ISI) has been instrumental in operationalizing this strategy of a proxy war. Another Pakistani calculation behind this strategy of waging proxy war has been that the full-scale wars with India besides being expensive and risky, they also drew the opprobrium of the big powers. But through this devious design of a proxy war Pakistan can remain behind the screen and still wage a war against India.¹¹³ Pakistan in its strategy to foment insurgency in Kashmir took advantage of the resentment and disenchantment of the Kashmiris, especially the Kashmir unemployed youth with the Indian state. Kashmir's descent into chaos presented Pakistan with an unparalleled opportunity to meddle in Kashmir. It was also presented with an opportunity to resurrect its near moribund demand for Kashmiri self-determination and at the same time to call the world's attention to its neighbour's shortcomings in regard to human rights and the practice of democracy.¹¹⁴ Fully exploiting the Kashmiri resentment Pakistan

¹¹³ D.P. Kurnai, *Kashmir: Pakistan's proxy war*, (New Delhi: Har-anand pub., 1993), p. 90

¹¹⁴ Robert G. Waring, "The Kashmir Dispute: Prospects for conflict Resolution" in Hafeez Mallik (ed) *Dilemmas of National Security and cooperation in India and Pakistan* (New York: St. Martin Press, 1993), p. 167.

started attracting Kashmiri youth through its arms, ammunition training etc.. The Pakistani strategy was to utilize the pro-Pakistan and pro-Islamic groups such as Jamaat-i-Islami, Jamat-i-Tubla, Hizbul Mujahideen, Muslim Janbaz force, Al Umar, Allah Tigers to recruit the volatile section of the Kashmiri youth and to take them to Pakistan-occupied Kashmir or Pakistan to train them, to motivate them, equip them with arms and ammunition and send them back to Kashmir to carry out subversion and paralyze the administration and law-enforcing agencies to create anarchy and launch a guerilla warfare and eventually force India to quit Kashmir.¹¹⁵

Pakistan's active support to militancy in Kashmir had a deleterious impact on Indo-Pakistan relations. India is convinced that Pakistan since 1988-89 has resorted to a proxy war against it by instigating terrorism within Kashmir. Indian government blamed Pakistan for exporting terrorism to Kashmir. Pakistan, on its part, accused Indian government of violating human rights in Kashmir. Indian government took several steps to prevent any kind of violation of human rights and excesses by its military and para-military forces. Indian government has conducted parliamentary and subsequently state assembly elections in Jammu & Kashmir in May and September 1996 respectively. The advent of these elections aroused a significant public interest. Pakistan faced a problem

¹¹⁵ Dev.P.Kumar,n.113,p.100

in Kashmir when the Kashmiris developed a disillusionment towards the militants. Militant's frequent resort to kidnapping, rape and extortion antagonized their previous supporters and estranged popular sentiment. Frequent gun-battles among rival militant groups and the practice of Kidnapping of suspected informers by militants also enraged the Kashmiri people. People have also suffered from the havoc caused to the economy, because of the disruption of tourist trade and enhanced unemployment. Public protests and Public defiance against the activities of militants have been on the increase. After the state assembly elections in Jammu & Kishmir, and with a popular government in office a semblance of normalcy has been restored in Kashmir. The central government, on its part, has announced a package of measures for providing autonomy to the state of Jammu and Kashmir.

Internationalization of Kashmir:

One of the flash points in India-Pakistan relations has been Islamabad's attempts to internationalize the Kashmir issue. In a bid to keep the Kashmir question alive, Pakistan has sought to internationalize this issue, hoping to obtain the support of the western world. With this aim in view it has engaged in a propaganda offensive against India, emphasizing the so-called human rights violations taking place in Kashmir by the Indian security forces. Also, Pakistan brought up the

demand of the Kashmiris for “ self determination” as a basic, inalienable human right. Pakistan has been trying to garner support from the Muslim world by highlighting its concern for the plight of the Kashmiri Muslims. Since 1990, Pakistan has raised the questions of human rights and self-determination with respect to Kashmir repeatedly at the international fora like United Nations Human Rights Commission, General Assembly. In March 1990, at the Human Rights Commission in Geneva, Pakistan raised the Kashmir issue, claiming that the people of Jammu & Kashmir had been denied the right of self-determination .¹¹⁶

Pakistan's raising of Kashmir at different international fora is against the spirit of the Shimla Agreement. In 1972, under the Shimla Agreement both Pakistan and India have agreed to settle all their outstanding issues including Kashmir, bilaterally through peaceful means or through any other means acceptable to both the countries. Thus, the Shimla Agreement has established the principle of bilateralism between India and Pakistan with regard to the settlement of their bilateral issues. Pakistan's bid, therefore, to internationalize the Kashmir issue amounts clearly to the violation of Shimla Agreement by Pakistan. It is also a matter of irony for Pakistan to constantly trumpet about India's human

¹¹⁶ The Hindu, March 2, 1990

rights record on Kashmir given its own track record in Pakistan occupied Kashmir, Sindh and Baluchistan.

India, on its part, sticks to the concept of bilateralism and opposes any internationalization of the Kashmir Issue or any third party intervention therein. However, according to the opinion of some scholars, India should not insist on bilateralism especially when there is virtually no possibility of Pakistan agreeing to it. India should not be averse to discussing the Kashmir issue on any forum or even to entertaining a third party mediation.¹¹⁷

As far as the resolution of Kashmir issue is concerned. Various possible options have been suggested. These include, among others, options like independence for Kashmir; Kashmir's accession to Pakistan on the basis of the two-nation theory; the status quoist approach; joint India Pakistan control over Kashmir; the "Trieste" type solution through the territorial transfer of the vale of Kashmir to Pakistan the "Tibetan" solution by transforming the demographics in Kashmir and some even suggested generating an exodus of Kashmiri Muslims into Pakistan. The preferred solution for India is maintaining status quo and conversion of

¹¹⁷ D.D. Khanna and Kishore Kumar, *Dialogue of the Deaf: The India-Pakistan Divide* (New Delhi: Konark publishers, 1992). p. 185.

line of control (LOC) into an international border between India and Pakistan. Pakistan's preferred solution is the accession of Jammu and Kashmir to it and it may be noted that even though Pakistan talks of self determination for Kashmiris, there is no place for independence for Kashmiris in Pakistan's scheme of self determination. Most Kashmiris prefer independence for Kashmir. For any lasting solutions to the Kashmir which has become a major stumbling block in the way of improvement of Indo-Pak relations, a sense of realism is very much needed on the part of both India and Pakistan.

CHAPTER-IV

INDO-PAK TRADE AND ECONOMIC CO-OPERATION: AN IMPERATIVE NEED

The characteristic feature of the post-cold war world has been the increasing co-operation and economic interdependence among the nations. The end of the global cold war has witnessed the advent of liberalization of international trade, deregulation and delicensing. Most of the nations have adopted the free-market economic policies and integrate their respective national economies with the global economy. Global trading regimes like world Trade Organization (W.T.O) have come into existence to regulate the world trade. Free trade among the nations has become the order of the day. Regional trade blocks and free trade zones such as NAFTA, EEC have emerged to promote free trade among the nations at the regional level. These global developments, however, seem to have failed to produce any impact on the Pakistan-India trade relations and economic co-operation. In spite of the encouraging trade prospects and economic potential, Pakistan-India economic and trade relations have remained hostage to political differences in the post cold war period. This chapter attempts to show that there are strong economic imperatives for increasing the volume of trade and economic co-operation between Pakistan and India. This assumption is based on: (a) an analysis of the past trends in trade between Pakistan and India; (b) current level of informal trade between the two countries. And (c) the changes in the global and regional economic

environment and the urge of the business communities in Pakistan and India to increase the economic and trade relations between the two South Asian neighbours.

The international trade between Pakistan and India was at one time free internal trade between the regions which now constitute two independent countries. At the time of independence and partitioning of the subcontinent in two sovereign states, the economies of India and Pakistan formed parts of a single and unified economy with their concomitant regional specialization and interdependence. These two regions were interdependent in the sense that while the region that came to constitute Pakistan was agriculturally more developed and prosperous, the region that constituted the Indian Union was industrially more advanced.¹¹⁸ This interdependence was recognized by the provisional governments and a 'standstill Agreement' had been signed between the two countries for governing the inter-dominion economic and commercial relations. The Agreement provided that till its expiry on 29 February 1948, there would be no restrictions on free flow of goods between the two dominions and no customs barriers would be imposed.¹¹⁹

¹¹⁸ B M Bhatia, "Indo-Pak Economic Relations: A perspective" in Jasjit Singh (ed) *India and Pakistan: Crisis of Relationship* (New Delhi: Lancer Publishers Pvt. Ltd., 1990), p. 72.

¹¹⁹ S S Gill and E S Gluman, "Indo-Pak Trade: Prospects and Constraints" in V D Chopra (ed) *Studies in Indo-Pak Relation* (New Delhi: Patriot Publishers, 1984), p. 189.

However, the political divisions started showing their impact on trade and economics and both countries began violating this agreement. In December 1947 Pakistan in violation of this agreement imposed an export duty on raw jute which had the effect of a crippling increase in the cost of this essential input to the Indian jute industry. India replied on 23 December the same year, by imposing export duty on jute manufacture to Pakistan. Each country was trying to be self sufficient and in trying to be so deny itself the products of the other. Questions of cost have been disregarded largely due to considerations of nationalism.¹²⁰ After the termination of the stand still Agreement trade between India and Pakistan was all along conducted on the basis of trade agreements. These agreements were aimed at promoting and maintaining cordial trade links between the two countries. A good number of these agreements were trade quota agreements and the main items covered by these agreements were coal, jute manufacturers, cotton yarn and cloth, pig-iron, tobacco etc. A three-year trade agreement, signed in March 1953, introduced an element of trade liberalization between the two countries. The 1957 trade and payments agreement introduced the Most Favoured Nation (MFN) clause which stipulates that the contracting parties would accord the same treatment to each other's exports and imports in respect of tariff and trade restrictions as they accorded to other nations in general. The trade agreement of March 1960 introduced measures for liberalization of

¹²⁰ B M Bhatia, n. 118, p. 74

border trade.¹²¹ The sino-Indian conflict of 1962 and the then newly formed Sino-Pak friendship marked a major set-back to Indo-Pakistan trade relations. The Indo-Pak war of 1965 resulted in the imposition of a trade embargo which remained in force up to 1974. During 1966-67 to 1974-75, there was absolutely no trade between the two countries because of this trade embargo. This trade embargo gave way to many other countries to enter the Pakistani and Indian markets. However, inter-state smuggling and the appearance of Indian goods in the Pakistani markets through third countries continued as a regular feature during this period.¹²² Between 1966 and 1973, India was reported to have made many enquiries for the resumption of trade with Pakistan. However, the indications available from Pakistan upto September 1968 showed quite clearly that Pakistani leaders were firmly opposed to taking any steps to permit resumption of trade with India.¹²³ The Indo-Pak war of 1971 further deteriorated the poor trade and economic relationship between the two countries. However, the Shimla Agreement which was signed in 1972 following the Bangladesh war paved the way for normalization of the relations between the two countries. In Pursuance of Article 3 of the

¹²¹ Ranjit Singh Ghuman, *Indo-Pak Trade Relations* New Delhi: Deep and Deep publications, 1986) p. 47-48

¹²² S.S. Gill and R. S. Ghuman, n 119, p. 189

¹²³ Sreedhar, "India-Pakistan Trade: Problems and Projects" in Virendra Grover and Ranjana Arora (ed) *Fifty years of Indo-Pak Relations* vol. 2. (New Delhi: Deep and Deep Publishers, 1998), p. 210.

Shimla Agreement, a protocol was signed in New Delhi on 30 November 1974, lifting the embargo on trade between the two countries with effect from 7 December, 1974. According to the protocol, trade would be conducted in hard currency in accordance with the foreign exchange regulations of each country. The two countries agreed to extend the Most Favoured Nation (MFN) treatment to each other in accordance with the provisions of the General Agreement on Trade and Tariffs (GATT). To begin with, trade would be conducted on a government to government basis or through public sector agencies. However private trade could also take place by mutual agreement in specific cases. At a later stage, the private sector would be given a bigger role. The immediate trade possibilities were identified in items like cotton, engineering goods, jute manufactures, iron-ore, railway equipment, rice and tea.¹²⁴

The trade between the two countries, however, was actually resumed in January 1975 after the trade agreement. An agreement was signed in Karachi on 14 January 1976, under which Pakistan was to buy from India 5,000 tones of Pig-iron and 250 tones of bifid leaves. During the talks, both sides agreed that it was necessary to take steps to facilitate and speed-up the exchange of trade information between the two countries. Further, diversification of trade between the two countries was discussed at the high level trade talks held during April, 1977 in New

¹²⁴ Ibid., p. 211.

Delhi. At these discussions, India agreed to buy goods from Pakistan increasingly and Pakistan, in turn, offered items like gypsum, industrial alcohol, rock salt, cotton yarn, tobacco, medicinal herbs and fresh and dry fruits. It was also decided that experts from the two countries should meet shortly thereafter to thrash out the problems in regard to rail and road transport.¹²⁵ Pakistan, however banned her private trade with India in July 1978. Several attempts have been made by India to start trade on private account. As a result there was a limited trade between the two countries in the late 1970s. However, even this limited volume of trade helped to underline the important fact that despite the two countries attempting from the beginning to insulate and make independent of each other their respective economies, new complementarities between the two had developed and that not only temporary demand-supply imbalances in the two markets could be addressed through trading, but active economic co-operation between them too could materially contribute to economic growth of both of them.¹²⁶ This complementarity is clearly established in the case of some important commodities. For instance, Pakistan needs supply of Iron ore on regular basis, which India can supply much cheaper than that country can get from any other source. The Karachi Steel Mills which require iron ore as raw material, have a surplus production of pig-iron for which the country needs an

¹²⁵ Ranjit Singh Ghuman, n.121, p. 52.

¹²⁶ B.M. Bhatia, n.118, p. 77.

external market. India could easily supply that market. Textile machinery is another example of this complement. Textile industry in Pakistan has developed rapidly over the years. To meet the machinery needs of the industry, Pakistan has been importing textile machinery from countries like Japan, Europe, China etc., Pakistan, however, faces some problems like increasing costs of the machinery due to appreciation in value of the currencies of the suppliers of machinery etc. However, Pakistan can avail the comparative advantage by importing the same textile machinery from India. The Indian Textile Machinery industry produces machinery and equipment of international standard. These products are finding easy market in countries of South East Asia, South Asia, west Asia and Europe. Therefore, it would be great advantage to Pakistan if it turns to India for the supply of its needs of textile machinery.¹²⁷ Acknowledging this comparative advantage Pakistan in 1980 decided to import from India iron ore (300,000 tons) for its steel mill at Karachi. This decision was made in view of the competitive price of Indian iron ore primarily because of freight advantage due to the close proximity of the supply source to Pakistan.¹²⁸

¹²⁷ Ibid., p. 78.

¹²⁸ Rashid Ahmad Khan, "Indo-Pakistan Trade: Prospects and constraints " in *Regional Studies (Pakistan)*, vol. XIII, no. 1, winter 1994-95, p. 44.

Since 1981 private sector links had been established between the two countries and delegations from the Federation of Pakistani chambers of Commerce and Industry visited India.

As a result of the fruitful discussions between the Pakistani delegations and their counterparts in India, the Government of Pakistan has approved the import of 40 specified items from India by the Pakistani private sector through the Trading corporation of Pakistan (T.C.P.), pending the conclusion of a new bilateral trade agreement. The Indo-Pakistan joint commission, signed on 10 March 1983, is certainly a step forward in the promotion of mutual relations. According to the text of the accord, which comprises 10 articles, the Indo-Pakistan Joint Commission has been established to strengthen understanding and to promote co-operation between the two countries for mutual benefit in economic, trade, industrial, education, health, cultural, consular, tourism travel, information, scientific and technological fields. The sub-commission on trade set up under the Indo-Pak Joint Commission held meetings in Islamabad and new areas of co-operation between the two countries and items for trade were identified.¹²⁹

Economic ties between India and Pakistan entered a new phase with Islamabad deciding to lift a eight year old embargo on private sector

¹²⁹ S.S. Gill and R.S. Ghuman, n119, p. 194.

trade with India. Under an agreement signed between the finance ministers of the two countries in January 1986, Pakistan allowed private traders of the country to import 42 items from India without going through the Trading Corporation of Pakistan. The list turned out to be deceptively long, as effectively only 22 items of any significance were covered. At a later meeting of the sub-Commission held in August 1987, Pakistan offered a list of 250 items but India wanted a list of not less than 400 items to be covered. The restoration of democracy, Benazir's coming into power and her initial discussions with Rajiv Gandhi between September and December 1988 resulted in new initiatives. The third meeting of the Indo-Pakistan sub-commission on trade was held in Islamabad on 7 January 1989. This meeting resulted in both sides agreeing that there was scope for increasing the bilateral trade. India proposed at this meeting that Pakistan should extend "MFN Treatment" to Indian exports. India and Pakistan also agreed to set up a Joint Business council with the federation of Indian Chambers of Commerce and Industry as the Pakistani modal point.¹³⁰ Pakistan expanded the list of items that can be imported freely by Pakistani private traders from 249 to 570 items in 1989-90 and to 601 in 1998. However, Pakistani importers can not import any item outside this list. What is of interest is

¹³⁰ J.N. Dixit, *Anatomy of a flawed Inheritance: Indo-Pak Relations, 1970-1994*. (New Delhi: Konark Publisher, 1995).

that this list includes a number of items for which it does not have exportable surpluses. Despite all these limitations, the volume of trade between India and Pakistan has shown a steady increase from Rs. 47.15 crores in 1987-88 to Rs. 534.76 crores in 1992-93. The balance of trade had been in favour of Pakistan up to 1992-93. The table –1 below gives statistical details from 1987-88 to 1993-94.¹³¹

Table – 1

(in crores of rupees)

Year	Exports to Pakistan	Imports from Pakistan	Total	Balance of Trade
1987-88	19.12	28.03	47.15	- 8.91
1988-89	36.20	72.17	108.37	- 35.97
1989-91	51.39	53.79	105.18	- 2.40
1990-91	73.60	84.49	158.09	- 10.89
1991-92	98.61	149.98	248.59	- 51.37
1992-93	151.26	373.50	524.76	- 222.24
1993-94	200.66	136.48	337.14	+ 63.18

Source: DGCI

¹³¹ Ibid., p. 230.

India's major exports to Pakistan during 1993-94 to 1994-95 have been iron ore Machinery and instruments, oil meals, dyes, spices, paints enamels, varnishes etc. Table - 2¹³² gives the statistical data about India's major exports to Pakistan.

Table 2
India's Major Exports to Pakistan

(Rs. Million)

Commodity	Unit of Quantity	1993-94		1994-95	
		Q	V	Q	V
Oil meals	Ton	91458	566.19	70766	442.94
Gls/glswr/ceramics/refrs/c mnt			145.69	-	236.73
Dyes/intmdts & coal tar cheml	Kg.	1636996	261.63	1362166	211.56
Iron ore	Ton	558246	298.28	318914	153.46
Spices	Kg.	11700766	180.82	7041861	107.55
Paints/enamels varnishes, etc.	Kg.	2665975	64.11	2133452	72.85
Drugs phrmcutes & fine chemls			98.54	-	61.26
Tea	Kg.	567821	25.86	1147369	56.94
Machinery and instruments			40.77		36.91
Fruits and vegetables			0.28		32.02
Total above			1682.17 (83.71)		1412.22 (78.61)
Total (incl. Others)			2009.58		1796.57

Source: Foreign Trade Statistics of India March, 1995.

¹³² V.L. Rao and et.al, *India's Border Trade with Select Neighbouring countries* (New Delhi: Research and Information system for the Non-aligned and other Developing countries, 1997), p. 81.

Major items imported by India from Pakistan include fruits and nuts, sugar, textile yarn, leather, raw hides and skins etc. Table - 3¹³³ gives the statistical details about India's major imports from Pakistan in 1993-94 and 1994-95.

Table 3
India's Major Imports from Pakistan
(Rs. Millions)

Commodity	Unit of Quantity	1993-94		1994-95	
		Q	V	Q	V
Fruits and nuts excl cashew nuts		-	679.03	-	804.29
Sugar	Ton	-	-	35985	437.99
Txtl. ym. fabrics, made up articles			100.31	-	144.25
Spices	Kg.	4196986	79.74	4378535	99.22
Leather	SQD	11840829	97.31	4354248	36.67
Metaliferous ores and metal scrap		-	12.30	-	36.67
Other crude minerals		-	15.41	-	13.14
Wool, raw	Ton	3944	137.62	367	11.36
Pearls precious stones		-	8.05	-	1.71
Raw hides and skins	Ton	-	0.01	2	1.44
Total above		-	1129.78 (82.67)	-	1566.85 (95.07)
Total (inc. Others)			(1366.53)		1684.02

Source: Foreign Trade Statistics of India, March 1995.

¹³³ Ibid., p. 82.

Following the nuclear tests by India and Pakistan in May-June 1998, the two countries signed the Lahore Declaration in February, 1999 and agreed to continue the dialogue process to resolve all their issues. On the economic front both sides agreed to undertake consultations on W.T.O. related issues with a view to coordinating their respective positions. They also agreed to determine areas of co-operation in information technology, in particular for tackling the problems of Y 2K.¹³⁴ As part of the ongoing composite and integrated dialogue, the two countries identified areas of mutual concern. In the field of economic co-operation and commercial ties, both India and Pakistan signed an agreement in February 1999 by which India would purchase power from Pakistan. While India, especially its northern states, is facing an acute shortage of electricity, Pakistan's surplus electricity is expected to be 3000 MW by the end of 1999. Under the agreement signed for the purchase of electricity by India from Pakistan, it was agreed in principle, that initially 300 MW of power will be supplied to India and later it may increase upto 1000 MW.¹³⁵ However, both countries differed on the terms of tariff and other modalities. While Pakistan demanded 7.2 cent per unit, India offered to buy power at the rate of 3 cent per unit.

¹³⁴ Mainstream, vol. XXXVII, no. 10 February 27, 1999, p. 5.

¹³⁵ POT (Pakistan Series) February 28, 1999, p. 723.

However, there seem be internal differences within the Pakistani government with regard to the issue of the rate to be finally demanded from India for the sale of electricity. Differences have cropped up between the Ministry of Water and Power and Wapda on the fixation of tariff rate to be finally charged from India in case a deal is struck. The Wapda management is agreeable to extending only a very marginal concession to its demand of 9 cents per unit of electricity while the Ministry of Power wants to rationalize the tariff to be finally offered to India because in its perception the sale of surplus electricity irrespective of the tariff rate would be a profit to the government because otherwise it would go waste.¹³⁶ Apart from the differences within the Pakistani government circles, there seems to be a strong opposition from the hardliners in Pakistan on the issue of sale of electricity to India in particular and on the question of improvement of trade and economic relations with India. These Indo-Pak talks on the power sale deal are followed by the visit of a business delegation from India to Pakistan in March, 1999. This business delegation of Federation of Indian Export organization (FIEO) held wide-ranging discussions with the Pakistani businessmen. During this visit it was agreed that the Indo-Pak Joint business council would prepare a negative list of items in trade between the two countries. This negative list would be draw up on the basis of protection required for nascent industries the rest of the items would be

¹³⁶ POT (Pakistan Series) March 23, 1999, p. 1004.

allowed for free trade. This liberalization of bilateral trade would help in regularising the third country trade between the two nations. The delegation also discussed the possibilities of Indian direct investment in Pakistan in information technology, dyes and chemicals, iron and steel, cement and pharmaceuticals.¹³⁷ An excellent beginning towards promoting better trade and economic relations between the two countries had been made with the decision to form an Indo-Pak chamber of commerce and Industry in February 1999. This joint chamber would work towards removing quantitative restrictions on 2,000 commodities from India and 500 commodities from Pakistan. It is estimated that if these quantitative restrictions on trade are removed and policy impediments and uncertain political conditions change, the current Rs. 650 crore trade between the two countries would touch nearly Rs. 3,500 crore in three years time.¹³⁸ The large volume of unofficial or illegal trade between the two countries is an indicator to the tremendous trade potentialities between India and Pakistan. As a result of the politically driven trade policies of Pakistan and its strategy of linking up Kashmir and its resolution to the improvement of trade relations and because of the restrictions imposed on the bilateral trade, a large scale unauthorised trade takes place along the 625-mile long Indo-Pak border. Studies commissioned by the Benazir Bhutto government have shown the extent

¹³⁷ POT (Pakistan Series) March 30, 1999.

¹³⁸ Times of India (New Delhi) February 2, 1999.

of this trade to be as high as Rs. 2 billion both ways. The composition of this trade is highly volatile and quickly responds to price and supply variations in commodities of general consumption.¹³⁹ Another estimate by the Federation of Indian Chambers of Commerce and industry also put the unofficial trade between the two countries at near \$ 1 billion which is five times of the official trade (\$200 Million). Apart from the illegal bilateral trade between India and Pakistan, a large volume of trade through third country channel is also taking place between the two countries. This can be attributed to the fact that there has been a substantive demand pattern for Indian items in the Pakistani market. The items that make their way to Pakistan through the third country channel include textiles machinery, spares and equipment's, tannery equipment, machine tools, chemical goods, alcoholic beverages and video tapes.¹⁴⁰ Pakistan's textile mills use machinery manufactured in India. The method used in importing these items is that they are first exported either to countries like Singapore or Malaysia or to countries in the Gulf, where the Indian markings and brand names on them are erased. They are then imported into Pakistan, through a costly and tedious process. Similarly, the amount of India tyres utilized by the heavy transport sector of Pakistan economy is remarkable. Indian tyres have been smuggled into

¹³⁹ Mahendra P. Lama, "Boosting Indo-Pak Trade" The Hindustan Times (New Delhi) January 1, 1999.

¹⁴⁰ Times of India (New Delhi) Feb 2, 1999.

Pakistan from the former Soviet Central Asia, Afghanistan and the Gulf.¹⁴¹ A large number of vehicle-owners prefer to buy Indian tyres and tubes. Some of the tyres are named MRF, Sultan, Ceat, Modi and JK tyres which cost from Rs., 1000 to Rs. 6000, depending on the size, while the Pakistani tyres and those from Indonesia and other countries cost Rs. 1300 to Rs. 12000 per tyre. In addition to these textile machinery and tyre, a large number of consumer goods from India are available in the markets in Peshawar and Rawalpindi. These consumer goods include items like blades, cartridges, razors, washing soaps, powders, Shampoos, lipstick, facial wash, ball points, crack cream, note books and stationery of all kinds and products like coffee. Several items from India like the Dabur Amla Shampoo and Dabur Vatika coconut oil are made in UAE and brought into Pakistan.¹⁴² Tremendous changes in the global and regional economic and commercial environment also seem to give a stimulus to the improvement of Indo-Pak trade and economic co-operation. At the global level world trade organization has come into existence as an international trading regime to promote and regulate the free trade among the nations. Both India and Pakistan are members of this organisation and are parties to the 28 to 29 agreements resulting from the Uruguay round of trade negotiations. Under these agreements they are obliged to liberalize their import policy, reduce the tariffs and shun

¹⁴¹ J.N. Dixit, n. 13, p. 232.

¹⁴² POT (Pakistan Series) March 17, 1999, p. 932.

discriminatory trade policies. Pakistan under its commitments to W.T.O. would have to reciprocate by granting Most-Favoured Nation (M.F.N.) status to India which it has been refusing for the last 50 many years (India granted M.F.N. status to Pakistan long back). Would Pakistan be able to defy the new GATT agreement (now W.T.O.) as it did the 1973 GATT protocol? It looks increasingly doubtful that Pakistan would be able to stick to its traditional stand on trade with India in view of these changes.¹⁴³ At the regional level SAARC provides the way for increasing economic co-operation and commercial linkages between its members. New trade avenues were opened up with the signing of the South Asian Preferential Trading Arrangement (SAPTA) to promote free trade in the SAARC region. SAPTA envisages reduction in trade barriers such as tariff and non-tariff barriers and positive measures to expand trade. India has already entered into trading agreements with its neighbouring countries like Bangladesh, Bhutan Sri Lanka and has reduced tariff and non-tariff barriers on a range of items. Pakistan, being a member of SAARC, is a signatory to the South Asian preferential Trading Agreement under which every member country will have to cut by 10% duties on imports from each other. Therefore, under the SAPTA framework also both India and Pakistan are obliged to engage in free trade and economic co-operation.

¹⁴³ Rashid Ahmad Khan, n. 128, p. 49.

Pakistan has been following politically driven trade policy towards India, despite the fact that vast benefits would accrue to Pakistani economy and its consumers with a co-operative and liberal trade policy towards India. This is because Pakistan perceives that closer trade and economic relations with India would be detrimental to its politico strategic and ideological interests. Pakistani rulers and hardline elements know that closer economic and commercial ties would result in greater people to people contact and that in turn would be detrimental to Pakistan's ideological moorings. The very existence of the Pakistani state is based on the two-nation theory which advocated that the secular interests, that is, political and economic interests of the people belonging to two religions are mutually exclusive and antagonistic. The Pakistani rulers fear that greater interaction and closer relations political, economic and cultural would delegitimise or erode the ideological underpinnings of the Pakistani State. Pakistan advances unconvincing and superficial economic arguments to justify its politically motivated trade and economic policies towards India. Pakistan, for instance argues that India follows a "restrictive" import policy so far as manufacturers are concerned. Similarly, there are many industrialists in Pakistan who argue that the opening of Indian borders with Pakistan would be followed by a large inflow of Indian goods, thus adversely affecting Pakistani local industry. This viewpoint does not conform to the figures. For instance, when Indian exports to Pakistan reached their peak in 1977-78, 36% of

these exports consisted of items like tea, betel leaf and ginger and 27% were manufactured goods which were required for industrial development, like cement, iron, steel etc., in Pakistan.¹⁴⁴ Pakistan 'fears' that giving MFN status to India will lead to the opening of flood gates to Indian goods which may dislodge a large section of Pakistani industries. In doing so, however Pakistan does not explain how the Pakistani industries are coping up with the onslaught of multinational companies which are there in Pakistan in a much bigger way than in many other South Asian countries.¹⁴⁵ The real reasons for the Pakistani unwillingness to establish practical and positive economic relations with India are different. There are vested economic interests within the Pakistani commercial and industrial community which do not wish India to enter as a competitive factor in Pakistani economy. As mentioned earlier, it is the political and ideological interests of Pakistan which are coming in the way of improved trade and economic relations between the two countries.

To conclude, in view of the tremendous global and regional changes in the economic environment and the mutual benefits that would accrue to the peoples of Pakistan and India, there is an imperative need to improve trade and economic relations between the two countries.

¹⁴⁴ Ibid., p. 46.

¹⁴⁵ Mahendra P. Lama, n.139.

CHAPTER-V

CONCLUSIONS

The Pakistan-India relations, during the cold war years, were characterized by tension, mutual distrust and suspicion. Two countries have fought three wars in the past. The domestic political compulsions used to determine their foreign policies vis-à-vis each other. The bilateral issues that have emerged both during and after the partition have only aggravated the tension between the two countries. During the cold war years the pace and direction of Indo-Pak relations has thus been determined by their bilateral disputes, their respective domestic socio-political dynamics and by the global cold war politics into which South Asia has been dragged. The bilateral relations remained hostage both to domestic political compulsions and global cold war politics. With the end of the cold war, sweeping changes have taken place at the global and regional levels. The end of the cold war brought about an autonomy in the pace and direction of Pakistan-India relations. The major extra-regional powers like the U.S. and China which used to follow a partisan approach towards Indo-Pak problems, no longer evince any interest in intervening in the Indo-Pak bilateral issues and now seem to take a neutral stand on the all issues between India and Pakistan. Despite these encouraging changes in the external environment, the political differences between India and Pakistan over their long-standing bilateral disputes continued to strain the relations between the two countries in the

post-cold war era. Tremendous changes in the global and regional economic environment have failed to produce any impact on Indo-Pak political differences which prevented the development of free trade and economic co-operation between the two countries.

Strategic and security considerations of Pakistan and India have always determined their foreign policies towards each other. The strategic and security relationship between two countries during the cold war years has remained adversarial and the two countries fought three full-fledged conventional wars. Border Skirmishes and situations of crisis bringing the two sides on the brink of war have frequently occurred between the two countries. Pakistan's threat perceptions have largely shaped its India policies in particular and its foreign policy in general. From the inception Pakistan decision-makers perceived India as a major security threat to Pakistan's territorial integrity. Pakistan's perception of a security threat from India stemmed from the belief of the Pakistani ruling elite that India has not reconciled itself to the creation of Pakistan and therefore is out to dismember Pakistan. Pakistani rulers perceived a threat from India's size and superior military capabilities in relation to Pakistan and other neighbouring countries in the region. Pakistan leadership, both civilian and military, believed that India's conventional military superiority poses a major security threat to Pakistan's territorial integrity. Since the disparity with India, Pakistani leaders believed, in

terms of military strength poses a security threat to Pakistan's territorial integrity, the needs to be undone. Thus, the Pakistan's goal of seeking security against a perceived threat from India and its objectives of achieving military parity with India had largely shaped Pakistan's India policies. It would be no exaggeration to state that during the cold war years Pakistan's foreign policy and relation had largely remained India-centric. This is in this context that Pakistan's joining of western military alliances like SEATO and CENTO has to be seen.

The humiliating defeat of Pakistan in the 1971 war with India and its consequent dismemberment has only consolidated and reinforced Pakistan's threat perception that India is determined to undo Partition and dismember Pakistan. The 1971 war has proved, in strategic and security terms, that militarily Pakistan is no match for India. The secession of East Pakistani Muslims from Pakistan and emergence of Bangladesh has proved the two-nation theory to be fallacious and this has given a major setback to Pakistan's 'national ideology'. This has led to further intensification of anti-Indianism in Pakistan's foreign policy. Pakistanis rulers, without making an honest introspection of their colonial policies and step-motherly attitude towards East-Pakistanis which in deed caused their alienation, held India responsible for secession of East-Pakistan from Pakistan. Thus, the dismemberment of Pakistan led the Pakistani decision-makers to look for alternative ways achieving adequate security

and defence against India. Pakistan found the way in a nuclear weapon and Pakistani leadership embarked on the path of acquiring nuclear weapons capability by hook or crook, to balance India's conventional superiority. Pakistan, however, has consistently maintained that its nuclear programme is a reaction or response to India's actions in the nuclear field. Thus, Pakistan had perceived a nuclear threat from India and maintained that a nuclear India could exercise hegemony over the entire subcontinent. In line with their goal of achieving a nuclear deterrent Pakistan has finally succeeded in acquiring nuclear weapons capability by late 1980s through secret and clandestine means. In the course of its nuclear programme, Pakistan has received critical nuclear and missile technology from China and termed its nuclear weapon as an 'Islamic Bomb' to obtain the required financial assistance from the Muslim countries of the middle-east. India, on the other hand, conducted its Peaceful nuclear explosion in 1974 and upto 1998 May when it conducted a series of nuclear tests, maintained an ambiguous nuclear policy.

Thus, by the late 1980s both Pakistan and India had acquired nuclear weapon capability and a nuclear dimension has been added to the South Asian Security. The threat of a nuclear attack has assumed significance in the strategic thinking of the both countries. Both Countries consequently, a sort of nuclear deterrence has been put in

place between Pakistan and India. Both countries openly demonstrated their nuclear capability in May 1998. The argument of this study is that this nuclear deterrence obtaining between the two countries has led to a no-full-scale war situation between the two countries and would provide stability to Indo-Pak relations. Now, a full-scale conventional war has become a distant possibility between Pakistan and India, notwithstanding the frequent border clashes. The nuclear deterrence which is based on a balance terror induces a sense of caution on both sides. In view of the risks of a conventional war escalating to a nuclear exchange the possibility of a full-fledged conventional war between the two countries could now be discounted. Because of the prevailing nuclear deterrence, each country now is assured and certain of a retaliatory strike in case of a first nuclear strike by one side. It may be noted here that from the late 1980s, when Pakistan started actively supporting insurgency in Kashmir, a series of crisis situations with war potential have prevailed between the two countries.

Nevertheless, a conventional war did not break out between India and Pakistan. This could be attributed to the nuclear deterrence obtaining between the two countries from the late 1980s. Thus, it is argued in this study that the nuclear deterrence between Pakistan and India would lead to no-war situation and force the two countries to maintain strategic restraint in times of crisis. The central argument of this study is that

Pakistan's rigid stand on Kashmir and its strategy of sponsoring insurgency in Kashmir has led to the worsening of relations between India and Pakistan in the Post Cold War era. With the rise of militancy from the late 1980s in Kashmir with active support from across the border the Kashmir issue has re-emerged as a major bone of contention between Pakistan and India. The militancy in Kashmir, however, it is argued has taken its domestic roots also. The emergence of militancy in the valley and its gradual spread to other parts of Kashmir is, thus, attributed to both domestic and external factors. At the domestic level, political mismanagement of Kashmiri affairs by the Central government, economic negligence, curtailment of civil liberties, disregard for distinct Kashmiri culture and identity, mal-administration by successive Kashmiri state governments, have all led to the alienation and disenchantment of the Kashmiri people. An honest political opposition was not allowed to develop in Kashmiri politics both by the central and state leadership. The channels for expressing political discontent were curbed. The rigged and unfair elections in the state have created an impression among the Kashmiris that the central government has utterly disregarded the democratic representation and that they are being deprived of political power. The curtailment of democratic rights and denial of autonomy to the Kashmiris has ultimately resulted in alienation and disenchantment among the Kashmiri people. The unemployed and dissatisfied Kashmiri youth have taken to the arms which are readily available from across the

border. Pakistan took advantage of this Kashmiri disenchantment with the Indian state and actively supported the militants morally and materially to achieve its objective of waging a proxy war against India and sponsoring subversion in the country to break its morale. Pakistan, in fact, devised this strategy of waging a cost-effective low-intensity conflict against India after the 1971 Bangladesh war which proved the two-nation theory fallacious with the Bengali-speaking East-Pakistani Muslims seceding from Pakistan. Following Pakistan's dismemberment in this war, Pakistani decision-makers devised strategies for causing subversion and secession in India by actively supporting the centrifugal and separatist forces in the country. The Kashmiri resentment and unrest in the valley thus, proved to be an unparalleled opportunity for Pakistan to meddle in Kashmir. Volatile sections of the Kashmiri youth were recruited by the pro-Pakistan militant groups and were given training, arms and ammunition. Apart from these elements, foreign mercenaries and mujahidden were sent to Kashmir to carry out subversion. The surplus arms from Afghan conflict and the Mujahidden forces were used by Pakistan to foment trouble in India. Pakistan followed a dual strategy of actively supporting the militants on the one hand, and by internationalizing Kashmir by raising Kashmiri human rights and self-determination in various international fora on the other. This had a deleterious impact on Pakistan-India relations in the post cold war era. The differences over the Kashmir issue have adversely affected the

bilateral relations. Pakistan's insistence that Kashmir is a 'core' issue and should be resolved first if any progress is to be made on other issues has made Indo-Pak relations hostage to Kashmir issue. Pakistan sought to internationalize Kashmir by calling for third party intervention. While India stuck to the principle of bilateralism established by the Shimla Agreement by which both Pakistan and India have agreed to solve all the issues, including Kashmir bilaterally through peaceful means or any other means acceptable to both parties. Thus 'Kashmir factor' has become a significant determinant in both countries foreign policies towards each other and led to the worsening of relations between the two countries in the post-cold war era. It is argued in this study that it is not an economic rationale which explains the low level of Indo-Pak trade and co-operation but, on the contrary, politically driven trade policies of Pakistan towards India that has been a major impediments in Indo-Pak trade and economic co-operation to put it in differently, it is not the real or genuine economic impediments, but the political unwillingness and reticence on the part of Pakistan that has been largely responsible for the little or negligible volume of the official trade. Eventhough Pakistan advances unconvincing arguments like India's 'restrictive' import policy being an impediment for free trade the real cause has been Pakistan's lack of political will to improve trade and economic ties with India. The Pakistani 'fear' that Indian goods would swamp Pakistani markets if free trade is allowed with India does not confirm to the figures. As is shown

in the foregoing discussion, the Indo-Pak trade has been in favour of Pakistan from 1987-88 to 1993-94. The large volume of illegal or unofficial trade between two countries and the trade taking place through a third country channel point to the fact that it is the political differences and not any convincing economic rationale that have been a major impediment in the improvement of trade and economic linkages between the two countries. The vested economic interests within the Pakistani commercial and industrial community do not wish India to enter as a competitive factor in Pakistani economy. However, the fact that there is a large number of Multinational companies operating in Pakistan in a much-bigger way than in many other South Asian countries buttresses the argument that it is the politically motivated anti-Indianism of Pakistan and not any convincing economic rationale which has restricted the Indo-Pak trade. Pakistan's unwillingness to improve trade with India 'largely stems' from the perception of its decision-makers that improved trade and economic interaction between the people of the two countries would be detrimental to Pakistan's politico-strategic and ideological interests. The improved economic and commercial interactions would result in greater people-to-people contact between the peoples of the two countries and that might in turn, question or erode the ideological underpinnings of the Pakistani state which came into existence on the basis of the fallacious two-nation theory and which has been facing an identity crisis vis-à-vis India.

Appendix

Lahore Declaration

(The following is the text of the Lahore Declaration signed by Prime Minister A.B. Vajpayee and Pakistan Prime Minister Nawaz Sharif in Lahore on February 21):

The Prime Ministers of the Republic of India and the Islamic Republic of Pakistan:

- * Sharing a vision of peace and stability between their countries, and of progress and prosperity for their peoples;
- * Convinced that a durable peace and development of harmonious relations and friendly cooperation will serve the vital interests of the peoples of the two countries, enabling them to devote their energies for a better future;
- * Recognising that the nuclear dimension of the security environment of the two countries adds to their responsibility for avoidance of conflict between the two countries.;
- * Committed to the principles and purposes of the Charter of the United Nations, and the universally accepted principles of peaceful co-existence;
- * Reiterating the determination of both countries to implementing the Simla Agreement in letter and spirit;
- * Committed to the objective of universal nuclear disarmament and non-proliferation;
- * Convinced of the importance of mutually agreed confidence building measures for improving the security environment;

- * Recalling their agreement of September 23, 1998 that an environment of peace and security is in the supreme national interest of both sides and that the resolution of all outstanding issues, including Jammu and Kashmir, is essential for this purpose;
- * Have agreed that their respective Governments:
 - Shall intensify their efforts to resolve all issues, including the issues of Jammu and Kashmir;
- * Shall refrain from intervention and interference in each other's internal affairs.
- * Shall intensify their composite and integrated dialogue process for an early and positive outcome of the agreed bilateral agenda.
- * Shall take immediate steps for reducing the risk of accidental or unauthorised use of nuclear weapons and discuss concepts and doctrines with a view to elaborating measures for confidence building in the nuclear and conventional fields, aimed at prevention of conflict.
- * Reaffirm their commitment to the goals and objectives of SAARC and to concert their efforts towards the realisation of the SAARC vision for the year 2000 and beyond with a view to promoting the welfare of the peoples of South Asia and to improve their quality of life through accelerated economic growth, social progress and cultural development.
- * Reaffirm their condemnation of terrorism in all its forms and manifestations and their determination to combat this menace.
- * Shall promote and protect all human rights and fundamental freedoms.

Signed at Lahore on the 21st day of February 1999.

Joint Statement

(The following is the text of the Joint Statement issued at the end of Prime Minister A.B. Vajpayee's visit to Lahore)

In response to an invitation by Prime Minister of Pakistan Muhammad Nawaz Sharif, Prime Minister of India Atal Behari Vajpayee visited Pakistan from February 20-21, 1999 on the inaugural run of the Delhi-Lahore bus service.

2. The Prime Minister of Pakistan received the Indian Prime Minister at the Wagah border on February 20, 1999. A banquet in honour of the Indian Prime Minister and his delegation was hosted by the Prime Minister of Pakistan at Lahore Fort, on the same evening. Prime Minister Atal Behari Vajpayee visited Minar-e-Pakistan, Mausoleum of Allama Iqbal, Gurudwara Dera Sahib and Samadhi of Maharaja Ranjeet Singh, On February 21, a civic reception was held in honour of the visiting Prime Minister at the Governor's House.
3. The two leaders held discussions on the entire range of bilateral relations, regional cooperation within SAARC, and issues of international concern. They decided that:
 - a) The Two Foreign Ministers will meet periodically to discuss all issues of mutual concern, including nuclear related issues.
 - b) The two sides shall undertake consultations on WTO related issues with a view to coordinating their respective positions.
 - c) The two sides shall determine areas of cooperation in Information Technology, in particular for tackling the problems of YZK

- d) The two sides will hold consultations with a view to further liberalising the visa and travel regime
 - e) The two sides shall appoint a two-member committee at ministerial level to examine humanitarian issues relating to Civilian detainees and missing POWs.
4. They expressed satisfaction on the commencement of a Bus Service between Lahore and New Delhi, the release of fishermen and civilian detainees and the renewal of contacts in the field of sports.
 5. Pursuant to the directive given by the two Prime Ministers, the Foreign Secretaries of Pakistan and India signed a Memorandum of Understanding on February 21, 1999, identifying measures aimed at promoting an environment of peace and security between the two countries.
 6. The two Prime Ministers signed the Lahore Declaration embodying their shared vision of peace and stability between their countries and of progress and prosperity for their peoples.
 7. Prime Minister Atal Behari Vajpayee extended an invitation to Prime Minister Muhammad Nawaz Sharif to visit India on mutually convenient dates.
 8. Prime Minister Atal Behari Vajpayee thanked Prime Minister Muhammad Nawaz Sharif for the warm welcome and gracious hospitality extended to him and members of his delegation and for the excellent arrangements made for his visit.

Memorandum of Understanding

(The following is the text of the Memorandum of Understanding signed by Foreign Secretary K. Raghunath and Pakistan Foreign Secretary Shamshad Ahmad in Lahore on February 21):

The Foreign Secretaries of India and Pakistan:

Reaffirming the continued commitment of their respective governments to the principles and purposes of the UN Charter.

Reiterating the determination of both countries to implementing the Simla Agreement in letter and spirit;

Guided by the agreement between their Prime Ministers of September 23, 1998 that an environment of peace and security is in the supreme national interest of both sides and that resolution of all outstanding issues, including Jammu and Kashmir, is essential for this purpose.

Pursuant to the directive given by their respective Prime Ministers in Lahore, to adopt measures for promoting a stable environment of peace, and security between the two countries;

Have on this day, agreed to the following:

1. The two sides shall engage in bilateral consultations on security concepts, and nuclear doctrines, with a view to developing measures for confidence building in the nuclear and conventional fields, aimed at avoidance of conflict.
2. The two sides undertake to provide each other with advance notification in respect of ballistic missile flight tests, and shall conclude a bilateral agreement in this regard.
3. The two sides are fully committed to undertaking national measures to reducing the risks of accidental or un-authorized use of nuclear weapons under their respective control. The two sides further undertake to notify each, other immediately in the event of any accidental, unauthorised or unexplained incident that could create the risk of a fallout with adverse consequences for both sides, or an outbreak of a nuclear war between the two countries, as well as to adopt measures aimed at diminishing the possibility

of such actions, or such incidents being misinterpreted by the other. The two sides shall identify/establish the appropriate communication mechanisms for this purpose.

4. The two sides shall continue to abide by their respective unilateral moratorium on conducting further nuclear test explosions unless either side, in exercise of its national sovereignty decides that extraordinary events have jeopardised its supreme interests.
5. The two sides shall conclude an agreement on prevention of incidents at sea in order to ensure safety of navigation by naval vessels, and aircraft belonging to the two sides.
6. The two sides shall periodically review the implementation of existing Confidence Building Measures (CBMs) and where necessary, set up appropriate consultative mechanisms to monitor and ensure effective implementation of these CBS.
7. The two sides shall undertake a review of the existing communication links (e.g. between the respective Directors-General, Military Operations) with a view to upgrading and improving these links, and to provide for fail-safe and secure communications
8. The two sides shall engage in bilateral consultations on security, disarmament and non-proliferation issues within the context of negotiations on these issues in multilateral fora.

Where required, the technical details of the above measures will be worked out by experts of the two sides in meetings to be held on mutually agreed dates, before mid 1999, with a view to reaching bilateral agreements.

Done at Lahore on February 21, 1999 in the presence of Prime Minister of India Atal Behari Vajpayee and Prime Minister of Pakistan Muhammad Nawaz Sharif.

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