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CHALLENGES OF GLOBALIZATION: A CASE STUDY OF PAKISTAN

Yusra Mushtaq

Introduction

The dawn of the 21st century is pronounced within the spectrum of globalization and the world is been labeled as global village. The phenomenon of globalization stands on the diminishing international boundaries and people from all parts of the globe are now more closely connected to each other than ever before. Globalization has reduced the sense of isolation felt in most of the developing world and gives access to information and amenities to all without the disparity in developmental scale. It is manifested in a shift from a world of distinct national economies to a global economy in which production is internationalized and financial capital flows freely and instantly between countries. The two driving forces are liberalization and technology. It opens the horizons of productive development and invites the world to have the maxim from it.

Globalization unfolds lots of opportunities for the developing world to progress. Like all other countries, Pakistan has been a part of this globalization process. Pakistan has changed many of its policies regarding its contribution to the international stage. There have been significant changes in economic and foreign policies of Pakistan which are all part of the efforts to be a part of the globalization process. However, the reforms undertaken to match with the pace of globalization is viewed in a skeptical manner in the

country. But, Pakistan as a nation state has to do measures to board itself on the voyage of development.

The phenomenon of globalization brings opportunities as well as challenges simultaneously for Pakistan. The aim of the study is to explore the challenges which Pakistan faced in its way towards globalization being as a third world developing country.

Globalization: A Theoretical Framework

Given the universality of the concept, different interpretations have been come forward from various disciplines in order to have one defining perspective-integration. In simple terms globalization involves the “inexorable world integration of finance, markets, nation states and technologies within a free market capitalism on a scale never witnessed before-in a way that is enabling individuals, corporations and nation states to reach around the world faster, cheaper and deeper.”¹ In other words, it is the integration and democratization of the world's culture, economy, and infrastructure through transnational investment, rapid proliferation of communication and information technologies, and the impacts of free-market on local, regional and national economies.² The phenomenon of globalization has created a dichotomy of perception dividing the world into plethora of apprehensions and appreciations due to the intense velocity which the information about people, products, nature, environment, politics and economy disperses across borders, across nations and transform world into a global village.

Evolution of Globalization

Globalization is not a new phenomenon but what is new is the extent and pace at which global integration is been taking place at present. The origin of globalization can be traced back till the 16th century when the West started to explore and discover for the new continents, brought the English to India in form of East India Company, first multinational was born and the rest is recorded history.³ The trend has been evident since the post wars era and existed even before in early twentieth century.⁴ The process of globalization has accelerated with the restructuring of global economy since the demise of Bretton Woods System in 1970s and gained a critical mass by late 1980s. The present surge of globalization may be called a resumption of the previous trend which ended abruptly with the first World War after which world moved into a period of fierce protectionism and tighter restriction of capital movement which ultimately ended up with Great Depression. The creation of General Agreement on Tariffs and Trade (GATT) in the early postwar period was the first institutional attempt which started negotiations aimed at lowering the tariff and trade barriers replaced by World Trade Organization (WTO) in 1995.⁵

Contemporary Globalization

There are number of similarities between the two rounds of globalization; what is new today is the degree and intensity with which the world is being tied together into a single globalized marketplace. Today the trade is comprised of greater share of

services and manufactures as compared to commodities, higher capital flows and restricted migration.⁶

- Globalization was driven by falling transportation costs in Pre-World War I as against today's globalization driven by falling communication costs.
- Contemporary globalization is more participatory in degree. A larger number of not only developed but developing countries have been incorporated in global economy as market participants as they opened their economies to trade and investment while opting for market friendly reforms.⁷
- Global economic interactions in 1990s are institutionalized through multinational institutions such as World Trade Organization rather than bilateral treaties, thus making it more durable as compared to global interdependence in the past.⁸

The driving idea behind globalization is free market capitalism i.e. efficient and flourishing economy is proportional to enhanced role of market forces and economy opened to free trade and competition. Empirical data suggests that countries with increased participation in the world economy have shown higher Gross Domestic Production (GDP) growth ratio and that holds true even for developing countries.⁹ Globalization has its own pattern of economic rules that revolve around liberalizing, deregulating and privatizing the economy.

Globalization has become a fact of modern life of people and nations whether one may like or dislike. It stands a natural metamorphosis of time, neither new nor old, but an antiquated process nurtured through development of cross-border capital flows, trade, information technology and socio-cultural exchanges.¹⁰ These all contributed to have mutual benefits between countries at international, regional and local levels in guise of trade of capital systems to meet needs.

Nation State versus New Actors

Globalization has restructured the role of state. It has been that the “commanding heights” of the domestic economy and strategic sectors are captured by the ideas of deregulation, privatization and free market and competition.¹¹ The state has become a vehicle for transmitting the global market discipline to domestic economy.¹² In the world of interdependence the state was autonomous with the “embedded liberalism”¹³ for domestic economic progress under the aegis of Bretton Woods system. On the other hand, globalization has given increased power to capital investors, multinational firms, markets and global financial institutions.

Challenges brought about by new realities have redefined the content and modalities of new partnership between the state and multinationals, civil society in creating a new paradigm at national as well as international level. Technological revolution has brought these new actors global and their direct contact with global institutions such as United Nations and the economic triad¹⁴ leaves a

limited role for national governments. Representatives of fifteen NGOs were invited to the 1999 World Economic Forum held in Davos to take part in the debate over globalization.¹⁵

Regionalism

Regionalism has emerged as a parallel trend to globalization initially as a second tier of strategy initially to counter the perils of globalization but eventually a platform to integrate economies with the process of globalization.¹⁶ Pakistan is a member of regional bodies, Economic Cooperation Organization (ECO) and SAARC, but cannot gather the desired benefits.

Globalization and Pakistan

The growing process of globalization potentially poses threat to developing and third world countries in particular instigating critique and debates at the national and international levels. Multiple factors are responsible which are intricately entwined with the order of globalization, with its tentacles in the historical past and the interests and role for a few transnational political and economic actors.¹⁷ In continuity with the same apprehensions towards globalization, it becomes pivotal for Pakistan to have a competitive and comparative advantage using the pragmatic strategy as the supreme nations of the world dominate because of their economics and business competency than military muscle. At present the true vision: “Globalization is no longer an option, it is a fact. Developing countries have either to learn to manage it far more skillfully, or simply drown in the global cross

currents.”¹⁸ However, globalization poses number of challenges on Pakistan but in this study only few are highlighted.

Trade Regime

Trade is the main channel of economic integration or globalization. For developing countries like Pakistan with a narrow tax base, import tariffs are over relied source of government revenues. Reduction in tariffs would consequently accentuate country's budget deficit.¹⁹ It brings opportunities for Pakistan in terms of increased market access abroad. Pakistan can only compete in international market with quality products and competitive price. Export lead growth requires Pakistan to diversify its export markets through regional trade agreements, which can provide preferential market access to its exports. At the regional level, South Asian Association for Regional Cooperation (SAARC) could have been used as a platform to reduce its economic vulnerability but it is not serving the purpose. The options for Pakistan are East Asian countries and burgeoning markets of Central Asia. Economic Cooperation Organization (ECO) can be successful paths to access Central Asia. But again its products would face tough competition from cheaper and better quality products from Western countries. Pakistan needs to take concrete steps to boost its export share in the world market.²⁰

There is strong empirical evidence that the countries that have increased trade as a share of GDP substantially over the past twenty years and opened up to trade have seen their economic performance improve significantly and reduced poverty rates

avoiding any systematic increase in inequality. Pakistan has just begun to diversify its export base and export markets. As Pakistan continues to pursue policies aimed at maintenance of a market-based and competitive exchange rate, strengthening of foreign exchange market, import liberalization and tariff reforms and export promotion measures. There is strong probability that Pakistan's prospects for exports in world markets will improve allowing it to increase its market share.²¹

Technology

The tremendous advancements in the fields of science and technology are expanding the network of transnational linkages. The technological innovations not only decrease the cost of communication but also rapidly leading to the demise of natural barriers of time and space. The facility of internet has resulted in online trading along with a variety of commercial services ranging from education to day to day commodities. Information technology has effectively eliminated the capacity of countries to isolate themselves from the world outside. It has been argued that "a knowledge based economy generates powerful spillover effects triggering further innovation and setting off chain reaction of new innovations. The countries that are willing to let capitalism destroy the inefficient companies to gear the resources to efficient ones will thrive in globalization".²²

The world economy is extensively dominated by knowledge based industries especially services making quality of human capital. Pakistani companies must accept the dawn of the knowledge

economy and adapt themselves to the new reality i.e. competition in bringing new innovation.²³ There is a requirement of supporting institutions along with academia, government and industry to work in harness. The productivity of Pakistani labor has to be upgraded through quantity and quality of education to integrate into the knowledge based business environment. A strong information and communication capability will help improve the competitiveness in variety of sectors.

Foreign Direct Investment (FDI)

Foreign lending and direct investment plays a crucial role in countries like Pakistan where development needs could not be financed due to scarce domestic resources. The strenuous efforts are required by the country to increase its share in FDI which besides transfer of financial resources and technology acts as a catalyst for diversification of economic growth. National policies and regulatory institutions help foster a climate conducive to foreign direct investment by multinational corporations. The long term investment agreements that are balanced and mutually beneficial could be the most lasting safeguards. Current foreign direct investment and portfolio investment flows are still meager for Pakistan.²⁴

Pakistan has deregulated financial markets, introduced full convertibility on current account and partial convertibility on capital market, is pursuing a market based flexible exchange rate policy, and liberalized investment regime. Both foreign direct and portfolio investment can flow in and out freely without any restrictions or prior approval. Remittances and repatriation of profits, dividends

and capital can be made automatically by the authorized dealers. There are series of exogenous shocks such as the nuclear test in May 1998, change of government in 1999, and the war in Afghanistan in post September 11, 2001 period have accentuated uncertainties and slowed down private capital flows. The withdrawals of economic sanctions and revamping of external assistance by bilateral donors are some of the potential factors that will improve the enabling environment for foreign investment in Pakistan.²⁵ The country can take advantage of the growing private financial flows and integration with financial markets by maintaining an open trade policy, macro economic stability, and potent environment for foreign investment flows.

Privatization

Privatization is not only a source of capital but it is often critical in linking more isolated economies to the developed world. Foreign firms can be important source of know how for improving private sector capacity overall and of information on new technology and market opportunities. Privatization represents a break with a history of state control over a country's productive assets. The transfer of State Owned Enterprises (SOEs) to the private sector reorients their basic purpose away from the political goal of providing employment and towards the economic objective of maximizing profits and wealth for shareholders. This transformation affects every aspect of a nation's business life. Any changes in the price and provision of their goods and services will have profound effects on corporations and ordinary citizens.²⁶

The risks of privatization are more acute in developing economies like Pakistan where institutions are weak and transparency can not be assured. Unless effective and independent regulators are implemented to discipline the new private owners, many of the intended benefits of the privatization go unrealized, especially in economies where there is high concentration of economic and political power. The role becomes more critical in case of transfer of natural monopolies such as electricity or gas utilities to a single private operator who will also enjoy the monopoly power. The absence of competitors may allow the companies to set a higher price.

Privatization in Pakistan has not been successful owing to vested interests, poor judgment of market and absence of regulatory bodies. Privatization should be preceded by first establishing the regulations required to make the process transparent and successful. While, thrust of policy reform should be towards liberalization and deregulation the immaturity of the markets and underdeveloped nature of the legal and economic institutions must also be taken into account.²⁷ Simply reducing the degree of government involvement through liberalization and deregulation and leaving economy to the immature market may not necessarily lead to efficiency. As the government has a larger role because the country is in the process of development and this very fact naturally involves issues of governance. Role of government becomes more important because policy reform is not an instantaneous process and involves adjustment costs.²⁸

There is a need to present the private sector with a legal, regulatory, and tax environment which ultimately enable production and investment decisions. However, there have been significant improvements in Pakistan during recent years, e.g. the recent strengthening of financial supervision, and the progress towards making civil servants more accountable, etc.

Role of the State

The competition implied by globalization means that traded goods and services must meet certain international standards (health and security, in particular), and government interventions might be necessary to make it possible to meet these standards. It also necessitates better physical infrastructure, in the transport, water management, and power areas, in particular, to improve efficiencies and decrease costs, and to extend the opportunities for productive activities throughout the country, including rural areas.

Despite of the possible role for the private sector in the provision of infrastructure, government involvement is likely to remain a key. This same applies to health and education. There is little doubt that Pakistan, given its abundant labor resources, could be part and beneficiary of the “outsourcing revolution”, not just for producing cheap goods but also more expensive services, such as in the information technology field.²⁹ This, however, is likely to require a more educated and better empowered labor force. Government has to take critical steps in improving education standards on a broad base, especially in the technical fields.

Human Development

The most compelling challenge for Pakistan to derive benefits from globalization is to upgrade its human development. Unfortunately this has been an area of neglect by successive governments over a long period of its history. The underdevelopment of human capital is the single most daunting challenge facing Pakistan at present. The persistent poverty and inequitable distribution of income and assets have allowed the benefits of economic growth to be concentrated in the hands of a small minority of elite generated social and regional inequities and depleted social capital. Political instability, religious extremism and sectarian violence in Pakistan can also be ascribed, to some extent, to poor human development attainment. Gender disparities in Pakistan have also been a major contributory factor to the underdevelopment and underutilization of human resources. Every single indicator – mean year of schooling, literacy ratio, emolument rates and participation in labor force – show a vast difference among the males and females. This waste of human capital can be harnessed into a potential source of productive capital under a proper set of policies and incentives.³⁰

Pakistan has realized that exclusive dependence on public sector institutions to deliver the basic social services is fraught with high risks and danger of failure. Public-private-community partnership is now being recognized and practiced as the predominant mode for delivery of these services. The devolution of financial and administrative powers to local governments is

expected to enhance the effectiveness, out reach and access of basic services at the grass roots level. Monitoring and tracking systems are being put in place to gauge the progress on outcomes and effectiveness of delivery.

Conclusion

Globalization is a process of irreversible dynamics and speed with incredible opportunities and serious risks. The nation states can not simply marginalize their economies from the global system and continue their economic growth in the age of science and technology. In order to embrace the benefits or to alleviate the perils of globalization, Pakistan needs to undertake a strategic repositioning of in various fields. Pakistan is facing the stark reality standing at the platform of globalization. It can actively participate in the growing world trade of goods and services; foreign investment and capital flows, technological advances; labor and skill supply and thus benefit its population and improving their standards of living or remain a by-stander and marginal player pursuing an inward looking strategy. Pakistan is beginning to position itself for maximizing benefits from globalization as the same policies that are conducive for accelerating economic growth and poverty alleviation domestically are also pre-requisites for gaining from globalization. The serious concern, however, is, the underdevelopment of the country's human resources and the low skill intensity of its labor force. Unless the quality and outreach of education, training, literacy, skills, health status are significantly improved.

Notes

¹ Thomas L. Friedman, "The Lexus and the Olive Tree Understanding Globalization" (New York: Farrar Straus and Giroux, 1999).

² Yousaf Haroon Mujahid, "WTO, Globalization & Pakistan," (2002) available at <http://www.pakistaneconomist.com> retrieved on 5th October, 2009.

³ *ibid*

⁴ William Greider, "One World", *The Economist*, (1997)

⁵ For details on WTO please visit site <http://www.wto.org>

⁶ Farzana Noshab, "Globalization: Opportunities and Challenges for Pakistan's Economy," *Institute of Strategic Studies*, 2000.

⁷ Thomas L. Friedman, "The Lexus and the Olive Tree Understanding Globalization" (New York: Farrar Straus and Giroux, 1999).

⁸ Farzana Noshab, "Globalization: Opportunities and Challenges for Pakistan's Economy," *Institute of Strategic Studies*, 2000.

⁹ World Bank Report on "Global Economic Prospects and Developing Countries" Washington DC. World Bank, 1996.

¹⁰ Yousaf Haroon Mujahid, "WTO, Globalization & Pakistan," (2002) available at <http://www.pakistaneconomist.com> retrieved on 5th October, 2009.

¹¹ Daniel Yergin and Joseph Stanislaw, "The Commanding Heights: The Battle for the World Economy" (New York: Touchstone, 2002)

¹² Ankie Hoogvelt, "Globalization and Postcolonial World," (London: Macmillan press, 1997)

¹³ Yoshinobu Yamamoto, "Globalization and State: A Japanese Perspective" *Japan Review of International Affairs*, Fall 1998, vol. 12, No.3.

¹⁴ Economic triad is comprised of global economic institutions IMF, World Bank and lately joined by WTO.

¹⁵ While NGOs have become an indispensable part of World Bank development strategy, according to one estimate 10% of all development aid is channeled through NGOs rather than the national governments Michael Shaw Bond, *Prospect*, April 2000.

¹⁶ A.S. Bhalla & P. Bhalla, "Regional Blocs: Building Blocks or Stumbling Blocks," (New York: St. Martin Press Inc., 1997)

¹⁷ Yousaf Haroon Mujahid, "WTO, Globalization & Pakistan," (2002) available at <http://www.pakistaneconomist.com> retrieved on 5th October, 2009

¹⁸ Ishrat Hussein, "How Pakistan is positioning itself with the challenges of globalization?" available at <http://www.ishrathusain.iba.edu.pk> retrieved on 17th September, 2009.

¹⁹ Report of Commonwealth-World Bank Joint tasks force on small states, *Small States Meeting the Challenges in the Global Economy*, (2000)

²⁰ Farzana Noshab, "Globalization: Opportunities and Challenges for Pakistan's Economy," *Institute of Strategic Studies*, 2000.

²¹ Ishrat Hussein, "How Pakistan is positioning itself with the challenges of globalization?" available at <http://www.ishrathusain.iba.edu.pk> retrieved on 17th September, 2009.

²² Robert O Keohane and Joseph S. Nye Jr. in "Globalization What's New? What's Not (and so What?)", *Foreign Policy*, Spring 2000. <http://www.ceip.org/foreignpolicy>

²³ Farzana Noshab, "Globalization: Opportunities and Challenges for Pakistan's Economy," *Institute of Strategic Studies*, 2000.

²⁴ *ibid*

²⁵ Ishrat Hussein, "How Pakistan is positioning itself with the challenges of globalization?" available at <http://www.ishrathusain.iba.edu.pk> retrieved on 17th September, 2009.

²⁶ Nancy Birdsall, "Managing Inequality in the Developing World", *Current History*, November 1999, pp.377-378.

²⁷ Sadanand Dhume. "In Small Doses", *Far Eastern Economic Review*, July 20, 2000. p.56.

²⁸ Fukunari Kimura, "WTO Policy Principles: Special Considerations for Developing Countries",

²⁹ Ishrat Hussein, "How Pakistan is positioning itself with the challenges of globalization?" available at <http://www.ishrathusain.iba.edu.pk> retrieved on 17th September, 2009.

³⁰ *Ibid* .

INDO-IRANIAN NEXUS IN CENTRAL ASIA; OPTIONS FOR PAKISTAN

Afifia Kiran

Introduction

With the Middle East in seemingly in permanent turmoil, Central Asia's strategic importance in international affairs is growing. Central Asia, with its significant hydrocarbon resources plays an important role in ensuring the energy needs of regional and extra regional players. Together with Russia, Kazakhstan, Turkmenistan, and Uzbekistan possess the world's second largest reserves of oil and gas. Kazakhstan alone has double the oil reserves of the North, whilst Turkmenistan's and Uzbekistan's gas reserves are believed to be the 5th and 8th highest in the world respectively. Moreover, both Kazakhstan and Uzbekistan have significant quantities of uranium, gold and other natural resources increasingly important sources of energy for other countries, particularly in the West.

Such large reserves of natural gas and oil have attracted many regional and extra regional countries to expand their presence in Central Asia with the view to fulfil their energy needs. Iran, being a neighbor of these Central Asian Republics (CARs) is also carving out an indispensable role for itself in the region's economic development. Beside economic interest, Iran has been actively pursuing its interests in Central Asia to strengthen its position for bringing these republics into zone of Iranian influence against Western dominance. Tajikistan, Turkmenistan, Kyrgyzstan, now

Kazakhstan hold paramount importance in shaping Iran's regional foreign policy goals.

India, on the other hand, is also making significant investments in Central Asia and taking part in the development and explorations of the region's energy resources in order to have alternative energy routes mainly bypassing Pakistan. According to the US Department of Energy figures, India is already the world's sixth-largest consumer of energy resources. Its energy consumption will rise to 27.1 quadrillion BTUs by 2025, up from 12.7 in 2000, the largest expected increase in energy use after China. Even with the new reserves discovered in the past few years, India's domestic natural gas supply is not likely to keep pace with demand. To achieve that end, India has no direct access to Central Asia except through Iran. Strategically, Iranians are sitting on crossroads controlling the transportation lines, which pass between landlocked CARs and high seas. This is where Iran fits in: this Persian Gulf nation is OPEC's second-largest oil producer and sits on 10 percent of the world's proven oil reserves. In addition, it has the world's second-largest natural gas reserves. According to the 2004–2005 annual report from the Indian Petroleum Ministry, India is negotiating a number of deals to import natural gas from Iran, including a recently signed agreement to import 5 million tons per annum (MMTPA) of liquefied natural gas (LNG), with a provision for an additional quantity of 2.5 MMTPA.¹ Such convergence of interests in economic/energy fields has provided a rationale for close interaction/cooperation between Iran and India in this region.

Common interests in regional issues, security challenges, and energy security have pushed Iran and India into an implicit alliance in Central Asia. Question evolves that how Pakistan sees itself in such regional politics based on interest game. This paper would provide a detailed framework to analyse recent developments/leaning adopted by Iran and India in Central Asia and policy options for Pakistan to exploit her position to the maximum in the region beside remaining blasé in high politics played by regional countries.

Relations between India and Iran

Relations between India and Iran are far-reaching and multi-dimensional. Historically, both have cooperated to secure their interests in Afghanistan particularly, after 9/11. Iran sees India as a strong partner that will help Tehran to avoid strategic isolation, particular at a moment when Tehran has been designated a member of the “Axis of Evil.” Tehran also sees India as helping it to break out of the anti-Iran pincer allegedly². India sees relationship with Iran as an endeavour to pursue Indian interests pragmatically in Central Asia and beyond. She also regards the Iranian connection as serving a variety of tangible and specific Indian interests. Perhaps most important, the nexus with Iran is seen as helping India with its energy needs. Moreover, Iran will remain India’s preferred choice for the transit for natural gas from Central Asia, until such time as the developments in Pakistan and Afghanistan stabilize. In Central Asia, ties with Iran will be helpful in gaining India access to

markets, energy, and potential client states. India, unlike Iran, has no direct land access to Central Asia and the Caspian Basin.³

Iran's Strategic Stakes in Central Asia

- Iran has long considered itself to be the first neighbors of Central Asia.
- Developing positive political relations with the states of the region, to include expanded trade and investment
- Protecting open access to energy supplies, including the development of energy-based industries that complement rather than compete with domestic industry.
- Building relationship that helps Iran's escape from international isolation, which it sees as guarded by US global hegemony.
- Developing routes through Iran to permit the countries of Central Asia to break away from the Soviet legacy of dependence on communications routes through Russia territory.

India's Interests in Central Asia.

- Energy co-operation is at the heart of India's engagement of Central Asia.
- Because of its rising energy security needs which is being termed as being "second only to food security," India is not only looking at Central Asia but also other options for its energy requirements⁴.

- Indian workers have long been active in the Gulf energy and construction markets, but now they are joining Chinese workers following their firms' investments across Central Asia.
- India is interested in deepening defense cooperation, and has offered to train military personnel in Tajikistan and other central Asian republics.

Proven Reserves of Central Asia

Country	Crude Oil (Million Barrels)	Natural Gas (Trillion Cubic Feet)	Coal (Million Short Tons)
Kazakhstan	5,417	65	37,479
Kyrgyzstan	40	0.2	895
Tajikistan	12	0.2	Minimal
Turkmenistan	546	101	Minimal
Uzbekistan	594	66.2	Minimal
Total	6,609	232.6	38,374

U.S. Energy Information Administration, “*Country Analysis Briefs - various*,” [Hhttp://www.eia.doe.gov/emeu/cabs/contents.html](http://www.eia.doe.gov/emeu/cabs/contents.html)

Major Activities of India and Iran in Central Asia

Energy security is maintained by strategic planning to ensure diversity of fuel, diversity of supply source, and efficiency and flexibility in the energy sector⁵. In energy sector, Kazakhstan has the largest oil resources in the region, with three of the world's richest hydrocarbon fields. The international arm of India's public sector energy company, ONGC Videsh (Oil and Natural Gas Corporation), already has a 15 percent ownership stake in Kazakhstan's Alibekmola oil field and has announced a \$1.5 billion investment in the joint Russian-Kazakh Kurmangazy oil field in the Caspian Sea. Additionally, Kazakhstan has offered India rights to develop the

Karzahanbas oil field. India has also expressed an interest in investing heavily in Uzbekistan's oil and natural gas fields. In the security sector, India and Kazakhstan has signed an inter-governmental agreement on fighting terrorism. Uzbekistan produces and repairs Il-78 MAR transport aircraft for the Indian military. India has also been lobbying with Russia's support for membership in the Shanghai Cooperation Organization (SCO), which groups Russia, China, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. Against this backdrop, India will leave no stone unturned to pursue proactive policy with Iran for a very warm relationship with Central Asia States.

Rational for India- Iran Interaction in Central Asia

Detailed overview of factors and strategic/economic interests which driving both the countries closer are as under:-

- **Energy Security Drive.** Iran has been a source of crude oil and petroleum products to India over the years. India's domestic natural gas production in the year 1998-99 was nearly seven thousand cubic metres of natural gas. (The precise figure available is 6,680 million cubic metres of natural gas in the year 1997-98, which according to experts is only 1/7th or 1/10th of the natural gas requirements for the Indian economy by 2010. India's total energy requirements by 2010 will be a little over 800 billion KWH (kilowatt) hours.⁶
- **Indo-Iran Co-operation towards Revival of Silk Route.** Iranian's investment in the construction/

expansion of rail network close to the borders of Central Asia is major attraction for India. In this connection, under an agreement signed among India, Iran, and Afghanistan in January 2003 on the “Development and Construction of the Transit and Transport Infrastructure”, India has committed \$70 million for the construction of a road linking Zaranj and Delaram⁷. It will help in improving the route from Chabahar, Iran to the Afghan cities of Zaranj and Delaram.

- **Iran's Chabahar Port Connecting India to Afghanistan.** Chabahar is the most direct and economic link to the CARs for the transit of goods. It is next to Iran's largest port facilities in the Indian Ocean.
- **North-South Trade Corridor.** The North-South corridor project, the result of an agreement among India, Iran, and Russia in 2000 (with Belarus and Kazakhstan joining later), is intended to link Mumbai via Bandar Abbas in Iran with St. Petersburg and thus the Indian Ocean with the Baltic Sea and Europe. The aim is to build the necessary roads and railroads, and to develop the required ports along the way in conjunction with streamlined customs and other procedures to make this route economical and efficient. Reportedly, the route which will form part of the larger Asian Highway

system of land and sea connections will shorten cargo transit distance from the Indian Ocean and Persian.

- **Free Trade Zone.** India is very much looking forward for her participation in free trade zones establish by Iran near Central Asia because transportation cost is lowest in the region. In Greater Central Asia, Iran has established the Sarakhs Free Zone between Iran and Turkmenistan, the Anzali Special Zone on the Caspian Sea, and the Dogharoon special Customs Zone with Afghanistan.⁸ For the first time in modern Iranian history, it has delegated to provincial authorities the power to establish relations with their regional counterparts in other states. As a result, the Province of Khorasan Razavi is working closely with Afghanistan, Golistan Province with Kazakhstan, and Mazandaran Province with Turkmenistan.⁹
- **Tajikistan Ayni Port.** Iran is the second largest investor in Tajikistan (after China). India's principal military cooperation has been with Tajikistan, which is India's closest neighbor in Central Asia. Like Iran and India, Tajikistan has had important ties to the Northern Alliance in Afghanistan, the group whose imminent arrival in Kabul in 2001 led to the fall of the Taliban government. India rebuilt and refurbished an air base at Ayni, outside the Tajik capital of Dushanbe. Reports that India has a "base" there seem to be exaggerated,

and have been denied by India¹⁰. It is perhaps because of Indo-Iranian cooperation in stabilizing Afghanistan that Tajikistan which is a Persian-speaking Central Asian state bordering Afghanistan allows Indian combat aircraft to use its Farkhor air base. In this regard, she is deepening defense cooperation, and has offered to train military personnel in Tajikistan. India has conducted several joint military exercises in both Tajikistan and Uzbekistan¹¹.

- **Iran as a Producer and Potential Transporter of Energy:** Iran has energy resources and transport access to other resources almost guarantee continued, long-term interest by countries like India, who view their own needs increasing over the next decade. Along with a consumer market as its population is approaching sixty million and growing, Iran is also seen as a potential transporter and facilitator for India's energy needs.¹²

Major Impediments

For developing her direct links with CARs, India is facing following major challenges:

- India would require a substantial investment in new dams and generating plants, as well as new transmission lines going through Afghanistan and Pakistan, with the same security problems as for the

Turkmenistan pipeline. It would also involve complicated price negotiations.

- Pricing has been the downfall of previous efforts to set up electricity trade between India and Pakistan. In this regard, Pakistan's position between India and Central Asia has permitted it to block direct overland trade,
- Outside the energy area, transportation infrastructure is a major focus, since poor transport links are major impediment to expanded economic ties. India has made substantial contributions to the trans-Afghan roadway and railroad.

Challenges for Pakistan

Strengthening Indo-Iranian ties has far-reaching security as well as economic implications for Pakistan:-

- Any Indian presence on Iranian military bases, even if it is solely for the purpose of training the Iranians, would allow India a more subtle "operational" use of early warning, intelligence gathering against Pakistan.¹³
- Close Indo-Iranian security ties may also be inferred from the reported presence of an unusually large Indian consulate, with presumed intelligence duties, on the Pakistan border (and also near the Afghan frontier) at Zahedan in Iran. India also established a new consulate at Bandar Abbas in 2002,¹⁴ which India will use to monitor ship movements in the Persian Gulf and the Strait of Hormuz.

- An Indian military presence in Central Asia with or without strike capability would enable India in the event of war with Pakistan to create a “holding threat” along its western borders. Indeed, Indian leverage with Iran has steadily grown with the souring of ties between Pakistan and Iran.¹⁵
- The convergence of interests with Iran presented India with an attractive option of cultivating robust relations with a key Muslim state, at least in part to deflect Pakistan’s rhetoric in international forums and to mollify the increasingly disenchanted Muslim population within India.
- Major factor for both countries is the region’s presence on Afghanistan’s western border. Until the time of the Taliban, Afghan governments had close relations with India, and Pakistan looked on Afghanistan as an extension of the Indian threat¹⁶. The replacement of the Taliban by a government centered on the Northern Alliance, with strong Tajik connections, revived Pakistan’s fears of excessive Indian influence in Afghanistan.

Recommendations

- First, Pakistan must set clear understanding/ objectives what Central Asia’s real importance and priority is to us and assign political/ diplomatic resources to back up those objectives.

- Although Pakistan does not consider Central Asia as an area for “strategic depth” in a military sense, however, Pakistan must be clear in her approach and strategy to limit India’s influence in this region.
- At the same time, Pakistan may seek to renew efforts to fortify its relations with Iran. While there is evidence that this is proceeding, Pakistani-Iranian relations are still largely tactical in nature.
- Pakistan should adopt a more proactive foreign policy towards CARs. It also might be useful to set up a governmental commission to ensure regular progress by engaging CARs in a mutually consultative process that addresses common needs and projects.
- Active diplomatic as well as political interaction with the Central Asian regimes on issues of shared concern and building mutual confidence will ensure Pakistan’s presences at all levels in region.
- Likewise, it is very important to come up with alternatives for regional association to Russo-Chinese projects, Iranian- CARs economic/security collaborations and Shanghai Cooperation Organization (SCO) security exercises. For example, collaboration to combat the drug trade/extremism and terrorism should be welcomed with regard to address Central Asian states’ security threats.

- Explore the possibility of being as a mediator between US and Iran in relation to the nuclear question. Doing so would convey to Iran that Pakistan genuinely considers Iran as important player in the region.
- Finally, it is essential that Pakistan quickly develop viable public information program using all the media in Central Asia align with our governmental policy. These programs must base on information regarding significance of Gawader port/ Pakistan as advance technology provider, her geo-strategic locations, security/ availability of road links and cultural/historical linkages between CARs and Pakistan.

Conclusion

Some observers believe that India's IAEA votes and its new partnership with the United States may undermine its energy relations with Iran. Nevertheless, Indo-Iranian relationship is deepening based on the security of energy resources, dominance in regional politics, friendly regime in Central Asia including Afghanistan and smooth flow of trade. On the other hand, CARs would welcome such collaboration, as it will result into the most effective and efficient way to permit the countries of Central Asia to break away from the Soviet legacy of dependence on communications routes through Russia territory.

Convergence of interests in Central Asia has resulted in new Indo-Iranian entente, which can powerfully influence Pakistan's interests at regional and as well as international levels. So far, India

has been more successful than Pakistan in pursuit of her interests in regional politics through proactive diplomatic engagement. It is evident that through active collaboration with Iran in Central Asia, she has developed the resources/links to establish a larger trade and investment presence in the region. Such emerging alliance in security and economic fields between two dominant players of the region presents serious challenges for Pakistan. Pakistan is one state that will surely feel the impact of the ever-strengthening ties between India and Iran if not countered well.

EXISTING PIPELINE IN CENTRAL ASIA

Pipeline (Oil)	Route	Capacity	Length (km)
	Samsun-Ceyhan, Turkey	1-1.4 million b/d	550
Trans-Anatolia	Syak-Ambarli-Saros, Turkey	1.4 million b/d	280
Caspian Pipeline Consortium	Tengiz, Kazakhstan-Novorossiysk,	1.34 million b/d	1580
Atyrau-Samara Pipeline	Kazakhstan-Russia	0.6 million b/d	691
Baku Tbilisi Ceyhan	Baku, Azerbaijan – Tbilisi, Georgia –	1million b/d	1780
Karachaganak-Atyrau	Kazakhstan	0.14million b/d	635
Baku-Novorossiysk	Baku, Azerbaijan - Novorossiysk,	0.12 million b/d	1400
Baku, Novorossiysk	Baku, Azerbaijan – Novorossiysk Russia	-	283
Baku, Supsa (AIOC Western	Baku, Azerbaijan – Supsa, Georgia	0.14 million b/d	885
Kazakhstan-China (Atashu-	Atashu, Kazakistan Dushanzai China	0.2 million b/d	987
Kenkiyak-Orsk	Abtyubinsk, Kazakhstan Orsk	0.13 million b/d	400
Kenkiyak-Atyau	Kazakhstan	0.24 million b/d	448
Bukhara-Urals Gas Pipline	Uzbekistan and Turkmanistan-	20 million b/d	1175
Central Asia Centre Gas	Turkmanistan-Uzbekistan	54.8 million b/d	3941
Orenburg-Novokov Gas	Orenburg, Kazakhstan Russia	18 million b/d	328
Soyuz Gas Pipeline	Kazakhstan Russia Ukraine	28.3 million b/d	424

Data Source: “Country Analysis Brief” Energy Information Agency, <http://www.eia.doe.gov/emeu/cate/lindex.html>

COMPARISON OF PORTS IN SOUTH ASIA AND GULF REGION

Feature	Dubai Ports authority		Salalah	Bandar Abbas	Chah-bahar	Karachi	Qasim	Gwadar (after Phase-II)
	Rashid	Jebe Alt						
No, Berths	35	71	33	24	4	30	10	12
Channel Length (Km)	0	15	0	6.4	1	12	45	4.5
Channel Depth (m)	3	17	16	13	0	3	12	20
Traffic Handled (in Million TEUs)	5.1		2	1	-	.8	0.42	82
Vessels Called	13232		1184	-	-	393	806	72

PROPOSED PIPELINE IN CENTRAL ASIA

Pipeline (Oil)	Route	Capacity	Length (km)	Completion Date	Estimated cost
Nabucco	Caspian Region, Middle-East-Baumgarten, Austria	31 Billion cu m/ year	3300	2015	\$11 billion
South Stream	Beregovaya, Russia-Italy	63 Billion cu m/ year	-3100	2015	(upwards estimate) \$321.5 billion

Pipeline (Oil)	Route	Capacity	Length (km)	Completion Date	Estimated cost
Blue Stream 2	Beregovaya, Russia, Samsun, Ceyhan Turkey	-	950	Not announced	-
White Stream	Tbilisi Supsa, Georgia Constanta Romania	32 Billion cu m/ year	1240	2016	-
Prikaspiisky (Caspian Littoral)	Turkmenistan Kazakhstan Russia	30 Billion cu m/ year	1700	2015	\$1 billion
Trans-Caspian	Turkmenistan Caspian Sea Azerbaijan	30 Billion cu m/ year	700	2015	\$2-3 billion
TAPI	Turkmenistan Afghanistan Pakistan India	30 Billion cu m/ year	-	Not Announced	-
Expansion of Central Asia-Center	Turkmenistan Uzbekistan Kazakhstan	80-100.2 Billion cu m/ year	-	2015	\$2-3.5 billion
Turkmenistan Uzbekistan Kazakhstan China pipeline	Turkmenistan Uzbekistan Kazakhstan China	40 Billion cu m/ year	7000	2012	\$7.3 billion

Data Source: Simon Pirani ad. Russian and CIS Gas Market and their impact on Europe (Oxford Univeristy Press: Oxford. 2009 pp.300 Natucco Gas Pipeline Project, <http://habucco-pipeline.com>

Oil and Gas Pipelines in Central Asia



Notes

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INDIAN PRESENCE IN AFGHANISTAN: DYNAMICS OF REGIONAL SECURITY

Saeed ur Rahman

Introduction

During the past decades, Afghanistan has excessively suffered from internal power struggles as well as external interference-leading to constant instability. Attempts by the external invaders to control Afghanistan, has proved to be considerably difficult as evident from the history. The incident of 9/11 occurred and US invaded Afghanistan. The invasion opened ways to the regional as well as external actors to intervene in the region and build their influence. One such type of attempt for influence building is underway by two rival countries, India and Pakistan.

Before the event of 9/11, Afghanistan was ruled by "pro-Pakistani elements-Taliban"¹ and Pakistan was the first country in the region to recognize Taliban regime in Afghanistan. (Apart from Pakistan, Saudi Arabia and most Western countries, including USA maintained their diplomatic relations with Kabul, for their sentiments against the Soviets). On the contrary, the secular and pro-Russian India, until the downfall of Taliban regime did not recognize it because it was perceived as a "Pakistani installed regime"². Saudi Arabia immediate after the 9/11 event, withdrew its recognition while Pakistan activated its diplomatic mission to persuade the Taliban leadership to withdraw their support from Al-Qaeda and handover Al-Qaeda's leadership (alleged of 9/11 attacks) to U.S.A. The Pakistan's diplomats did not receive a positive

response from the Taliban side, and its military-political leadership "In a way, was compelled"³ to withdraw their support from Taliban in favor of the U.S.

The US intrusion in Afghanistan not only flushed out Taliban from the government but also provided an opportunity to India, to regain its influence and take advantage of the disruptive situation. In December 2001, a number of prominent Afghans met under UN auspices in Bonn, Germany, to devise a plan for governing the country. As a result, the Afghan Interim Authority (AIA) shaped - comprising up of 30 members and was headed by a chairman. It was formally inaugurated on 22 December 2001 with a six-month mandate to be followed by a two-year Transitional Authority (TA), after which elections are to be held. Hamid Karzai headed the interim administration. The administration gave a greater representation to the Northern Alliance, while the other factions were under represented. A total "thirty administrative bodies were set up, in which nineteen were given to the Northern Alliance"⁴. Apart from that some very important portfolios like defense, foreign and interior affairs were also allocated to the Northern Alliance.

The greater representation of Northern Alliance in interim administration provided India with opportunities to reestablish its links. India did everything to cash upon its old ties with the Northern Alliance and re-gain its lost influence in the region. Soon after the establishment of interim administration, in January 2002, Tokyo conference was held. The conference provided the Afghan Interim Administration (AIA) an opportunity to re-affirm its determination

of reconstruction and development of Afghanistan according to the Bonn agreement and provided the international donor community an opportunity to express their political support for this process with indications of concrete assistance. This conference was attended by ministers and representatives from 61 countries of the world. India a member of that conference initially “pledged to provide US\$ 100 Million as assistance for Afghanistan”⁵. Then in the subsequent years, it committed millions of dollars for the up-gradation/reconstruction of various roads, power projects and dams.

The projects funded by India in the subsequent years after Tokyo conference include construction of Habibya School in Kabul, Indira Gandhi Institute of Child Health, Industrial Park-Kabul, warehouse/cold storage in Kandahar, telecom projects, information and broadcasting networks, 125 KM transmission line from Andkhoi to Maimana, 400 buses to the ministry of transport, vehicles for Kabul municipality, Airbus Aircrafts of 13.7 million dollars, cash subsidy, construction of Quargha reservoir, Amir Ghazi Dam, Khan Abad irrigation project, construction of Sulabah public toilets with 1.1 million, IT centers, repair of Blue Mosque in Mazar Sharif, supply of musical instruments to Kabul University, equipments for schools and universities in Paktika, Kandahar and Nimroz provinces and solar electrification. Moreover, developing education and training of the Afghan Security Forces was also on the Indian agenda. On the other hand, Pakistan has genuine concerns over the Afghan situation. Pakistan shares its “longest border, over a highly rugged terrain, almost 2500 KM”⁶, with Afghanistan, which always

exposes it to the security problems due to the porous border. Only 35 KMs border has been fenced and there are 20 unofficial crossing points. About 40,000 people cross the border daily. Pakistan has 15-16% (29 Million) of Pashtoon population, while Afghan Pashtoons are mostly concentrated in the Southern Afghanistan (area bordering Pakistan) and there are naturally deep historical, cultural, ethnic and sectarian affinities with Pashtoons in Afghanistan and emotive responses always occur over events on either side of the border. It thus has repercussions in Pakistan. Pakistan, a front ally in the Global War on Terror, considers Afghanistan as a backyard of itself. Pakistan has always been suffered from situation in Afghanistan. Any active engagement of the rival power in Pakistan's immediate neighborhood can cause security issues for Pakistan and Pakistan would never be able to tolerate that. Pakistan visualizes Indian influence in Afghanistan as part of a threatening Indian double envelopment movement, and a source of fueling Pashtun separatism inside Pakistan.

Indo-Afghan Relations: A Historical Perspective

Afghanistan has been the focal point of Indian Foreign Policy since 1947, and they have enjoyed cordial relations for a long time. The relationship strengthened more when the "Friendship Treaty"⁷ was signed in 1950. India signed various agreements and protocols with pre-Soviet and pro-Soviet regimes in Afghanistan to promote co-operation and enhance its influence. The Soviet invasion of Afghanistan in 1979 provided another opportunity for India to further strengthen its relations. During this period, India increased

its investments in developmental activities by “co-operating in industrial, irrigation and hydro-electric projects”⁸ in Afghanistan.

The rise of Afghan Mujahideen against the Soviet invasion "mainly supported by Pakistan and the US", the withdrawal of Soviet troops, the disintegration of Soviet Union in 1991, the formation of a government by Mujahideen in Afghanistan after overthrowing the pro-Soviet regime of Najeebullah in 1992, all were events that led to the first instance of diplomatic isolation and lessening of Indian influence in Afghanistan. In 1992, when Burhanuddin Rabbani established his government, dominated by non-Pashtoons, India again become active in building its relations with Afghanistan.

The rise of Taliban and removal of Rabbani government in September 1996, led to the marginalization of Indian influence. During this period, the non-Pashtoon groups opposing the Taliban regime formed the Northern Alliance and controlled most of the Northern areas of Afghanistan, bordering the Central Asian states of Tajikistan and Uzbekistan. As part of its efforts to maintain its influence in Afghanistan and to counter Pakistan's support to the Taliban government, India established its links with the Northern Alliance and strengthened its defense by “providing high-altitude warfare equipments and technical advice”⁹. Moreover it “established hospitals, provided medical assistance and operated against Taliban from the bases in Farkhor- Tajikistan and Uzbekistan”¹⁰.

India did not attempt relations with the Taliban-led Afghanistan "because of their antagonistic behavior towards the

Afghan Hindus and Sikhs" but beyond that, much more serious in Indian eyes were the Taliban pronouncements on Kashmir, the training of Kashmir's, Pakistanis and foreign militants in camps in Afghanistan. These activities used to touch the core of India's vital interests and "New Delhi was compelled to strengthen its assistance to the non-Pashtoons Rabbani force"¹¹. Thus throughout the Taliban rule in Afghanistan (1996-2001), Indian efforts were aimed at marginalizing the Taliban's influence and to encourage groups having links with India.

Post 9/11 Scenario

The terrorist attacks in the US on 11 September 2001 and the resultant US campaign for international war against terrorism and "Operation Enduring Freedom",¹² launched by the US in Afghanistan against the Taliban regime in November 2001, provided India an opportunity to pursue its foreign policy goals of attaining a "hegemonic position in the region and emerging as a global power"¹³. Thus, in post-9/11 scenario, India intensified its efforts to establish its influence in Afghanistan, which had been marginalized with the establishment of Taliban-led government in 1996.

Mr Jaswant Singh, Indian External Affairs Minister, during his visit to the US in October 2001, stressed "that the international community should support the Northern Alliance in Afghanistan. India has never recognized the Taliban as a legitimate regime. It has continued to recognize the government of Afghanistan as represented by President Rabbani. They have formed the northern Alliance and it should be the effort of the international community

now to strengthen the legitimate government of Afghanistan".¹⁴ The Indian Special Envoy for Afghanistan, Satinder Lambah, visited Kabul in November 2001, and opened a liaison office in Kabul. Later, in December 2001, Mr. Jaswant Singh reopened the Indian Embassy in Kabul. Similarly, various officials of the Northern alliance visited India in December 2001, including Younus Qanooni, Dr Abdullah Abdullah, and General Mohammad Fahim. After the Tokyo Donor Conference Indian aid started flowing in Afghanistan. Some Indian mega commitments in Afghanistan include construction of Pul-e-Khumri (\$111M), Salma hydro electric Project (\$80M), Delaram-Zaranj road (\$84M) and Parliament Building (\$25M).

Indian External Affairs Minister, Pranab Mukerjee, during his two-day visit to Afghanistan on 23-24 January 2007, commenting on the nature of Indo-Afghan relations during a news conference said, "Indian-Afghan bilateral relations are fast developing into a partnership which is very special to us ... we are glad to be able to contribute to the reconstruction and rebuilding of Afghanistan"¹⁵. Post-9/11 Indian efforts in Afghanistan to establish its influence have been broadly focused on three aspects: a major role in the reconstruction process and economic development; building linkages with the Central Asian States; and attempting to marginalize Pakistan's influence in Afghanistan.

In the economic sphere, since 2001 "India has committed \$1.2 billion for Afghanistan's reconstruction, becoming the sixth largest donor to the country".¹⁶ Also, India has trained Afghan

police and diplomats and provided assistance in such areas as education, health and telecommunication. About "4,000 Indian personnels"¹⁷ are working in Afghanistan on various projects.

The Indian stance so far has been to help the Afghan government in its reconstruction efforts, but not to become engaged directly in security operations. Bilateral trade between India and Afghanistan has also been on the rise and reached "\$358 million in 2007-08"¹⁸. The trade relations would have strengthened further if Pakistan had allowed the export of Indian goods to Afghanistan. "Pakistan allows Afghanistan to transit its exports to India, but does not allow overland access from India to Afghanistan."¹⁹ As relations between Pakistan and India often remain adversarial and without normal relations between Islamabad and New-Delhi the trade relations between Kabul and New-Delhi via Pakistan can not be improved.

Apart from that, Central Asian region which is rich in energy and mineral resources and a large consumer market is of economic importance to India and the future prospects for co-operation between Central Asia and India in the field of energy security seems to be very important. India wants to get an access to this region via Afghanistan. Peace and stability in CARs and Afghanistan seems to be the most crucial factor for India's security. After the disintegration of Soviet Union, India established diplomatic relations with CARs and promoted its economic and cultural co-operation. New Delhi seeks friendly allies in the neighborhood, and Afghanistan is a gateway to energy-rich Central Asian states.

Afghanistan has borders with Turkmenistan, Uzbekistan and Tajikistan. These republics are energy rich and India's quest for energy resources in Central Asia via Iran and Afghanistan could be materialized only if India has good working relationship with these countries.

Looking at the Pak-Afghan relations, Afghanistan government has long accused Pakistan for supporting the Taliban-led insurgency". It also has accused "Pakistan's intelligence agencies (ISI) for supporting the Taliban-led insurgency"²⁰. It also has complained repeatedly that Pakistan-based militants are crossing the border to launch terrorist attacks in Afghanistan. When the Indian embassy in Kabul was blown with blasts, Pakistani intelligence agencies were held responsible for that act. Afghan administration is scared of the re-organization of Taliban with the backup of Pakistan.

On Pakistani side, the rekindling of Indo-Afghan bonding has become an "eyesore for Pakistan"²¹. Pakistan is highly suspicious of Indian consulates in Afghanistan's heart, Mazhar-e-Sharif, Jalalabad , Kandahar and Herat, claiming, "they provide cover for Indian intelligence agencies to run covert operations against Pakistan"²² and also incite "separatism" in Pakistan's largest Baluchistan province. India has officially declared 14 Indian consulates in Afghanistan, on ground "they have "107 centers" of which 20 intelligence units are burning their midnight oil to destabilize Pakistan."²³ RAW has established its training camps in Afghanistan in collaboration with the Northern Alliance remnants. "Approximately 600 *ferraris*, or Baluchi tribal dissidents, are getting

specialized training to handle explosives, engineer bomb blasts, and use sophisticated weapons in these camps. “²⁴ Indian diplomatic and RAW officials have significant ingress in the Afghan ministry of tribal affairs, and are exploiting it to conduct covert activities. “Indian agents are instrumental in arranging meetings of tribal elders and Afghans with dual nationalities with Indian consulate officials in Jalalabad, and assisting them in spotting and recruiting suitable tribal elders from Jalalabad and Pakistan's North and South Waziristan Agencies for covert activities in Pakistan.”²⁵

Pakistan has a long border with Afghanistan and if any anti-Pakistani group comes in power in Afghanistan, it would enhance the difficulty for Pakistan to secure its border. The border line between Afghanistan and Pakistan called "Durand Line"²⁶ is also uncertain. The Afghan side does not admit 'Durand Line' as the permanent boundary between Pakistan and Afghanistan. “Afghanistan's claim-NWFP to be part of the Afghan soil”²⁷ creates suspicions among the Pakistani ruling circles. If Afghanistan emerges a strong and stable state, it can support any separatist movement or even directly intervene in the claimed territory.

Durand line is a working boundary between Afghanistan and Pakistan. It had been decided in an agreement signed in Kabul in 1893 between India's foreign secretary Sir Mortimer Durand and King Abdur Rehman Khan. On June 13, 1947 Afghan government sent reservations on Mountbatten's announcement of partition plan on June 03, 1947. The Afghan demand was “the terms of reference of the referendum in the N.W.F.P should be widened to cover

independence or accession to Afghanistan but Britain refused to accept the demand of handing over an area which forms an integral part of India and is recognized as such by the Afghan Government in the Anglo-Afghan Treaty of 1921²⁸. In light of that agreement, Pakistan and India are both successor dominions of British India and would be bound to safeguard their territorial responsibilities. Thus neither Pakistan nor India or Afghanistan can question the validity of Durand line. Pakistan continues to look upon its western border in order to avoid any adventurism.

Pakistan has serious reservations on the Afghan situation because on both sides of the Durand line a large number of Pashtoons reside. In Afghanistan Pashtoons are estimated to account for "between 40-60 percent"²⁹(11 Million). In case of Pakistan Pashtoons are in significant number(29 Million) and have considerable shares in the country's establishment. They have thousands of tribes along a genealogical charter which they use as a "basis of unity and solidarity as well as of fission and conflict"³⁰. They have their own tribal system and code of ethnic values and norms. Their common culture and values facilitate them to move freely across the border. If any unfavorable situation emerges in Afghanistan against the Pashtoons, they are strongly supported by Pashtoons in Pakistan. The border line between Afghanistan and Pakistan often remains porous. Any disastrous situation in one country affects the Pashtoons of the other country and vice versa.

Pakistan's civil and military leadership is strongly critical of Indian engagement in its immediate neighborhood. They are raising

the issue on international platforms. In October 2009, Pakistani Foreign Minister Shah Mahmood Qureshi, during a diplomatic tour of the US, said that India has "to justify their interest, in Afghanistan"³¹. They do not share a border with Afghanistan, whereas we do. So the level of engagement has to be commensurate with that. The Foreign Minister further said, "If there is no massive Indian reconstruction in Afghanistan, if there are not long queues in Delhi waiting for visas to travel to Kabul, why do you have such a large presence in Afghanistan? The times it concerns us"³², Pakistan's military leadership has raised the issue of India's alleged involvement in Pakistan through Afghanistan, saying it is hindering the goals for achieving success in the 'war on terror. General Kiyani in a meeting with US National Security Advisor Lt. General (Retd) James Jones at the GHQ in Rawalpindi expressed his concern over New Delhi's role in Afghanistan saying that "India's presence in Afghanistan might adversely impact efforts to woo moderate Taliban in that country. Pakistan can not tolerate it, as it was tantamount to being counterproductive in the war against terror"³³. Both Pakistani civil and Military leadership are strongly critical of any type of Indian engagement in Afghanistan.

Conclusion

Afghanistan has been volatile due to its geo-strategic location. It is not only linked with important South Asian and Middle Eastern players but also a gateway to energy rich Central Asian region. Energy security would be the dominant politico-factor in the upcoming scenario. India to emerge a global power would

highly require energy resources in the decades ahead. Central Asian Republics and especially the Caspian Sea are perceived to be having more than 70% of the world energy resources. Indian efforts in Afghanistan are directed to get an access to these republics and secure its future energy requirements. Without normal relations between Pakistan and India, New Delhi can never realize this dream.

Moreover Pakistan has a traditional rivalry with India. India took advantage of the Bonn agreement and Tokyo Donor Conference and penetrated into Afghanistan by its various tools of economic development, diplomacy and other soft powers. Pakistan on the other hand having long border with Afghanistan and considering it a backyard of itself can not avoid it. Moreover, a considerable number of Pashtoons on either side of the border having strong ethnic and cultural affinities justifies Pakistan to have a significant influence in Afghanistan. If India engages heavily, it would definitely aim to marginalize Pakistan's influence. Which the Pakistani ruling elites foresee a viable threat in the near future.

Notes

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WHAT PREVENTS COOPERATION BETWEEN INDIA AND PAKISTAN?

Amanullah Khan

Introduction

The religio-cultural rivalry between the Muslims and Hindus of the subcontinent dates back to hundred of years. There have been recorded clashes between the minority Muslims and majority Hindus. The spar ended with the separation of subcontinent into two independent states of India and Pakistan but the mindset still remain unchanged.

As a matter of fact India-Pakistan has a history of Confidence Building Measures (CBMs). Agreements like Indus Water Treaty, Simla agreement and Lahore Declaration are the few success stories in this regard. Besides, several memorandum of understanding (MoU) have also been inked as result of these CBMs however there is no follow up to the MoUs and relations lingering at boiling point.

Unfortunately, over the last 62 years no serious effort has been made for creating a peaceful and friendly atmosphere¹. India blames Pakistan by saying that the ultimate divergence between both the countries is Pakistan. While Islamabad believes that there is lack of political will from the Indian side to go for cooperation.

This lasting rivalry between the two nuclear neighbours has made South Asia a sensitive region. The unfriendly relations has caused almost three hot wars with each other and fourth one if

broken may escalate into a nuclear holocaust as both the countries are equipped with sophisticated nuclear weapons.

It should also be acknowledged as a fact that international community and majority of the people of both countries want durable peace and desire for a long lasting friendly relationship. About two-thirds of Indian and three-fourths of Pakistani people desire peaceful relations between the two countries.²

There is no visible shift in the two countries' relations, the ongoing process of dialogue notwithstanding. It therefore, needs to analyze that what prevents both countries to enhance trustworthy bilateral relations based on cooperation so as to create an environment of peaceful co-existence.

This paper examines the hurdles and other associated elements, which cause to prevent cooperation between the two important neighbours of South Asia.

After assessing the obstacles which have political, territorial, cultural, religious, and psychological dimensions, and could be categorized as major and minor, the paper proposes workable way forward. The paper does not discuss cooperation in any specific field.

Some Grim Realities about India and Pakistan

Before going into the obstacles, it is essential to underline some harsh facts about India and Pakistan which are directly or indirectly the outcome of dominating and balancing each other militarily. This would show a clear picture that there is very minimum investment on human capital.

The population of both countries is facing hardships. They want their respective governments to focus on solving public problems – to alleviate poverty, create jobs, provide health and education facilities and thus upgrade their life standard, rather than diverting too much of valuable resources for defence expenditure.

Majority of both countries population is living substandard life. Almost one third of both countries' population is living below poverty line (Pakistan 32.6%, India 28.6%).³ And to some other sources the percentage of people living below poverty line is more in India. The people living under \$1.25 a day in India is 41.6 percent, about twice as much as Pakistan's 22.6 percent.⁴

According to another report, over half of illiterate adults live in just four countries: Bangladesh, China, India and Pakistan, and India lies on the top among them.⁵

India and Pakistan are spending very minimum on public health compared to their GDP. India is spending just 1.3 percent of its GDP on public health while Pakistan 1.8 percent.⁶

A political economist has calculated that South Asia requires an investment of \$8.6 billion per year for fifteen years to provide the population with universal primary education, basic healthcare, adequate nutrition and population growth control.⁷ Resolving the conflicts and taking serious steps towards building multidimensional cooperation is critical for the survival of their people.

Obstacles

Relations between India and Pakistan are dotted with many obstacles which could be categorized as major and minor.

➤ **Major Obstacles:-**

• **Kashmir Dispute**

The Kashmir dispute is the prime source of all tensions between Pakistan and India. This issue has been straining their relationship since independence. It still continues to occupy a paramount position in Indo-Pak relations and it has abundantly become clearer that without its resolution, peace in South Asia would continue to remain an illusive commodity.⁸ Kashmir is not just a territorial dispute but it is about the right of self-determination and future of Kashmiri people. Apart from that it is source of water, and in Quaid-e-Azam words, it is backbone of Pakistan. India is building dams on the rivers that flow to Pakistan thus violating the Indus-Water Treaty.

Some political scientists suggest that instead of engaging each other only over the issue of Kashmir, India and Pakistan should move towards cooperating on other areas of mutual interest. This idea is baseless as it would be injustice to the just cause as Kashmir is not just territorial dispute; but a question of millions of Muslim population over there. Pakistan need to keep reiterating to India and to the world that Kashmir really is the core issue from which all other critical issues arise.⁹

- **Indian Aggressive Attitude and an element of Mistrust**

There could be considered psychological manifestations as hurdles between Pak-India friendly relations. Indian leadership does not heartedly accept the mere existence of Pakistan. There is unconventional disparity between the forces of the two countries. Indian huge defence budget, modern defence forces with advance weapons and technology is matter of great concern for Pakistan. The ideological and cultural differences, the historic hatred, anti-Pakistan propaganda, their aggressive mindset and issuing of harsh statements contribute to creation of the mistrust.

India is also pursuing a Cold-start strategy as part of its nuclear doctrine which adds fuel to the fire. This is an aggressive strategy and Pakistan can not close its eyes towards it¹⁰. Indian leadership (both civil and military) does not feel hesitation while issuing aggressive statements against Pakistan. Indian Army Chief General Deepak Kapoor's while addressing in a defence seminar said, the possibility of a limited nuclear war is "very much a reality in South Asia"¹¹.

In another occasion, the Army Chief said that India is ready to fight war with Pakistan and China simultaneously. Pakistan knows that such kind of statements can do nothing and are bluff as India is well

aware of Pakistan's defence capabilities but still these statements create an environment of high degree mistrust which reduces the possibility of cooperation.

The consequences of Indian intimidating agenda towards Pakistan and roughly against all its neighbouring countries have proved negative for India as well. India's ambition to play a global role has in the past been constrained by inter-state rivalry within the subcontinent.¹² The unsuccessful story of regional cooperation among the members of South Asian Association for Regional Cooperation (SAARC) is also due to the bilateral issues of India with its neighbours especially with Pakistan.¹³

- **Terrorism**

India's main concern is terrorism which she thinks emanates from Pakistani soil. India blames that it is always ready for peaceful coexistence but Pakistani ISI is trying to encircle India with the web of insurgencies in the North and North East to destabilize India.¹⁴ Pakistan's efforts to curb terrorism have remained unconvincing for India. On the other side, Pakistan has also showed its concerns of Indian interfering in the internal affairs of Pakistan. Pakistan makes India responsible for funding and supplying ammunition to Balochistan Liberation Army in Balochistan and Tehreek-e-Taliban Pakistan in FATA. India emphasizes to

discuss terrorism, so does Pakistan. India's terrorism issue is linked to occupied Kashmir, insurgencies in the North and East of India; Pakistan terrorism issue is linked to state terrorism by India on the water issue and now increasingly within Pakistan.¹⁵

India has raised fencing across its borders with Bangladesh and Pakistan, apparently to counter smuggling and cross border terrorism that has further pushed back efforts towards free trade. This conflict in bilateral relations as a major impediment to successful regional cooperation involves India at the core.¹⁶

- **The Diversionary Behavior of Indian Leadership**

The diversionary behavior of Indian leadership is also a major cause of preventing cooperation because the diversionary incentives / domestic problems increase the likelihood of interstate disputes/conflict. India often initiate hostile and aggressive attitude towards Pakistan when there is domestic problem likely to be risen in India, just to divert the people attention from that problem. India wants to sustain conflict in the region. It insists on bilateral rather than multilateral negotiations for resolving bilateral conflicts as one of the most important reason for sustaining conflicts in the region. In fact, it is this Indian perception that has led to the negative induction of the clause that contentious bilateral issues will not figure in SAARC framework.¹⁷

- **Wounded Indian Pride**

States, if possess sufficient capabilities, tend to expand their influence all across their borders.¹⁸ India suffers from an extreme case of wounded pride. Given her ancient history and culture, India feels that she has not been given the proper respect on the world stage. Impotent against the Western powers, she has tried to salvage her pride in the past by trying to act as a regional superpower; but the fact that all her neighbors rebuff her stance. Though India is an emerging power but its regional power status or supremacy is not accepted and respected by her neighbourhood. This has caused an inferiority complex to Indians. What does it mean is that the Indian arrogance makes it even more difficult to improve relations with her neighbors.

➤ **Minor Hurdles**

- **Pak-China Relations**

India has concerns over Pakistan deep rooted and trustworthy relations with China. Both China and India have fought a war in 1962 that is why India considers China and Pakistan a common threat. India thinks that it is China which helped Pakistan to become a nuclear power. On the other side, China always supported Pak-India dialogue process and wants to see peaceful relations between the two nuclear powers of South Asia.

- **Lack of Institutionalized Crisis Management Mechanism.**

It takes a long period of time in cooling down the intensity of a tension but it does not take even weeks in rising of crisis between India and Pakistan. In such a situation, instead of teaching the lesson of patience, Indian well wishers including Indian media right away propose the government to move forces to Pak-India border. Pakistan is therefore, forced to take precautionary measures for its defence. There is no common institutionalized platform of crisis management mechanism available to both countries through which they could find a first aid help.

- **No Mediation from the US**

Mediation from a third party/country is always welcome by Pakistan, while India is quite reluctant about it.¹⁹ Interestingly, the US rules out the possibility to play mediatory role between India and Pakistan. It stresses that both the countries should solve their bilateral issues by themselves. India also wants to keep all foreign influences out of the area. It has therefore consistently opposed any role for the US or any other external actor over the issue of Kashmir.²⁰ Ironically, the US has favoured India by signing many defence deals with her which is clear cut discrimination towards Pakistan.

- **The Least People-to-people Contact**

Strong interaction between the people is healthy for building confidence. The maximum is the people-to-people contact; the greater are chances of cooperation. Bad luck to Pakistan and India that there is least people-to-people contact. India has fenced the whole border with Pakistan so there is no option of road linkage and has made the visa process longer and difficult. These steps from the Indian side are putting restrictions for such relationship to develop.

The media of both countries could play its vital role to enhance the contact. Currently media is projecting a tainted picture of each other. Instead of portraying positive values, suggesting that strong people to people contact of researchers, journalists and free exchange of views in shape of conducting joint problems-solving workshops etc could promote tolerance, its power is being negatively used in propaganda against each other activities.

There could be added many more hurdles to the list of existing ones as there is continuous influx of newer issues. Political instability in Pakistan could also be considered as one of the obstacles. To some analysts the stockpiles of nuclear weapons have strengthened the hardliners on both sides. They argue that the hubris these weapons have created is the greatest hurdle in the way of India-Pakistan friendship. These weapons have destroyed the trust

between the two countries. But for others, nuclear weapons have played a positive role. They argue that uncertainties are associated with nuclear weapons but, it is also a fact that it is only with the successful development of nuclear weapons that Pakistan maintained parity with India.²¹ Nuclear weapons play a fundamentally important role in maintaining balance in an adversarial relationship²² as stability and cooperation in the relations heavily depends upon strategic balance between the two countries and nuclear arsenals have probably helped steer both countries away from all-out conventional war.²³ Nonetheless, the important point is that nuclear weapons have prevented war but have not played any role in building trust which is fundamental for cooperation.

The Way Forward

Challenges always remain there in international relations with a simple reality that states have a natural tendency to maximize their vested interests and to dominate one another politically, economically, militarily, and psychologically provided they have means to do so. Sometimes even very close friends seal/minimize cooperation with each other. It is for this reason that states are regarded as unpredictable in their behavior.

Challenges could be overcome but the ideological and values contradictions are difficult to resolve.²⁴ Leaving aside these ideological and cultural differences, there is given a hope in the subsequent paragraphs connected with measures in a right direction for becoming good neighbours:-

What Prevents Cooperation between India and Pakistan?

- The workable way to resolve bilateral disputes is political. Table talk tackles the air of distrust. For coming to the table talk needs willingness of the political leadership. India has finally recognized the importance of peaceful relations with Pakistan. It knows well that Pakistan is a nuclear state with whom confrontation is no longer in her advantage. This is evident from her recent offer to resume the dialogue process with Pakistan. The dialogue process would help in ending hostile propaganda against each other and would also help to overcome on the deep rooted mistrust. Pakistan welcomes any kind of positive step in this regard and considers it a good sign. The call of the time is that there should be continuity in the dialogue process and should not be confined to just a photo session.
- India should reduce defence budget and minimize expenses on equipping defence forces with modern weapons. Its huge military spending put Pakistan into a security dilemma. Both the countries should focus on ensuring human security. The nuclearization of India and Pakistan rules out a military solution to political problems. There is an urgent need to sign an agreement to ban nuclear tests. But all this requires a firm political will from both the sides. To strengthen the dialogue process, the principles of flexibility and reciprocity needs to be given utmost importance.²⁵ Conflicts could be resolved in shared understanding supported by the principle of flexibility; if Pakistan is ready to talk about terrorism then

India should also include Kashmir in the agenda points of dialogue with Pakistan. It must withdraw from its insistence to talk only about terrorism.

- The peoples of both countries should devote their energies and resources jointly towards building up an effective pressure on their respective governments to open up the avenues for exchange of ideas and goods by. And a peace movement should be initiated in India and Pakistan simultaneously.²⁶ ‘Aman ki asha’ is a good example in this regard.
- In a unipolar world order a super power policies may have serious consequences for strategic stability in other regions of the world.²⁷ Unfortunately, the US is pursuing double standard policies towards both the nuclear armed countries of South Asia for extending its own interests. Its relations with both Pakistan and India are on different pedestals. The US needs to help create conducive environment between both the countries for mutual cooperation. Both the countries are strategic partners of the US, so the US should play its pivotal role in bringing the two neighbours closer to each other.
- The United Nations and world community though not given due attention in case of Indo-Pak relations but still could pressurize India to go for resolution of disputes including Kashmir. International community is well aware that there would remain possibility of a nuclear war in South Asia

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which would have far reaching effects on world peace until the core dispute of the Kashmir is not resolved.

- This is the age of regional integration. The key to promoting regional cooperation lies in improving bilateral relations.²⁸ India as a big country in the region should use her strength for strengthening bilateral cooperation with Pakistan and with all her other neighbouring states for accelerating regional economic integration. SAARC in this regard provides a forum where this goal could be jointly achieved.
- Last, but not the least, Pakistan should focus on bringing internal stability especially political stability. Internally stable and progressive Pakistan can change the outer world in its favour.

Conclusion

Every journey of miles starts with a first step in a right direction. Cooperation is possible in an environment of mutual trust and trust is possible if the core issues are resolved and aggressive attitude is put to an end permanently. Mutual trust is in short supply between South Asia's two major rivals.²⁹ India must realize the verity that Kashmir is the major cause of unrest and its resolution is critical for bringing durable peace and prosperity in the region.

Pakistan is fighting its epic war against terrorists. India should help Pakistan to the maximum to beat and eliminate terrorists instead of supplying them ammunition and money. A stable Pakistan is in the best interest of India if it wants to grasp its goal of becoming global power because after all Pakistan is a neighbour state of India.

Peaceful co-existence should be the ultimate objective of both countries leadership, Both sides need to help each other in this pivotal task. They should also realize that poverty not each other's existence is their common enemy. Bad relations are causing to spend billions of dollars as defense expenditure that could go for the welfare of their people.

Dialogue based on equality, tolerance and mutual respect is the only way forward which would create an environment of confidence - conducive for cooperation. For making it result-oriented, India ought to show flexibility and cooperate heartedly. The dialogue offers should not be diplomatic games. And Pakistan as counter measures has to evolve a clear-cut strategy of dealing with India's diplomatic games.³⁰

Finally, if countries like Egypt and Israel can sign a peace treaty and if once bitter neighbours - France and Germany, can become strong partners of the European Union forgetting their past wars then why Pakistan and India can not do something sensible in the best interest of their people. The leadership must learn to value the humanity, they must learn to work together, and they must learn to live together like good neighbours.

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ROLE OF MEDIA IN STATECRAFT: A CASE STUDY OF PAKISTAN

Mehvish Nigar Qureshi

Introduction

In the age of globalization, knowledge and the means to communicate that knowledge (different media) have become a critical attribute of statecraft. The term media* refers to all print and electronic means which are used to spread information to a mass number.

The six clusters of established media, as identified by Davis Foulger are interactive media, art media, correspondence media, publishing media, telephonic media and broadcast media.¹ Nowadays, computer media stretches through previously unoccupied areas of media space between these clusters of established media. Media can be authoritarian, libertarian (free truth media), ideological, development, or reformist (socially responsible media), in nature. Each medium has a peculiar set of applications (uses) and certain inherent characteristics: to highlight a certain event, action or person, attribute positive or negative traits, justify and legitimize or victimize and demonize it. The success of such processing of information depends on the precision of the processor of information as well as the target audience. Media is considered to fight the battle of hearts and minds. In the contemporary international political system, power, influence, and impact of media know no bounds and it continuously shapes and reshapes opinions, attitudes and perceptions.²

The scope of media in peace times limits to entertain, amuse, inspire, and inform the viewers, but in war times, specifically the war against terrorism, role of media is very critical. In such a war, conventional victory over the enemy is not possible. For Pakistan, being an ally, the victory is to fight the war effectively and turn the challenges posed, into opportunities for the country. In this regard, Media can play a crucial role by promoting Pakistan's national image, gaining public support at domestic and international level and highlight the cost of engagement. But it is very unfortunate to know that instead of performing these duties, media are focusing only on its rights (freedom of media) and are largely driven by the corporate agendas. These practices have adversely affected the country at national and international level. There is a need for careful handling of national security issues by media.

Role of Media in Statecraft

Statecraft is the art of conducting relations among nations. It includes instruments of foreign policy to further national interests through negotiations, international agreements and laws. Statecraft aims at safeguarding the state's independence, security, and integrity as a prime goal and preserves the widest possible freedom of action for the state in nearly all spheres of life.

Today, communication has advanced to the limit of squeezing distances of miles to "press the button" phenomenon. This transformation of the world into a global village with hundreds of information explosions every second, posed novel challenges to the instruments of policy at state level and state's ability to conduct

diplomatic relations and disseminate information in times of wars as well as in peace times. Now media have evolved as a powerful tool and a critical component of state-to-state and public diplomacy. Information is regarded an element of national power due to its ability to achieve national policy objectives through persuasion, cooperation, and coercion.³ Nowadays, Information instrument of statecraft stands out as a powerful tool and critical component of state to state relations and public diplomacy.⁴ It is a key instrument of strength and catalyst for traditional elements of power.

Being the unelected fourth pillar of state (ranked with executive, legislature and judiciary in its status), the responsibility of media is to provide authentic information that would be beneficial to all without deliberate misrepresentations to cause sensation that may directly or indirectly result in negative impacts on society and national security objectives of a state. With information revolution, the traditional concept of national sovereignty originating from the Treaty of Westphalia is eroded.⁵ Today, it is imperative for a state to safeguard its sovereignty not only geographically, but also from media attacks (information warfare, psychological operations and propaganda) at national and international levels. In such a situation, perceptions and image projections play a crucial role, if coming from an unofficial source e.g. private media. Freedom of media to get information directly from the concerned government personnel instead of government information wings can have catastrophic effects on statecraft due to the lack of skill and training of the government personnel to handle media appropriately.

“In the evolving information and disinformation driven global order, many small and developing states can virtually disappear if they fail to understand and control the way in which they are projected.”⁶

As said, journalism operates beyond borders, national media mix with global and regional media. As a result, many of the happenings inside a sovereign state are of equal concern to many others outside its borders, and help them further their global interests. In such an international political scenario, media need to incorporate national interest in the media policy because the practices of undermining national image, commercializing security issues and targeting politicians can well serve the commercial aspect of a talk show and add to its popularity, but what image it is projecting is a thought provoking issue. This ultimately decreases the credibility of the state and leaders at international forums where they ultimately fail to project and further national interests. Media cooperation is imperative for safeguarding national security interests. Moreover, in fighting non-state actors, media’s role is very critical to defeat them. Freedom of media is a hallmark of democracies, but one needs to understand the logic of the time, the country is passing through.

Responsibilities and Rights of Media

Responsibilities refer to societies expectations of the ways in which people are supposed to behave while participating in a medium of communication.

“Responsibilities can be recognized directly and indirectly in the rules, whether formal, contractual, or informal, that people create, negotiate, and enforce in the course of using different media”.⁷

On the other hand, rights are the behaviors and responses which should be protected from such rules. These are encoded as a set of high rules or meta-rules.⁸ Generally, the responsibilities associated with media participants are, obeying and enforcement of existing rules and laws, avoiding the harm of others (mostly psychological rather than physical harm), making correct attributions, protecting ones proprietary rights, acting in the public service, and meeting the contractual responsibilities. There are some patriotic responsibilities of a medium of communication also, which include the responsibility to serve the place that gives you audience, the licenses, and the revenue.

Media is striving for its right of freedom, but seems to be reluctant to perform the duties which the rights infer. Michael Ignatieff states about responsibilities of media as,

“ . . . Your responsibilities are public property. They are everybody’s business . . . the scrutiny you get is the scrutiny you deserve.”⁹

Moreover, they are ignorant of the rights of the viewers (delivered with right information, avoid psychological trauma, contribute to practices through canalizing effects of media exposure, power of public opinion for social regulation of media).

Media are inherently selective, subjective and suppressive. Potential of misuse of media range from Disinformation, Division, Despair, to Defamation (4D’s of media misuse). So it is very

important to negotiate on the responsibilities of media and define the rights. In Pakistan, Government regulatory authority issued licenses without formulation of an effective media policy and releasing the market strength and capacity to absorb the numbers of channels, for TV channels. On the contrary, the mechanism for regulation of these channels failed to evolve on the same pace. Consequently, the broadcast media in Pakistan, with its mushroom growth both vertically (in power) and horizontally (in number of news channels) failed to adhere to all these responsibilities (the growth was so rapid to incorporate all these responsibilities) and restricted to contractual and commercial demands only, suppressing the ethical dimensions. Pakistan Electronic Media Regulatory Authority (PEMRA) which was originally a technical regulation body was less equipped with content regulation of TV channels and failed to perform well on content analysis job. This resulted in the current shape of media where none of three mechanisms; self regulation, state regulation and social regulation botched to regulate media effectively.

Eventually, inefficiency of government to regulate broadcast media and freedom of media campaign by channels adversely affected the statecraft practices. Media however are ignorant of this and justify their ill support to the national interest of the country by stating that, as national interest of Pakistan are vague and not clearly defined in the form of a document, it is impossible for any medium of communication to safeguard them. They hold the view that strategic information flows, come from strategic thinking and countries with no strategic planning have no strategic

communication planning. As a result, media in such countries cannot conduct strategic level operations.

Evolution of Broadcast Media in Pakistan

The concept of “free media” and struggle against suppression of media is not new as it has been a subject of debate in successive democratic governments and more evident in marshal laws. But the outburst of private channels added drastic potential to this concept that made “freedom of media” as their “code of conduct”.

In the history of Pakistan, there are golden examples of media promoting national cause and thereby safeguarding national interest.

“The newspaper Dawn, founded by Quaid-e-Azam and first published in 1941, was dedicated to countering anti-Muslim propaganda and promoting an independent Pakistan”.¹⁰

Similarly, Nawa-e-Waqt, established in 1940, was the mouthpiece of the Muslim elites who were among the strongest supporters of an independent Pakistan. In the same way, the contribution of radio and television in the wake of 1965 war can not be ignored, where media strived hard for national integration and boost the morale. Unfortunately later on, it is witnessed that conditioned by several decades of dictatorial regimes media were gradually forced to perform as personal publicity functionary for the successive heads of states and governments enjoyed the serenity of a state controlled media for a long time. But the information revolution spurred by globalization brought remarkable change in Pakistan. Moreover, the

astounding experiences of the Kargil war (where India utilized media front for gaining international support) prompted the military ruler to allow a free media to flourish in the country, which will be used for promoting a national cause in times of crises. As there was a rapid shift from a single state controlled broadcast television to numerous news and entertainment channels, the code of conduct for these channels could not be devised timely and the process was suppressed by the commercial forces behind the channels and government's inability to formulate a code of conduct and negligence towards the issue. There seems to be certain miscalculations on the part of government who failed to realize the power of broadcast media and the potential misuses. Moreover the harsh memories of the Press and Publication Ordinance (PPO) during Ayub Khan's era and its revision during Zia-ul-Haq's regime (RPPO) made them more apprehensive of state's control over broadcast media. Consequently, media assumed the role of a power-broker and uplifted its status from a mere informer to a negotiator and mediator in state affairs.

Driving Factors and Forces behind Media in Pakistan

In order to understand the current situation of media in Pakistan, where it has become an active player in political processes, it is necessary to trace out the forces working behind and the stakeholders in media. Moreover, there are some independent factors (human resource problem in media, less educated audience and media illiteracy) which have a direct impact on media and need to be discussed. The stakeholders who participate in media play a

fundamental role as Foulger refers to the connection between media and its rights and responsibilities as an indirect one because communication media do not, in and of themselves have either rights or responsibilities. It is the stakeholders (people participating in those media) who are invested with rights and responsibilities. These include owners, editors, speakers, writers, journalists, directors, producers, publishers, exhibitors, artists, audiences and advertisers. (These roles are not inherent to all media but vary in different media).

- **Ownership Structure:** Orientation of channels is determined by the owners and their corporate interests and agendas. Their one way dissemination of news and views is endangering the world. Here it is important to mention that the correspondents, hosts of talk shows and writers hold a little power in deciding the contents of a programme because until the actual forces behind are unveiled, the issue can not be resolved at the root level.

“Pakistan’s media sector is highly influenced by the ownership structure. There are three dominating media moguls, or large media groups, which to some extent also have political affiliations. Due to their dominance in both print and broadcast industries all three media groups are very influential in politics and society”.¹¹

- Media owners generate specific rules and orientations. In general, media in Pakistan have a domestic

(localized) orientation; there is a little content of international news coverage, mostly limited to entertainment news. In the same way, it is observed that there are political affiliations of owners which determine the context of the text (information) for these news channels.

- **Media-market Forces and Commercial Pressures:** it is the second most influential factor. The news channels in their struggle/lust to capture large audiences, unfortunately, drifted from an effective and healthy competition. Eventually, the commercial interests became paramount and quality journalism became subservient to sensationalism and mediatization. McChesney unveils these commercial forces by stating,

“The ‘we give the people what they want’ argument (by media) is a half truth at best, and taken out of context it serves as an ideological fig leaf to protect naked commercial interests.”¹²

- **Mediatization:** Media shapes and frames the processes and discourse of political communication as well as the society in which that communication takes place.¹³ In this way, the term mediatization refers to the process when media enter into the very happening of catastrophes and controversies in such a way that those events are to a large extent constituted by media.¹⁴ Atif

Khan in his study of media, came up with an observation that media is transforming itself into an independent institution and changing its status from a mere informer to a dynamic player in politics through the phenomenon of stronger mediatization of politics. It is witnessed that the policy of mediatization served media successfully, as it was pursued by private news channels who owe little responsibility to safeguard national interest and justify their SOP s on criteria of “professional judgments”.

- **Securitization:** it refers to the manner in which more areas of life have become understood in terms of their security implications or are {made} subject to logics of security.¹⁵ Both securitization and mediatization compliment each other and increase the perceptions of insecurity.
- **Sensationalism:** it is one of the vital elements used by media to make money. The professional criterion of the channels can be tested by the authenticity of the news which comes under the title of “breaking news”. Unfortunately, they drifted from the task of imparting information to propagation and exaggeration of events to create media stories. Propaganda works successfully because of low literacy rates and limited sources of information in the country and a layman becomes a prey to such news easily.

- **Selectors in Processing:** while selecting the content of news during processing, the “sound bite culture” is a frequently used technique. In this technique, a line or sentence is taken from a longer speech or interview of a personality is selected to use it as a hint line of the broadcast content. In these sound bites, a more attack related and campaign buzz related content is flashed on screen instead of the policy content.¹⁶
- **Social Traits and Issues of Convergence of Interest:** Pakistan is a multi-linguistic, multi-ethnic and class divided diverse society where each social group lives with its particular set of concerns and problems. In such a society, targeting of vital issues (political culture and political elite, economic recession and inflation, change of governments and political reforms) served as the best tool for news channels to broaden the spectrum of audience and make advertisers.
“In developing countries interest in politics and socio-economic change is closely linked to the individual’s fight for survival.”¹⁷
- **Anti Government Orientations** in news channels are preferred and it has become a trend to be cynical about politicians and the political processes. In addition, Global War on Terror and its impact on domestic security of the country serve as the flesh and blood of these channels.

“Of total 250 members of the Peshawar Press Club hardly two or three journalists have know-how about commerce and economic reporting. Only five or six reporters know court reporting while few journalists may have understanding about parliamentary reporting. But every third journalist has full command and authority on terrorism and militancy.”¹⁸

Political stories and security issues form the bulk of the news on the private news channels and consequently reports covering social issues, social reforms and development, marginalized groups and their problems, human rights and women rights issues are being suppressed and deprived of the due attention.

- **Inter-channel Competition for Viewer-ship and Advertisers:** The inter channel competition to win viewer ship and advertisements resulted in transformation from an issue-based news management into market oriented media. This race was spurred by the corporate companies (dealing in consumer goods) who approached the private TV channels to reach the target audiences and their major clients being the news channels with popular talk shows at the prime times.
- **Characteristics of the Target Audience:** the characteristics of the target audience best suited these policy orientations. Literacy rate in Pakistan is very

low and the target audience lacks the ability to analyze and test news and comprehend them for authenticity. The viewer, who has long been deprived of news, with only choice of Pakistan Television (PTV), embraced these new channels happily, without any prior judgments. Consequently, this mushroom growth of local TV channels from two channels in 1999 to almost 71 channels (2009) in a decade attracted larger viewer ship. The major chunk of the viewers is the illiterate masses that are unable to access and study relevant documents, newspapers and books to countercheck the information spread by the news channels. They are an easy prey to these channels that thrive on such techniques (discussed above) because they can not filter out the correct information.

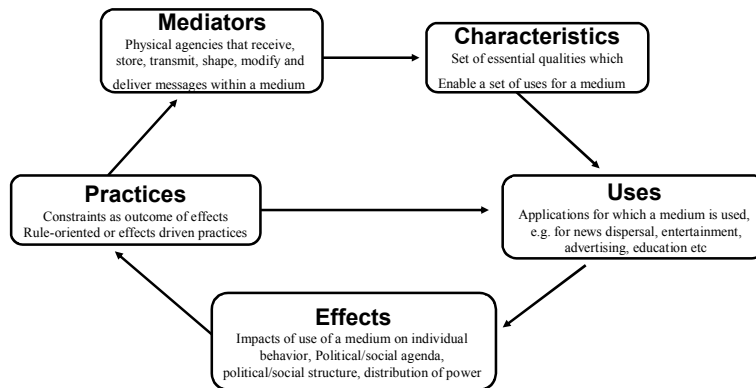
- **Human Resource Problems in Media:** it is an independent factor and a crucial issue in processing, which affects media. The problem becomes more evident in live coverage of events where camera handling is a crucial job and in such instances, public sentiments are totally ignored. Apart from its drastic effects on national image, sometimes the privacy of the public is compromised also.
- **Media Illiteracy:** due to the rapid development of media, people are illiterate about media handling techniques and this lack of skill and knowledge of the

political leaders and general public to deal with media and project and describe the true picture of events benefited media a lot in creating “media hype” as most of the times, the actual message is not conveyed due to mishandling of media by them.¹⁹

Effects of Media at International, national and individual level

According to Foulger’s model of ‘Medium as Process’, there are five intersecting spheres of invention; mediators, characteristics, uses, effects, and practices.²⁰ (See Fig I)

Fig:I Foulger’s Model of Medium as Process,
Five Intersecting Spheres of Invention in Media Process



Note: All these five spheres of invention are dynamic and change over time as people invent and reinvent media to meet their needs. No sphere should take precedence over any other to make a medium an effective tool of statecraft.

In case of Pakistan, the first three spheres witnessed unprecedented growth leading to drastic effects on statecraft at international, national and individual level but failed to form a connection among effects, practices, and mediators. Public opinion and social pressure were not canalized to formulate practices and persuade mediators to reorient their policies. (See Fig II)

security hype affected the trade and foreign investment in the country.

The freedom of media has only resulted in lack of trust and confidence of public on political institutions/leaders. It opened the eyes of public, but with their hands tied (no contribution to practices), it merely adds to frustration and dismay. The uneducated audience has become victim of disinformation and suffers through psychological trauma. There is a need to understand that the corporate media has no feelings for the audience and aims at spreading information for monetary benefits only.

Recommendations and Way Forward:

As media plays a fundamental role in statecraft, there is a need to define the relationship between media and government. Whether, government should formulate a policy to regulate media or its role be confined to only strengthening media and freedom of media. Keeping in view, the influence of media (a battle of hearts and minds) government should formulate a policy outline to make media an effective tool of statecraft.

- Dissemination of information: there should be selective projection of information at national international and domestic levels, to safeguard country's image at international level. PEMRA Ordinance should be revised for content analysis. Media can make the masses understand the phase, the country is passing through.

- An effective media policy should be drawn, the initiative taken by the Talat Hussain and its contemporaries for designing a code of conduct for media should be encouraged and government should play its role in formulation of the policy.
- All these negative projections or suppose authentic and factual allegations have served a little to national cause and served the media corporate only, lets' now bluff our political elite through media, by attributing all positives to them in a rational manner to make them rise to our expectations, the reverse of what has happened already, they fell down to the levels media degraded them, lets uplift.
- The access of media to concerned government departments and personnel (who are unskilled to handle media effectively) to get information directly instead of getting information through government information wings has drastic effects on statecraft. There should be a policy to control the sources of sensitive information pertaining to national image and national security. There should be information officers, with professional training to handle media so that they can advice the government on the manner and the content of dissemination of government information. In this way, they can clarify doubts of the correspondents and brief them effectively. But this

should be aimed at safeguarding the prime national objectives and should not aim at preserving personal interests. This will positively contribute to smooth conduct of diplomacy at international level and public diplomacy.

- In terms of regulatory mechanism, three processes: self regulation, state and social regulation need to be run simultaneously for effective control of media in areas, where it is required. It should pay regard to security, ethics and other sensitivities.
- Social pressure can help to keep Media on track. But social pressure comes from education and literacy. Propaganda can fail only when the literacy rates are high and people have ability to analyze and assess the information floated by media and multiple sources of information to countercheck it. In this regard, government needs to take initiatives to improve education system in the country.
- On self regulation of media, there is a need to reform the processes of live coverage of events. In live coverage of events, camera levels and positioning (3 feet above) rules should be negotiated and followed in consensus by all the channels.
- There is a need to educate politicians, leaders and public to convey their messages effectively through media.

- Diverse Media roles to be encouraged instead of its single focus on politics.
- Broadcast media and specifically the news channels need to overcome the human resource problem keeping in view its drastic effects on diplomacy. This will also help to enable Pakistani media to engage regional and international opinion.
- To overcome the media market forces and the corporate agendas to dominate the news channels, financial viability of professional journalists and Media institutions should be ensured.

Conclusion

There is a need to understand that if the potentials of media are not regulated and if government fails to regulate and assist media in careful and selective projection of facts, the nation may collapse and there will be chaos leading to decay and anarchy. The media should differentiate between objective and anti-government orientation to avoid state cannibalism. People should watch a TV programme with a prior knowledge of aims, objectives and corporate interests of a channel in mind and should not rely on media alone for assessments and such awareness can generate public pressure which can help to make media an effective instrument of statecraft.

The biggest rationale behind a free media in Pakistan was our failures to project the true images in critical times (e.g. Kargil war) and shortcoming to fight on media front effectively. But now with

so many channels, is the purpose being served? There is a more eroded image of Pakistan being painted by media today than ever before. There is a need to canalize practices to make media analyze issues in the broader perspective of implications for statecraft and fallouts at international level. Media market witnessed unprecedented growth but it is still in a transformational phase. There is a dire need for the state take advantage of this transformation, and evolve a code a conduct for media and encourage a self regulatory mechanism during this phase to have a responsible media in its mature form instead of a media driven by corporate agendas in future. Only a mature media can serve the national cause efficiently.

“There is no incompatibility between patriotism and profit. Indeed, the better you serve your country, the more profitable you are likely to be.”

Michael Ignatieff.

Annex A

Growth of Mass Media in Pakistan 1999-2009

<u>Medium</u>	<u>1999</u>	<u>2009</u>
Local TV Channels	2	71
Radio Stations	22	25
FM Radio Station in Private Sector	Nil	111(121licensed)
FM Radio Station in Public Sector	Nil	10
Readership of Newspapers	-	5 Million
Viewer ship of TV	-	35 Million
Cable Operators(licensed)	Nil	1600
Cable Subscribers	Nil	5 Million

Source: PEMRA and Ministry of Information and Broadcast¹

Notes

*Medium is singular, media is plural. However, the term “media” is most of the time referred to as singular.

¹ Davis Foulger, “Rights, Responsibilities, Metaphors and Electronic Media”, IBM Research Division, November 1992

² Muhammad Abbas, “Media and National Stability”, Pakistan Times, 9th August, 2009.

³ Kurtis D. Lohide, “Information as a Tool of Statecraft”, National War College, Washington DC, September, 1998.

⁴ Leslie W. Brockman, “The Information Instrument of Statecraft in a Globalized World”, National War College, Washington DC, September, 1998.

⁵ Ibid.

⁶ Dr. Moeed Pirzada, “Western Media’s War on Pakistan”, Available at, www.dawnews.com, Retrieved on, 2nd October, 2009.

⁷ Op. Cit, Foulger.

⁸ Ibid.

⁹ Michael Ignatieff, “Media Responsibilities in an Age of Terror”, Canada.

¹⁰ “Between Radicalization and Democratization in an Unfolding Conflict: Media in Pakistan”, Report by, International Media Support, July, 2009, Denmark.

¹¹ Ibid.

¹² Robert W. McChesney, “The Problem of the Media: U.S Communication Politics in the 21st Century”, Monthly Review Press, 2004, New York.

¹³ Darren G. Lillker, “Key Concepts in Political Communication”, SAGE Publications, 2006, London.

¹⁴ Ben O’ Loughlin, “Media Diplomacy: Measuring Impact in the Global Influence Business”, Royal Holloway, University of London, August, 2007.

¹⁵ Ibid.

¹⁶ Op. Cit, Khan.

¹⁷ Shahwar Junaid, “Communications Media and Statecraft: A practical Guide for Citizens”, 22nd February, 1988, Pakistan.

¹⁸ Zulfiqar Ali, “War on Terror sets New Media Trends”, Sunday, 6th September, 2009.

¹⁹ Dr. Shahid Qureshi, “Who is Fighting Pakistan’s Media War?”, Friday, 10th June, 2009, Available at, www.thelondonpost.net, Retrieved on 12th October, 2009.

²⁰ Op.Cit, Foulger.

²¹ Op.Cit, International Media Support Report.

DEFENCE AND DEVELOPMENT ECONOMICS: A CASE STUDY OF PAKISTAN

Abdul Rauf Iqbal

Introduction

Several experts regard defence expenditure as an assurance of security and peace, while others see it as a lavish activity. Opponents often argue that defence spending sustains at the cost of development as defence consumes capital that could have been devoted to producing investment goods. Even though, states continue to increase and try to strengthen their defence forces, as it is one of the primary responsibilities of governance. Keeping in view the increasing defence expenditure, numerous attempts have been made to understand the effect of military expenditures on the development process. One of the most interesting and controversial result on the subject is that “countries with heavy defence burden generally had the most rapid rate of growth, and those with lowest defence burdens tend to show the lowest growth rates”.¹ In the subsequent period, abundant research was made to investigate the validity of Benoit’s findings. However, the empirical evidence on the subject is mixed. Hence it is difficult to classify defence expenditures in productive or unproductive categories. Its impact on growth is left to empirical results.

Pakistan also attracted the attention of the researchers due to its huge defence spending. The large size of defence expenditure in overall budgetary outlay remained a hot topic of debate. A study² concluded that “in Pakistan it appears that the interconnection

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between defence and growth is not simply a gun and butter problem with a necessarily inverse trade-off between the two”. It further argued that “future research efforts should be geared to understanding more clearly the determinants of defence expenditures with explicit recognition of the strategic environment that Pakistan finds itself”.

Objective:

In this premise, this essay aims at analyzing the trends in defence expenditure of Pakistan and the determinants behind the towering level of defence spending, keeping in view the strategic environment of Pakistan. In addition, an endeavor has been made recommend policy measures in the backdrop of social and economic impacts of defence economics.

Trends in Defence Expenditure of Pakistan

Although Pakistan’s fragile economy is unable to support the heavy defence expenditure, yet Pakistan’s defence budget has always been on an increase. The acknowledged factors behind the high defence spending are the internal and external security threats. Furthermore, as the military enjoys prestigious position in the state, the defence budget has been prioritized over the social sector. It’s also a societal dilemma that the government issues only the overall figures of defence expenditure and does not provide any other details.

This high share of defence expenditures in the early years of independence may be attributable to the government’s efforts to achieve a minimum level of deterrence, necessitated by the conflict

on disputed territory of Kashmir and a war with India in 1948. After that, the share of defence expenditure in total expenditure saw a considerable decline with some fluctuations before spiking up again in 1965-66 on account of 1965 war with India. Defence spending to total expenditure ratio saw a sharp reversal in 1966-67. However, this decline proved short lived, as the ratio surged again in 1971-72 due to the 1971 war before dipping down to pre-1965 war levels.

The ratio gradually declined to 23.2 percent by 1979-80. However, the declining trend once again reversed in 1981 following the high tension in Afghanistan, as Pakistan was a front line state. During first half of the 1990s, the share of defence expenditure averaged 26.8 percent of total expenditure, indicating an increase of 4.1 percentage points on average for the second half of 1970s. The withdrawal of Russian forces from Afghanistan, coupled with the prevalence of high fiscal deficits, propelled government to revisit its defence spending. As a result, the 1990s recorded a considerable decline in the share of defence expenditure. The decline in the second half of the 1990s was more pronounced compared to the first half. Despite tensions on borders with Afghanistan and India, the share of defence expenditure continued to decline and averaged 18.7 percent for 2001-03. This recent declining trend amidst a few episodes of tension is largely underpinned by the nuclear capabilities of Pakistan and India. The possession of nuclear weapons by both countries seems to be an important factor in minimizing the chances of war, even with the enlargement of traditional weapons, the study said.

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Another important point was the movement of development to total expenditure ratio and its relation with defence to total expenditure ratio. It is generally perceived that the massive decline in development expenditure to GDP ratio over the past two decades is primarily on account of huge defence expenditure. “However, the data do not lend credence to this view, as both defence and development expenditures have been on the decline since the mid 1980s, not only in terms of their ratios to total expenditure but also in terms of GDP.”³

The study factor behind the decline in defence and development expenditures over the last one and half decades is due to the consolidation of the public sector. The rise in defence expenditure generally accompanied an increase in overall expenditures, instead of a decline in development expenditures. It is also noteworthy that there are only seven out of 52 years in Pakistan in which increases in the defence expenditure to GDP ratio do not accompany increases in total expenditures to GDP ratio, but move along with declines in development expenditure of GDP ratio. The defence expenditure of Pakistan as a percentage of total expenditure for the last three decades is enumerated in Table 1.⁴

Table 1. Defence Expenditure of Pakistan: 1970-2000 (rupees million)

Year	Defence Expenditure	Defence Expenditure as Percentage of Total Expenditure
1970-71	3,201.5	55.66
1971-72	3,725.5	59.09
1972-73	4,439.6	59.34

Year	Defence Expenditure	Defence Expenditure as Percentage of Total Expenditure
1973-74	4,948.6	42.20
1974-75	6,914.2	42.83
1975-76	8,103.4	25.10
1976-77	8,102.6	23.10
1977-78	9,674.5	23.7
1978-79	10,302.0	21.0
1979-80	12,654.8	23.2
1980-81	15,300.1	23.2
1981-82	18,631.0	24.5
1982-83	23,224.0	26.7
1983-84	26,798.0	26.8
1984-85	31,866.0	27.3
1985-86	35,606.0	26.5
1986-87	41,335.0	27.1
1987-88	47,015.0	26.1
1988-89	51,053.0	25.4
1989-90	58,708.0	26.5
1990-91	64,623.0	24.8
1991-92	75,751.0	23.6
1992-93	87,441.0	25.0
1993-94	91,776.0	25.2
1994-95	1,00,221	23.4
1995-96	1,15,252	23.3
1996-97	1,31,400	26.26
1997-98	1,33,834	26.2
1998-99	1,45,000	26.1
1999-2000	1,42,000	22.0

Factors behind High Defence Spending

Soon after the independence, the political environment and initial problems of the country allowed armed forces to play a major role in all spheres of state. Furthermore, India's military posture has a deep impression on Pakistan's defence planning.⁵ Pakistan's

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defence spending was instantly raised following the Pakistan India 1965 war. While the 1971 war gave another boom to the defence expenditure and after that the security threat from India became the major determinant of defence budget. Since then no civil and military government of Pakistan has ever allowed defence reduction. Instead, they permitted growth of force levels keeping in view the geostrategic environment of country.

Security Threats

The “perceived threats” from internal and external factors are the main reason of the nation’s huge defence spending. One can question the level of perceived threat but the fact remains that there exists security threats. The major threats which Pakistan is facing are:-

- **India.** Pakistan’s strategic environment is culminated by a security threat from India. The adversarial relations between the two play a fundamental role in the formation of national security policy. The two nations have fought wars and experienced countless border clashes. Threat from India has compelled the policy makers in search of a situation that could generate a sense of security. Due to India’s hegemonic ambitions, the government of Pakistan is obligated to raise and equip its armed forces with modern technology for which nation is paying a lot. This sense of insecurity has taken strong roots both within state and society. The issues like Kashmir and nuclear deterrence further generate a

national consensus between Pakistani state and society. Pakistan's nuclear programme is also India-centric. It aims to maintain deterrence in the region which is compulsory for the stability of peace and security in South Asia.

- **Afghanistan.** Strategic developments like 9/11 and the presence of NATO forces and ISAF in Afghanistan is another security hazard for Pakistan. As Pakistan became the frontline state against terrorism, the terrorists started attacks on Pakistan in form of suicide attacks which has taken hundreds of innocent lives. The difficult terrain of Pakistan Afghanistan border is also a big problem for the security of state and these issues are paving the way for increase in defence budget. The quality weapons that Pakistan's armed forces needed cost millions dollar. Therefore, securing the eastern border demands increase in military expenditure.
- **Domestic Factors.** Pakistan is also facing internal problems. A consistent search for a viable political system, lack of national cohesion and economic problems are some of the factors which have contributed to an unstable and insecure state. Pakistan has not been able to evolve a stable political system and political experimentation at various periods has delayed the solution for domestic problems. Although, the nation has been trying to fastener onto democratic practices,

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political stability has still not surfaced, with democratically elected regimes. Pakistan is also facing a dilemma with politicized ethnic consciousness and high levels of unemployment. Confronted with an intense political divide, increasing economic problems, terrorism and sectarianism, Pakistan's sense of insecurity has deepened. And this fear appears to manifest itself in the form of increasing defence expenditure.

Another factor that has facilitated large allocations to defence revolves around the inability of the resource managers to suggest alternatives.⁶ Usually, in democratic countries, resource managers are the concerned members of the executive and legislature. But under authoritarian regimes, the resource control is often confined to a few individuals. And unfortunately Pakistan has experienced parliamentary and authoritarian forms of government in almost equal proportion. The budget is formulated by a few, selected individuals.

Main Actors behind Threat Perception and Defence Budget

- **The Military.** The decision and policies of a nation are a reflection of the interests of the players involved in the decision making process. The military enjoys immense control over the decision making process in Pakistan. It is the country's most powerful institution and is the largest organized force. The cost of maintaining

such a large force demands a large amount of financial resources from the state.

The main reason behind the military's emergence as the most influential element is the country's power politics. It is responsible of guarding the Islamic ideological identity and the frontiers of the country.⁷ In addition, fear from hegemonic India among the Pakistani policy makers has always had a serious ideological orientation. It is also a matter of fact that India, with a predominantly Hindu population, cannot tolerate the existence of an Islamic Pakistan. Hence, the defence establishment needs to provide security to this country.

Perceived threat from India appears to be fundamental to the survival of the Pakistan. Even, the nation views the domestic disturbances as a continuation of the external threat. This impression reinforces the ground for heavy military spending. This exercise of blaming each other has been the most regular feature of the strained bilateral relations between Pakistan and India. India's projection of its military capability in the 1980s and 1990s compelled Pakistan for a similar military build-up. Kashmir is also a core issue for the survival of the country. This enables the military to play a significant role in national security and political affairs.

Military personnel are highly involved in defence decision making. The interest of the military is from the

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strategic angle. Therefore, the defence decision making in Pakistan has a distinguishing feature in the presence of a strong military lobby. However, the three Services do not have equal influence on the defence decision making. The Pakistan Army is more influential in this regard. While the say of the other two forces, the air force and the navy, in the strategic planning, has depended on their importance to the army.

- **The Civil Bureaucracy.** The civil bureaucracy involved in the defence decision making refers to the Ministry of Defence (MoD), Ministry of Foreign Affairs (MoFA) and Ministry of Finance (MoF). The MoD is fashioned to function in the interest of the defence organization. Serving and retired military officials are placed in central positions in the ministry to enable them to control and monitor the work. It is presumed that the civilian officials of the ministry do have adequate authority to handle military affairs on their own. The MoFA assists the government in locating sources of supply for defence. The ministry is not proactive in the procurement process and its significance in arms procurement decision making has varied with the heads of government in Pakistan. The MoF is important in defence decision making. Though the ministry controls the finances of the defence establishment, it is not in a position to dictate terms to the military in Pakistan. It does not have the power to

override decisions taken by the military. The MoF faces tremendous pressure from the military to provide funds for the maintenance. Despite the resource limitation, the ministry cannot afford to take its own decisions. At the most, it can delay the decisions. Thus, the civil bureaucracy in Pakistan is largely a follower of the military in the defence budgeting process.

- **The Decision Makers.** In the last two decades, the president of Pakistan emerged as one of the most important players in defence arms procurement policy making. This was due to several factors. Firstly, the constitutional power acquired by President Zia-ul-Haq through the Eight Amendment and by President Musharraf under the Seventeenth Amendment. This empowered them to dismiss the government, appoint the chiefs of the three Services, and appoint the chairman, Joint Chiefs of Staff Committee (JCSC).⁸ His successors inherited this legacy. Moreover, this authority was exercised frequently. Secondly, personalities like General Zia and General Musharraf strengthened the president's office. Thirdly, the president of Pakistan has always catered to the interests of the military.⁹

As far as the Parliament in Pakistan is concerned, it has never been in a position to impose its will on the military. In the national budget, defence expenditure is categorized as “charged” expenditure on which public

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debate cannot take place. And, conventionally, the elected representatives do not have the power to debate on defence expenditure. Thus, there is little chance of the Parliament playing an important role in defence decision making.

- **Media.** The Pakistani media is also one of the indirect factors strengthening the image of the military. The media has played an important role in highlighting and building a positive image of the military. It has provided an emotional dimension to the Kashmir issue. Also, the need to maintain a militaristic posture in this regard has been projected. Thus, both the direct and indirect factors playing a role in defence decision making. This has effectively sustained high defence spending.

Economic and Social Costs of Military Spending

The economic and social cost of military spending has always remained a hot issue for researchers. Pakistan's large defence spending has also attracted foreign scholars to analyze defence development nexus in Pakistan. These studies have got contradicting conclusions because of using different methodological factors. According to one study, "Defence expenditure in Pakistan has a negative impact on GDP when it increases to over 6.5 per cent of the GDP for a decade and more. During the 1978-88 decade, this threshold had already been crossed with defence expenditures averaging 6.8 per cent."¹⁰ The study, which covered a period of over a quarter century since 1960, concluded, "An examination of a

budgetary trade-off in Pakistan found that economic services as a whole were adversely affected by military expenditure.”¹¹

Another most recently conducted study¹² rejects these findings and it shows that there is a “long term relationship among defence spending, development expenditure, inflation and Gross Domestic Product (GDP).” The study suggests that defence expenditure cannot be used for stabilization purposes or to counter inflationary pressures in the short run. The report said “This undermines the popular perception that increases in defence expenditure are generally accompanied with a decline in development expenditure.” It is also observed that not only does the perception that defence expenditure hurts economic growth not seem to hold over the estimation period, but the “Military Keynesian hypothesis” also does not hold in Pakistan

Conclusion

Questions have always been raised regarding the military burden and its negative impact on the economy of the country. But no one ponders about the geo strategic environment which Pakistan is facing. Successive governments in Pakistan are trying to convince the world about the strategic challenges confronted by Pakistan. The concept and the argument which Pakistan uses for defence modernization seem adequate. This interpretation of “national security” is the key force behind Pakistan’s increasing defence budget.

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Notes

¹ Emile Benoit, *Defence and Economic Growth in Developing Countries* (Lexington, Mass.: Lexington Books, 1973), p. 271.

² Nasir M. Khilji and Akhtar Mahmood, "Military Expenditures and Economic Growth in Pakistan", *The Pakistan Development Review* 36 : 4 Part II (Winter 1997) pp. 805.

³ State Bank Study

⁴ Source: Pakistan Economic Survey, Islamabad, Pakistan, The Military Balance (International Institute of Strategic Studies-IISS), 1995-96, 1996-97, 1997-98, 1998-99, 1999-2000; *Military Technology*, vol. Xxiii, Issue 1, 1999, as cited by Pervaiz Iqbal Cheema; Jasjit Singh, "Defence Expenditure in South Asia, An Overview", *Regional Centre for Strategic Studies (RCSS) Policy Studies* 10, Colombo, 2000, pp. 53-54.

⁵ Ayesha Siddiqa-Agha, "Defence a Public Good? A Case Study of Pakistan's Military Expenditure, 1982-99", in P.R. Chari, Ayesha Siddiqa-Agha, *Defence Expenditure in South Asia, India and Pakistan*, RCSS Policy Studies 12, (Colombo: Regional Centre for Strategic Studies, 2000), p. 23.

⁶ Pervaiz Iqbal Cheema, "Defence Expenditure in Pakistan", in Pervaiz Iqbal Cheema and Jasjit Singh, *Defence Expenditure in South Asia*, RCSS Policy Studies 10 (Colombo: Regional Centre for Strategic Studies, 2000), p. 45.

⁷ 17 *Ibid.*, p. 56.

⁸ The Government of Pakistan issued a White Paper on Defence in 1976 which established the Defence Committee of the Cabinet (DCC), Defence Council and Joint Chiefs of Staff Committee (JCSC). While the JCSC was entrusted with the task of seriously considering all problems relating to the military aspect of national defence and rendering professional military advice to the highest decision-making body, the DCC was the highest decision-making body in all defence matters.

⁹ *Ibid.*, p. 73.

¹⁰ General Aslam Beg, *The Nation*, December 13, 1993, and Jasjit Singh, "Pakistan's Nuclear Posturing: Hitching its Star to India's Wagon", *The Times of India*, November 13, 1996, as cited in Jasjit Singh, "Trends in Defence Expenditure", in Jasjit Singh, ed., *Asian Strategic Review 1997-98* (New Delhi: IDSA, 1998), p. 68.

¹¹ *Ibid.*, p. 68.

¹² Mahmoodul Hasan Khan, "Defence Expenditure and Macroeconomic Stabilisation: Causality Evidence from Pakistan", *State Bank of Pakistan Report*.