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***THE INDIAN UPSURGE: RELATIONS WITH
PAKISTAN***

A recent study points out to the booming economy that India is despite the two dozen hurdles that India will have to cross in order to realize its ambitions of being an Asian power as well as a global great power. As per the study, India's GDP is expected to grow at 8.5 % in 2010 and India's growth is expected to overtake that of China in the next three to five years. India is expected to grow at 9-10 % successively for the next years and faster than any large country for the next 20-25 years¹. Such an analysis may be ambitious in its assessment of India Inc because one can quickly point out to several areas of concern that need to be addressed before India can finally make the big leap. Internally, India faces numerous challenges with issues such as infrastructural deficit, corruption, illiteracy, weak governance, uneven economic growth, food insecurity, poverty, increasing energy needs, communal violence, caste and class conflicts, and internal stability being threatened by the naxalite movement and the insurgency in the Northeast and in Kashmir.

Geographically, India is situated in a region rampant with socio-political disturbances. The 2010 Failed State Index ranks most of India's neighbors among the top twenty-five – Afghanistan is ranked sixth, Pakistan is ranked tenth, Burma gets the sixteenth position while Bangladesh is ranked at twenty-four, Sri Lanka at twenty-five and Nepal at twenty-six². Reflecting on the importance of a stable neighborhood, Foreign Secretary Shivshankar Menon remarked in 2007, “the first circle of our external security interests is constituted by India's immediate neighborhood. South Asia has lagged well behind the level of inter-dependence that characterizes many other regions, particularly Europe. From India's perspective, we are acutely conscious that a peaceful periphery is a pre-requisite to sustain our growth and development³.” Indicating India's changing posture towards its neighbors in an earlier speech, Menon said, “The first area of focus for our

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foreign policy is naturally our neighborhood, for unless we have a peaceful and prosperous periphery we will not be able to focus on our primary tasks of socio-economic development. We must, therefore, accord the highest priority to closer political, economic and cultural ties with our neighbors and are committed to building strong and enduring partnerships with all our neighbors⁴.”

Domestic instability is a common theme in most of the South Asian states and consistent political instability in these states has resulted in the emergence of non-state actors posing a serious threat to regional stability. Moreover, porous borders in South Asia have resulted not just in the illegal movement of goods and people; it also accentuates the possibility of the spillover of domestic insecurity across other states in the region.

In ensuring a peaceful periphery and realizing its ambitions of being a global great power, India's greatest challenge lies in its relationship with Pakistan. On the one hand, the protracted conflict between India and Pakistan vis-à-vis Kashmir remains unresolved. On the other hand, Pakistan is increasingly being viewed as the first state with nuclear weapons that is likely to collapse sooner or later, a state besieged with political instability and sectarian turmoil and a country that uses terrorism as a state policy. Professor Sunil Khilnani explains why India has to “take the crisis of Pakistan more seriously (and) more personally⁵.” Says Khilnani, “Pakistan today is at risk of being not so much a failed state as a non-state, in the sense that it is very hard to identify where sovereign power - the power to decide - actually lies. Power in Pakistan is disaggregated between the civilian leadership, the military command, the intelligence agencies and the numerous militant outfits sustained by their links with military and intelligence. And still all those powers enjoy only limited control over the country's territory. This unsteady state poses a huge danger for us and to the region's stability, and as such could derail all our developmental plans and economic hopes⁶.” One can therefore conclude that rising India's most serious external problem is Pakistan, a problem that India has to address in order to keep its own ambitions afloat. Interestingly, in the same interview, Khilnani also points out that India should no longer outsource the business of dealing with Pakistan to the US, because India's interests and those of the US in relation to Pakistan or Afghanistan does not always square up⁷.

In February 2010, India and Pakistan resumed dialogue, suspended since the attacks in Mumbai in November 2008, at the Foreign Secretary level in New Delhi. This was followed by talks between Indian Home Minister P. Chidambaram and Pakistan Interior Minister Rehman Malik and between Foreign Secretaries Nirupama Rao and Salman Bashir, in Islamabad in June 2010. These meetings were a prelude to the 15 July, 2010 meeting held in Islamabad between the Foreign Ministers of India and Pakistan, SM

Krishna and Shah Mehmood Qureshi. The dialogue failed to break the deadlock between the two states, with different agendas on both sides – cessation of terrorism being the core issue for India and Siachen and Kashmir as core issues for Pakistan. Yet, there is an understanding in New Delhi that not talking to Pakistan is an option that India cannot afford. The paper will analyze three core issues between India and Pakistan that can constrain India's big leap from the South Asian region to the world.

Terrorism

For New Delhi, anti-India terrorism emanating from Pakistan is the main issue. Terrorism in India is no longer Kashmir specific and almost all major cities such as Mumbai, Delhi, Bangalore, Hyderabad, Jaipur, and Varanasi have been targeted, as alleged by India, by Pakistan-based Islamic terrorist groups. A study, done after the attacks in Hyderabad in 2007, revealed that between January 2004 and March 2007, India lost 3,674 lives to terrorist attacks. The study also revealed that India suffered the highest number of terrorist attacks after Iraq⁸. The most recent attacks in Mumbai on 26 November, 2008 was a series of coordinated attacks across different locations in Mumbai, killing 160 people and leaving 300 injured. Prime Minister Manmohan Singh described the attacks in Mumbai as an “attack on India's ambitions to become an economic power.” India called off the composite dialogue with Pakistan post- the Mumbai attacks with a view of not reviving the talks until Pakistan took action against the perpetrators of Mumbai attacks. With the passage of time, however, India resumed talks with Pakistan in February 2010, leading to the Foreign-Ministers level talks in July 2010. The failure of the dialogue for finding common ground for future talks resulted from both sides sticking to their core issues, India on terrorism and Pakistan on Siachen and Kashmir. Prior to the talk, however, there was optimism that India and Pakistan would discuss a broad range of issues including trade, tourism, culture and humanitarian issues. The understanding was to exercise restraint on sensitive topics and move ahead with CBMs that are more easily achievable⁹.

Hours before the Foreign Ministers' talk, the Indian government received evidence from the interrogation of David Coleman Headley, charged with the plotting of Mumbai attacks, that the Inter-Services Intelligence (ISI) and the Lashkar-e-Toiba (LeT) were involved in planning and executing the attacks in Mumbai. Directly blaming the ISI for the attacks in Mumbai, Home Minister GK Pillai said, “The real sense that has come out from Headley's interrogation is that the ISI has had a much more significant role to play (in the Mumbai attacks, than was earlier thought). It was not just a peripheral role. They (ISI) were literally controlling and coordinating it (the attacks) from the beginning till the end. The same goes

for Hafiz Saeed. He was also not a peripheral player. He knew everything¹⁰.” India’s Foreign Minister SM Krishna asserted that it was time Pakistan acted on the “overwhelming evidence of an irrefutable nature¹¹.” Pakistan, on its part, protested that Home Minister GK Pillai’s remarks were “uncalled for” and denied charges that Pakistan supported cross-border terrorism. Pakistan’s Foreign Minister Shah Mehmood Qureshi said, “Infiltration is not the policy of the Government of Pakistan or any intelligence agency of Pakistan. If there are individuals who have crossed over, deal with them firmly and Pakistan will cooperate¹².” Pakistan then insisted for setting up clear timelines to resume dialogue on Kashmir and Siachen, which was rejected by India¹³. During the 2001-2002 border confrontation with Pakistan, India engaged in coercive diplomacy and insisted that cessation of cross-border terrorism was a prerequisite for dialogue with Pakistan. In 2003, however, Prime Minister Atal Bihari Vajpayee offered to enter into talks with Pakistan on Kashmir, which eventually resulted in the composite dialogue process between the two countries in 2004. In effect, New Delhi engaged in coercive diplomacy again post- the attacks in Mumbai, albeit minus the troop mobilization witnessed in 2001-2002. Months before the meeting in Islamabad, Foreign Minister SM Krishna had indicated that India recognizes the internal challenges faced by Pakistan as well as the progress made by Pakistan in arresting and prosecuting the perpetrators of the Mumbai attack were enough reasons for India to resume dialogue with Pakistan¹⁴. The first part of Krishna’s response, that India recognizes the internal challenges faced by Pakistan, is important because not only is Pakistan engulfed in terrorist attacks but also because there is no clarity whether the civilian government wields any power to formulate policies on issues of national security. It is an open secret that the Pakistan Army runs the show in Pakistan and because this is still only an ‘open secret’, India has to continue talking with the civilian government. Just in 2009, Pakistan witnessed 723 terrorist attacks and 11,585 casualties¹⁵. India has to recognize that it is no longer the only victim of continued terrorism; not long ago David Kilcullen, adviser to General David H. Petraeus, had said that Pakistan was likely to collapse in six months¹⁶. With the current situation in Pakistan, it is only so far that India can push Pakistan to act on terrorism. It can even prove counter-productive for New Delhi if it continues to insist on terrorism being the core issue. India should take the bold step and engage Pakistan on its core issues – Siachen and Kashmir. After all they are issues of major concern for New Delhi as well.

Kashmir

Kashmir is at the centre of the protracted conflict between India and Pakistan and has been the reason for four wars (1947-48; 1965; 1990 and

1999) between the two neighbors; the issue however remains unresolved. After the 2001-2002 border confrontation there was recognition in both the countries to initiate dialogue on a broad range of issues including Kashmir. Prime Minister Atal Bihari Vajpayee offered to enter into talks with Pakistan in 2003. When addressing a public meeting in Srinagar, he said, “we are again extending the hand of friendship, but hands should be extended by both sides¹⁷.” On his part, Pakistani Prime minister Zafarullah Khan Jamali proposed for a unilateral cease-fire along the Line of Control (LOC) including resumption of communication and transportation links between the two states. India made it clear that the dialogue would sustain provided Pakistan put an end to cross-border terrorism and President Musharraf reassured Vajpayee at the 12th SAARC summit in Islamabad that “he will not permit any territory under Pakistan’s control to be used to support terrorism in any manner¹⁸.” The composite dialogue thus came to include issues of ‘peace and security,’ ‘Jammu and Kashmir,’ ‘Siachen,’ ‘Sir Creek,’ ‘Wullar Barrage/Tulbul Navigation Projects,’ ‘terrorism and drug trafficking,’ ‘economic and commercial cooperation,’ and ‘promotion of friendly exchanges in various fields.’ Four rounds of composite dialogue have been held since 2004 until it was stalled after the attacks in Mumbai. The composite dialogue resulted in several confidence building measures including the agreement on advanced notification of ballistic missiles (2005), bus service between Amritsar and Lahore (2006), Kashmir-specific CBMs such as cross-LOC (Srinagar-Muzaffarabad and Poonch-Rawalkot) bus services, cross-LOC truck services, and modalities for cross-LOC trade.

Moreover the back-channel India-Pakistan negotiations on Kashmir was said to have arrived at a framework of settlement on Kashmir with an understating on making the LOC a permanent but an irrelevant border, autonomy for both sides of Kashmir, joint consultative institutions on both sides of LOC, and gradual withdrawal of troops from Kashmir by both India and Pakistan. The deal was however put on hold following Musharraf’s exit from the presidency¹⁹. Pakistan’s former Foreign Minister, Khurshid Mahmud Kasuri recently said that for three years, from 2004-2007, negotiators from India and Pakistan met at several foreign capitals and discussed with Kashmir representatives from India and the Kashmiri diaspora settled abroad to arrive at a solution for Kashmir. According to Kasuri, the deal was described as “a package of loose autonomy that stopped short of the ‘azadi’ and self-governance aspirations...and was to be introduced on both sides of the disputed frontier”, something between “complete independence and autonomy²⁰.” This development reflects maturity on part of both the governments for not just believing that a solution to Kashmir is possible but also for trying to work on one. The Indian government at present may not be confident of the capabilities of the civilian government in Pakistan to carry forward and operationalize the deal

and this is understandable considering that the civilian government is yet to find its ground in Pakistan; this however should not stop New Delhi from discussing Kashmir with Pakistan.

Professor Sumit Ganguly, in an article in *Foreign Affairs* in 2006, had argued that while “so far, the conflict (Kashmir) has not hindered India’s rise, the prospects that the two sides will reach a settlement on their own are dim²¹.” According to Ganguly, while Kashmir will not constrain India from emerging as an Asian and a global power, periodic crisis over the state will keep India occupied and this could lead to another war with Pakistan²². Despite all the security challenges – Maoist uprising, insurgency in Kashmir and the Northeast, religious extremism - that India faces internally, it has achieved remarkable economic growth and therefore there is less reason to believe that India will not grow economically despite Kashmir. Ganguly maintains that solving Kashmir will be in India’s interest nevertheless because “a continued insurgency in Kashmir and poor relations with Pakistan will distract New Delhi, thereby imposing significant political opportunity costs²³.” Moreover, while India’s economic growth would enable it to bear the cost of maintaining a well trained and well equipped military in Kashmir, the lack of political stability and increasing Islamic extremism in Pakistan would tie down its military resources significantly²⁴.

An economically stronger India may be able to afford the heavy military presence in Kashmir; however, it is very presence of the military that led to increasing protests and violence in Kashmir in the summer of 2010 and the Kashmiris demand for self-determination is stronger than it has even been, which was reflected in the protests. To restate Ganguly, however, resolving Kashmir will only benefit India and New Delhi should not hesitate to discuss Kashmir first with Pakistan. It may indeed create the required goodwill to resolve other issues between India and Pakistan. Kashmir may be the core problem between the two neighbors, but it definitely not the only one. Resolving Kashmir would however clear the trust deficit between the two states and enable them to invest political capital on other issues, of which the water issue, discussed in the next section, is likely to be another major issue of contention for India and Pakistan.

Water

In recent months the discussion of a “water war” with India has gained currency in the mainstream media in Pakistan. In an article in *The Washington Post*, Pakistan President Asif Ali Zardari wrote, “the water crisis in Pakistan is directly linked to relations with India. Resolution could prevent an environmental catastrophe in South Asia, but failure to do so could fuel the fires of discontent that lead to extremism and terrorism²⁵.”

In January 2010, the *Dawn* quoted PML-Q chief Chaudhry Shujaat Hussain: “the water crisis between Pakistan and India could become more serious than terrorism and can result in a war,” and Sardar Aseff Ali, former foreign minister: “water is a sensitive issue and if India continues to deny Pakistan its due share, it can lead to a war between the two countries²⁶.” In February 2010, Palwasha Khan, Member of National Assembly, held India responsible for “water terrorism” and called on the government to “link all peace initiatives between the two countries to a proper water-sharing formula²⁷.” Manjur Ejaz, a columnist with the *Daily Times* wrote, “Indo-Pak reconciliation is becoming more difficult every passing year because of increasing scarcity of water..,” “for Pakistan, the territory of Kashmir may not be as important as the water issue,” and “unless Pakistan is assured on the supply of water, it will never abandon the proxies that can keep India on its toes by destabilizing Kashmir²⁸.” In addition, terrorist groups such as Lashkar-e-Toiba and its front organization Jamaat-ud-Dawa have taken up the water issue accusing India of “water terrorism²⁹.” A statement issued by Jammata-ud-Dawa blamed India for not only occupying Kashmir but also for using Kashmir to strangulate Pakistan economically through building dams and stealing water³⁰.

India and Pakistan signed the Indus Water Treaty (IWT) in 1960, a water-sharing agreement with mediation from the World Bank. That the two countries have observed the spirit of the treaty for 50 years is considered to be a hallmark in an otherwise hostile relationship between the two states. The treaty provides India the right to use the waters of the Eastern rivers (Sutlej, Beas, Ravi) and provides Pakistan the right to use the waters of the Western rivers (Indus, Jhelum and Chenab). The treaty allows India to use the waters of the western rivers for agricultural purposes, construct hydroelectric dams and build 3.6 million acre feet (MAF) of storage facilities. India has not built any storage of the permitted 3.6 MAF storage capacity and out of the 1.34 million acres permitted for irrigation, India has utilized 0.792 acres for irrigation³¹.

The recent debate on water issues centers around Pakistan’s charge of India violating the IWT. Pakistan has accused India for not providing the details of the dams that India is building on the Chenab, Jhelum and Indus river. It has opposed the 330 megawatts Kishenganga hydroelectric power project on the Jhelum river on the grounds that this project will divert the waters of the river, which is called Neelum in Pakistan, and would also impede Pakistan’s proposed 969 megawatts Neelum-Jhelum hydropower project. Pakistan has since taken the issue to the Court of Arbitration and Neutral Expert, as per the treaty, to settle the disputes and India has agreed for neutral arbitration on the Kishenganga hydroelectric project³². Previously Pakistan had objected to India’s Baglihar dam project and had

referred the matter for third party intervention. Reports indicate that Pakistan is water stressed and the per-capita water availability in Pakistan has dropped from 5,000 cubic meters in the 1950s to 1,000 cubic meters at present³³.

India rejects Pakistan's claim of violating the Indus Water Treaty and cites climate change (reduced rainfall and melting of snow) for the reduced flows of water in Pakistan. Indian High Commissioner to Pakistan Sharat Sabharwal dismissed the charges of "stealing water" leveled against India as preposterous and pointed out that out of the total potential of 18,653 MW, India has commissioned projects worth 2,324 MW and only 659 MW are presently under construction. Says Sabharwal, "in any case, even after India starts using its full entitlement of water from the Western Rivers under the Treaty, it will amount to no more than 3 per cent of the mean flow in these rivers³⁴." The view in India is that the IWT allows for 80 per cent of water flows through the western rivers to Pakistan and only 20 per cent of water flows through the eastern rivers to India and therefore the treaty has been very generous to Pakistan. Moreover the treaty does not take into account the impact of climate change on water resources. There are however differing standpoints on how India should tread on vis-à-vis the IWT. While a section of the people are of the opinion that the IWT needs to be revisited and revised so as to allow for the joint development of the Indus waters by India and Pakistan, there are others who are in favor of a new treaty in place of the IWT³⁵.

The point is, both India and Pakistan have a common interest in the development of the Indus rivers. India should therefore talk to Pakistan on how to cooperate on this issue before it is used as an emotional rally point against India by extremist groups in Pakistan. In fact, as stated above, the LeT has already inflamed domestic public opinion in Pakistan against India by using the water issue. It is vital that the both countries, especially Pakistan, reduce the rhetoric on water and instead work towards resolving the issue in a manner that protects the interests of both states.

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India is the dominant power in South Asia and more so it is a state which has the intentions of becoming as an Asian power as well as a global great power. India's relations with not just Pakistan but also with its other neighbors in the region will shape the course of its ambitions. Relations with Pakistan is in particular curial because of the India-Pakistan protracted conflict and because New Delhi will have to invest more political capital in securing its relations with Pakistan – the reason for investing more political capital in resolving issues with Pakistan is because India's ambitions run beyond the region and also because India has a direct stake in ensuring Pakistan's survival as a stable state. And both New Delhi's ambitions as

well as resolving issues with Pakistan has to be a process that take places in parallel, that is, one cannot wait for the other to be completed. More importantly, resolving the three main issues as highlighted in the paper – terrorism, Kashmir and water – will not in any way guarantee a necessary end to the protracted India-Pakistan hostility, yet they are issues that require investment of huge political capital from both sides. The key understanding is that this relationship will be a work-in-progress relationship for some decades before it can be called anywhere close to as stable. India and Pakistan can either keep nitpicking on what the core issues are as per their understanding or increase goodwill and trust between the two by resolving issues such as Siachen and Sir Creek, strengthening regional trade, cooperating and finding a regional solution to Afghanistan and by working on softer issues such as developing people-to-people contacts, promoting cultural and sporting ties between the two countries. India is the bigger power; it should therefore assume more responsibility in defusing tensions and also it has more to gain by agreeing to talk on Kashmir instead of terrorism and by resolving Siachen.

Notes :

¹ “A bumpier but freer road,” *The Economist*, 30 September, 2010.

² The Failed State Index 2010, *Foreign Policy*, July/August 2010.

³ “India and International Security,” Speech by Foreign Secretary, Shivshankar Menon at the International Institute of Strategic Studies, 3 May, 2007.

⁴ “The Challenges ahead for India’s Foreign Policy,” Speech by Foreign Secretary, Shivshankar Menon at the Observer Research Foundation, New Delhi, 10/04/2007.

⁵ Sunil Khilnani, “We should stop outsourcing the Pakistan problem to the US,” *The Times of India*, 14 November, 2009.

⁶ Ibid.

⁷ Ibid.

⁸ Shankar Raghuram, “India loses maximum lives to terror except Iraq,” *The Times of India*, 27 August, 2007.

- ⁹ Siddharth Varadarajan, "Timeline on Siachen, Kashmir talks was deal-breaker," *The Hindu*, 18 July, 2010.
- ¹⁰ ISI behind 26/11, from start to end: Home Secy, *The Indian Express*, 14/07/2010.
- ¹¹ Anita Joshua, "Krishna cites Headley proof," *The Hindu*, 15 July, 2010.
- ¹² Anita Joshua, "India, Pakistan decide to remain engaged," *The Hindu*, 16/07/2010.
- ¹³ Siddharth Varadarajan, "Timeline on Siachen, Kashmir talks was deal-breaker," *The Hindu*, 18 July, 2010.
- ¹⁴ Raj Chengappa, "We will attack the trust deficit with Pakistan," *The Tribune*, 20 May, 2010.
- ¹⁵ Pakistan assessment 2010, South Asia Terrorism Portal.
- ¹⁶ Carlos Lozada, "A conversation with David Kilcullen," *The Washington Post*, 22 March, 2009.
- ¹⁷ C Raja Mohan, "Vajpayee's speech, a bid to regain initiative," *The Hindu*, 19 April, 2003.
- ¹⁸ India-Pakistan Joint Press Statement, Islamabad, 6 January, 2004 available on the website of Ministry of External Affairs, India.
- ¹⁹ Joby Warrick, "Secret India-Pakistan talks cited," *The Washington Post*, 22 February, 2009.
- ²⁰ Ranjan Roy, "Kashmir pact was just a signature away," *The Times of India*, 24 April, 2010.
- ²¹ Sumit Gganguly, "Will Kashmir stop India's rise?," *Foreign Affairs*, Vol. 85, No.4, July-August 2006, pp. 45-56.
- ²² Sumit Gganguly, "Will Kashmir stop India's rise?," *Foreign Affairs*, Vol. 85, No.4, July-August 2006, pp. 45-56.
- ²³ Ibid.
- ²⁴ Ibid.
- ²⁵ Asif Ali Zardari, "Partnering with Pakistan," *The Washington Post*, 28 Jan. 2009.
- ²⁶ Ashfak Bokhari, "Water dispute and war risk," *Dawn*, 18 January 2010.
- ²⁷ "MNAs lamblast India for water terrorism," *Daily Times*, 17 February, 2010.
- ²⁸ Manzur Ejaz, "Washington Diary: India-Pakistan conundrum," *Daily Times*, 3 March, 2010.
- ²⁹ Karin Brulliard, "Rhetoric grows heated in water dispute between India, Pakistan," *The Washington Post*, 28 May, 2010.
- ³⁰ Sebastian Abbot, "India-Pakistan water dispute: Limited resources spark tensions," *The Huffington Post*, 30 April, 2010.
- ³¹ Anita Joshua, "Discourse on India-Pakistan water sharing heats up," *The Hindu*, 4 April, 2010.
- ³² Analysis of the pros and cons of arbitration on the Kishenganga project has been provided by Ramaswamy R. Iyer in "Arbitration and Kishenganga Project," *The Hindu*, 25 June, 2010.
- ³³ Gwynne Dyer, "Deadly prospects for South Asia's politics of water," *The Star*, 27 August, 2010.
- ³⁴ Anita Joshua, "Discourse on India-Pakistan water sharing heats up," *The Hindu*, 4 April, 2010.
- ³⁵ Water Security for India: The External Dynamics, *IDSA Task Force Report*, Institute for Defence Studies and Analyses, New Delhi, September 2010.