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# Journal of Contemporary Studies

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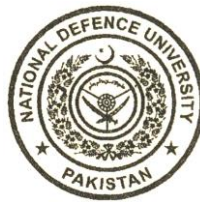
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## CONFLICT FORMATION AND TRANSFORMATION IN AFGHANISTAN SINCE 1973

DR. MOONIS AHMAR\*

### Abstract

*This paper will examine conflict conflagration in Afghanistan in the light of transformation process. Conflict transformation in Afghanistan means change in the nature, context, issues and players involved in the vicious cycle of conflicts, particularly since the overthrow of monarchy in August 1973. Four decades of armed conflicts in Afghanistan which involved local and external players not only caused enormous economic and physical destruction in that war-torn country but also became a source of instability in Central, South and West Asia. Not only armed conflicts in Afghanistan resulted into foreign invasions but also led to the exodus of millions of people to neighboring countries and outside the region thus generating new set of conflicts involving Afghan Diaspora. It is the sustained level of armed conflicts in Afghanistan since 1973 and its lethal implications on the local people and the neighboring countries which needs to be analyzed in the context of transformation of conflicts at different levels. From any standpoint, in the last four decades, there has been more negative and violent transformation of conflicts in Afghanistan than positive transformation of conflicts. Four decades of political turmoil, civil war, efforts for peace, reconciliation and foreign invasions in Afghanistan wouldn't have continued without the existence of internal fault lines in that conflict ridden country.*

**Key Words:** *Afghanistan, conflict formation, conflict transformation, Afghan diaspora.*

### Introduction

No country in modern history has undergone so much of transformation in conflicts as Afghanistan. Located at the cross roads of Central, South and West Asia and with a landlocked geographical setting, Afghanistan emerged as a state on the map of the world in 1747. With a history of more than 200 years but unable to modernize its state and societal structures, Afghanistan is the only country which has experienced foreign invasions and occupations by three major powers: Great Britain, Soviet Union and the United States during nineteenth, twentieth and twenty first century. The nature of conflicts in Afghanistan, which

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also reflect its tribal feuds, social backwardness, warlord-ism, ethnic and sectarian contradictions and conservative nature of society cannot be understood without analyzing internal and external dynamics which shape conflicts at different levels.

Conflict transformation in Afghanistan means change in the nature, context, issues and players involved in the vicious cycle of the conflict, particularly since the overthrow of monarchy in August 1973. Four decades of armed conflicts in Afghanistan which involved local and external players not only caused enormous economic and physical destruction in that war-torn country but also became a source of instability in Central, South and West Asia. Not only armed conflicts in Afghanistan resulted into foreign invasions but also led to the exodus of millions of people to neighboring countries and outside the region thus generating new set of conflicts involving Afghan Diaspora. It is the sustained level of armed conflicts in Afghanistan since 1973 and its lethal implications on the local people and the neighboring countries which needs to be analyzed in the context of transformation of conflicts at different levels. From any standpoint, in the last four decades, there has been more negative and violent transformation of conflicts in Afghanistan than positive transformation of conflicts. Four decades of political turmoil, civil war, efforts for peace, reconciliation and foreign invasions in Afghanistan wouldn't have continued without the existence of internal fault lines in that unfortunate country. As rightly argued by an Afghan writer:

*Afghanistan is one of the world's most conflict ridden countries, displaying a complex interaction of internal and external conflict lines that have devastated the country in the past three decades. Internal ethnic, religious, geographical, and political cleavages have launched transformation process in the twentieth century. Violence has dominated in Afghanistan since the mid of 1970s.*<sup>1</sup>

This paper will examine conflict conflagration in Afghanistan in the light of transformation process by responding to following questions:

1. What is conflict and conflict transformation?
2. What is the nature of conflicts in Afghanistan and why that country is in a state of armed conflicts since 1973?

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1 Hamidullah Ataee, "Conflict Transformation and Afghanistan," in *Conflict Transformation and the Challenge of Peace*, ed. Moonis Ahmar (Karachi: Program on Peace Studies and Conflict Resolution, Department of International Relations, University of Karachi in collaboration with the Hanns Seidel Foundation, Islamabad, 2011), 91.



3. How the conflicts in Afghanistan have transformed since 1973 and why there has been a negative and violent transformation of conflicts in Afghanistan?
4. What are the issues which impede the positive transformation of conflicts in Afghanistan and how these issues could be resolved peacefully?
5. To what extent external players are responsible for the negative transformation of conflicts in Afghanistan?
6. Why the local stakeholders are not committed to the positive transformation of conflicts in Afghanistan?
7. How a positive transformation of conflicts in Afghanistan can ensure peace, stability in that country and in Central, South and West Asia?

Furthermore, the paper will link the conceptual paradigm of conflict transformation and the conflicts in Afghanistan and highlight how in the last four decades, deepening of armed conflicts in that country diminished hopes for peace and augmented the negative transformation of conflicts.

### Conceptual Framework

Conflict is rooted in human nature and is as old as the history of mankind. It means different meaning to different people but at one point there is a consensus that without seeking a better understanding of conflicts at different levels, it will be rather impossible to aspire for a peaceful and stable world. Conflict ranges from variation and incompatibility among people to clash of interests at the individual, group, national, state, regional and international level. According to *The Oxford Dictionary and Thesaurus*, conflict means, “a state of opposition or hostilities,” “fight or struggle,” “clashing of opposite principles,” “the opposition of incompatible wishes or needs in a person.”<sup>2</sup> *The Penguin Dictionary of International Relations* defines conflict as,

*...a social condition that arises when two or more actors pursue mutually exclusive or mutually incompatible goals. In International Relations conflict behavior can be observed as war both as a threatened outcome and as an existential reality and bargaining behavior short of the violent idiom.*<sup>3</sup>

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2 Sara Tulloch, ed., *The Oxford Dictionary & Thesaurus* (Oxford: Oxford University Press, 1997), 299.

3 Graham Evans and Jeffrey Newnham, *The Penguin Dictionary Of International Relations* (London: Penguin Books, 1998), 93.

Likewise, James Schellenberg in his book, *Conflict Resolution Theory, Research and Practice* argues that, “conflict resolution may occur through self-conscious efforts to come to an agreement, or it may come by other means, environmental change and the influence of third parties.”<sup>4</sup> Since some conflicts are of a very complicated nature and cannot be resolved easily, therefore, one tries to regulate or lower the intensity of conflict at various levels. Therefore, “A conflict is destructive when the parties in it are dissatisfied with outcomes and they feel that they have lost as a result of the conflict. It is “productive” if the parties are satisfied with their outcomes and feel that they have gained out of the conflict.”<sup>5</sup> Conflict is a wholesome term which has several dimensions, dynamics and facets. It may be negative, positive, micro, macro, inter-state, intra-state, at low intensity and high intensity.

As far as conflict transformation is concerned it can be defined in several ways. There is not one general or a comprehensive definition which can explain the basic characteristics of conflict transformation but those who attempt to take into account social, cultural, political, sociological, economic, psychological and biological aspects of conflict can come up with a better description of conflict transformation.<sup>6</sup> The most simple and logical definition of conflict transformation is given by John P. Lederach in the following words:

*Conflict transformation is to envision and respond to the ebb and flow of social conflict as life – saving opportunities for creating constructive change processes that reduce violence, increase justice in direct interaction and social structures, and to respond to real – life problems in human relationships.*<sup>7</sup>

According to Lederach, conflict transformation can also be defined in terms of ‘constructive change processes’ as

*...it emphasizes the capacity of the transformation of approach to building new things. Conflict transformation begins with a central goal: to build constructive change out of the energy created by*

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4 James Schellenberg, *Conflict Resolution Theory, Research and Practice* (New York: State University of New York, 1996), 9.

5 Harun-ur-Rashid, *An Introduction to Peace and Conflict Studies* (Dhaka: The University Press Limited, 2005), 53.

6 Moonis Ahmar, ed., *Conflict Transformation and the Challenge of Peace* (Karachi: Program on Peace Studies and Conflict Resolution, Department of International Relations, University of Karachi in collaboration with the Hanns Seidel Foundation, Islamabad, 2011), 23.

7 John P. Lederach, *The Little Book of Conflict Transformation* (Pennsylvania: Good Books, 2003), 14.

*conflict. By focusing this energy on the underlying relationships and social structures, constructive changes can be brought about. The key here is to move conflict away from destructive processes and toward constructive ones. The primary task of conflict transformation is not to find quick fix solution to immediate problems, but rather to generate creative platforms that can simultaneously address surface issue and change underlying social structures and relationship patterns beyond intractability.*<sup>8</sup>

While defining conflict transformation in the context of peace, Lederach argues that, “conflict transformation views peace as centered and rooted in the quality of relationships. In this sense, peace is a process structure, a phenomenon that is simultaneously dynamic, adaptive and changing in essence, rather than seeing peace as a static end state, conflict transformation views peace as a continuously evolving and developing quality of relationship. It is defined by international efforts to address the natural rise of human conflict through non-violent approaches that address issues and increase understanding, equality and respect in relationship.”<sup>9</sup> Peace is considered as an end, and like conflict resolution and management, conflict transformation is considered as a means to accomplish that end.<sup>10</sup> Lederach’s conviction about conflict transformation is reflected from his contention that,

*Conflict transformation is accurate because the core of my work is indeed about engaging myself in constructive change initiative that include and go beyond the resolution of particular problem. It is scientifically sound because the writing and research about conflict converge in two common ideas: conflict is normal in human relationships and conflict is a motor of change. And transformation is clear in vision because it brings into focus the horizon toward which we journey namely the building of healthy relationships and communities, both locally and globally. The process requires significant changes in our current ways of relating.*<sup>11</sup>

Supporting the rationale of conflict transformation, it is argued that conflict resolution and management only promote an ideal solution of issues which cause threat to peace and stability. Whereas, conflict transformation talks not about the resolution but promoting the positive development which can help lower the intensity of a particular conflict. One can point out the fact that the road to conflict resolution and management also passes through the transformational process, whether negative or positive. Without a

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8 Ibid.,

9 Ibid.,

10 Ibid., Moonis Ahmar, 24-25.

11 Ibid., John P. Lederach, 4-5.

positive change in the attitude, behavior and actions of parties to a particular conflict, there cannot be any headway as far as the management or resolution part of conflict is concerned.<sup>12</sup> Therefore, transformation precedes en management and resolution.

Another definition of conflict transformation is given by Hugh Miall, who states that, "conflict transformation is a comprehensive approach, addressing a range of dimensions (micro to macro issues, local to global levels, grassroots to elite actors, short-term to long-term time scales). It aims to develop capacity and to support structural change rather than to facilitate outcomes or deliver settlements. It seeks to engage with conflict at the pre-violence and post-violence places, and with the causes and consequences of violent conflict, which usually extend beyond the site of fighting."<sup>13</sup> To what extent structural change within human beings can help the process of conflict transformation depends on the nature of conflict, the players and other stakeholders in the conflict and the role of societal forces. Lederach broadens the definition of conflict transformation when he argues that:

*"our definition uses the term envision and respond. Envision is active, a verb. It requires an intentional perspective and attitude, a willingness to create and nurture a horizon that provides direction and purpose. A transformational perspective is built upon two conditions: a capacity to envision conflict positively, as a natural phenomenon that creates potential for constructive growth and a willingness to respond in ways that maximize the potential for positive change."*<sup>14</sup>

But, in order to envision conflict positively four things which matter are: change of heart, flexibility, tolerance and positive human relationships. Many a times, parties to a conflict cannot pursue a positive approach because they are a victim of their parochial mindset and interests. And one way;

*"to promote constructive change on all those levels is dialogue which is essential to justice and peace on both an interpersonal and a structural level. It is not the only mechanism but is an essential one."*<sup>15</sup>

Lederach also focuses on creative change in the process of conflict transformation by arguing that, "rather than concentrating exclusively on the content and substances of the dispute, the

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12. *ibid.*, Moonis Ahmar, 25.

13 Hugh Miall, "Conflict Transformation: A Multidimensional Task", Bergohf Research Center for Constructive Conflict Management, accessed on November 25, 2010. [http://www.berghof-handbook.net/documents/publications/miall\\_handbook.pdf](http://www.berghof-handbook.net/documents/publications/miall_handbook.pdf).

14 *Ibid.*, John P. Lederach, 15.

15 *Ibid.*, 21.

transformational approach suggests that the key to understand conflict and developing creative change processes lies in seeing the less visible aspects of relationship. While the issues over which people fight are important and require creative response, relationships represent a web of conflict. It is out of this relational context that the particular issues arise and either become volatile or get quickly resolved.”<sup>16</sup> Conflict transformation in a positive manner cannot take place if human mind is not creative and supportive to resolve issues faced by people who wield power. If the human mind lacks imagination, creativity, positive and a forward looking approach, the process conflict transformation will be a non-starter.

### **The Nature of Conflicts in Afghanistan**

The definitional and conceptual paradigms of conflict and conflict transformation can however be applicable according to the nature and transformation of conflicts in different parts of the world. No country is devoid of conflicts but if conflicts are violent in nature; jeopardize past and present of people and threaten their future, the situation may have dangerous implications.

That is exactly what the situation in case of Afghanistan is. Called as the hub of conflicts and still unable to get over its orthodox, conservative and tribal background, Afghanistan’s predicament lies in the absence of a leadership capable of putting things in order and seeking ownership to issues which are responsible for the outbreak of violent conflicts in the last four decades.

An historical account of conflicts in Afghanistan would reveal that since 1747 when Ahmed Shah Abdali (Durrani) integrated fragmented units under the umbrella of an Afghan state till today, state and societal structures remained in conflict with each other resulting into the periodic outbreak of violence. Afghanistan is 266 years older than Pakistan but in view of its national characteristics it has still not been able to settle down as a nation state. Weak central authority and autonomous regions in the countryside compounded the predicament of Afghanistan and provide a fertile ground to neighboring and other countries to intervene thus deepening the level of conflict in that conflict and crisis ridden country.

Amin Saikal, Professor of Political Science, Australian National University, Canberra, gives a detailed account of contradictions of the state and societal structures of Afghanistan responsible for the negative transformation of conflicts by arguing that:

*Rare is the country that has sustained as many blows and such hard blows, as has Afghanistan since its foundation as a distinct political*

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16 Ibid.

*unit in 1747. Yet the country has managed to survive and to retain some form of sovereignty and territorial integrity, despite numerous wars and invasions and swings between extremist ideological dispositions, ranging from tribalist value – systems to Marxism-Leninism and Islamic medievalism. It is the only country in that world that has experienced military occupation or intervention by Great Britain (twice in the nineteenth century) and the United States of America (since 2001). Domestically, Afghanistan has witnessed periods of both remarkable stability and violent turbulence, which have succeeded one another in a seemingly haphazard manner.*<sup>17</sup>

Symbolic sovereignty exercised during the monarchical rule in Afghanistan failed to eradicate causes which deepened conflicts in that country because of two main reasons. *First*, all the Afghan monarchs since Ahmed Shah Abdali till Zahir Shah were able to maintain control in most of the cities and towns but the countryside remained out of their ambit. Even during the long reign of Zahir Shah (1933-1973) who tried to seek legitimacy for his rule failed to achieve the goal of national integration. *Second*, external intervention, whether in the form of British or Soviet undermined the authority of various rulers of Afghanistan. Furthermore, as pointed out by Jeffrey J. Roberts in his book, *The Origins of Conflicts in Afghanistan*:

*Afghanistan is not a homogenous national state but a conglomeration of tribes and ethnic groups. The population of Afghanistan includes the Persian speaking Tajiks, whose lands in the Oxus plain are among the most fertile in Afghanistan. The Turkic-speaking Uzbeks and Turkmen of the northwest, along with the Tajiks, rank among the most anti-Russian people who inhabit the barren Central Highlands, remain alone among Afghanistan's major ethnic groups in professing Shia's Islam. The Nuristani, formerly known as Kafirs, remain all isolated in the mountains of the southeast, and the Baluchis and Baruhis. The predominant ethnic group in Afghanistan comprising roughly half of the population is the Pashtuns. The Pashtuns are mainly divided in two groups, the Durrani and the Ghilzais.*<sup>18</sup>

Ethnic landscape of Afghanistan tends to pose a serious question about the viability of the Afghan state because of the divide between the religious nationalism of (a segment of) Pashtuns in the south and south east of the country and Tajik-Uzbek nationalism in the north and center of Afghanistan. Sectarian divide also exposes

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17 Amin Saikal, *Modern Afghanistan: A History of Struggle and Survival* (New Delhi: I. B. Taurus, 2004), 1.

18 For further information see, Jeffrey J. Roberts, *The Origins of Conflict in Afghanistan* (Westport: Praeger Publishers, 2003), xiii.

the vulnerability of Afghanistan because of Shia population composed of Hazara community in the Center and in the West of Afghanistan. Amin Saikal views structural contradictions in the Afghan society by arguing that,

*"Afghanistan's politics and society in modern history have been shaped by interaction between variables with which few other countries had to cope. The variables of royal polygamy, major power rivalry and ideological extremism, have not all been of equal weight with equal impact on the process. However, their confluence, in conjunction with certain peculiar geo-strategic aspects of Afghanistan as a traditional, ethno-tribal and a crossroad, land locked Muslim country, has played a determining role in the evolution of the Afghan state and politics and in influencing the material life and psyche of its citizens as well as the country's relevance to the outside world".<sup>19</sup>*

Therefore;

*"most political conflicts in modern Afghan history have not begun as disputes over such issues as the direction of development, religious belief, constitutional rights or social issues. Rather, they have stemmed from the attempts of dominant communally based elites to accomplish a high degree of centralization of power with the help of foreign patrons."<sup>20</sup>*

Some of the factors which transformed the nature of conflicts in Afghanistan since 1747 till today are:

1. The conservative and tribal nature of Afghan society which gave little space to the enlightened rule of King Amanullah and King Zahir Shah. While the royal family of Afghanistan, because of the policies of King Amanullah, tried to modernize, the countryside remained heavily conservative and influenced by the clergy.
2. Modernization and some development in Afghanistan was merely limited to Kabul and the elites failed to transform Afghan society from ultra conservative to modern and liberal. Masses remained uneducated and backward to a large extent and in view of the influence of clergy were unwilling to transform their lives.
3. Exposed to foreign intervention of foreign powers during 19th, 20th and 21st centuries, the nature of conflicts in Afghanistan transformed as armed resistance against foreign occupation became an integral part of their culture.

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<sup>19</sup> Ibid., Amin Saikal, 231.

<sup>20</sup> Ibid., 9.

4. Sufferings of women and youths in Afghanistan because of armed conflicts and foreign military interventions deepened frustration and anger in Afghan society thus diminishing hope for a positive transformation of conflicts in that war torn country.
5. Gun culture and warlord-ism further provided space to those groups who benefited from decades of violence and armed conflicts.
6. The lack of a vibrant Afghan civil society to counter intolerance, militancy, extremism, radicalization and violence generated conflicts against political opponents, sectarian and ethnic minorities.
7. The failing nature of Afghan state which promoted and deepened conflicts at various levels.
8. Weak justice system which denied any possibility of conflict management and resolution.
9. Absence of 'cultural enlightenment' which promoted conservative and orthodox mindset and precluded any hope to transformation as a progressive and modern country.
10. Failure to promote the culture of tolerance and dialogue which deepened the state of conflicts in Afghanistan.

Tracing the multi-dimensional nature of conflicts in Afghanistan, Asia Report of International Crisis Group (ICG) under the title, "Afghanistan: The Long, Hard Road To The 2014 Transition" argues that,

*"ethnic and tribal rivalries have further complicated matters, with local religious leaders, tribal elders and strongmen frequently relying on competing customary law practices to resolve disputes, often without regard to Sharia or constitutional requirements. The country has consistently failed to progress toward a constitutional order that allows minorities, women and other vulnerable individuals to join the majority in influencing public policy and to enjoy fair application of the law".<sup>21</sup>*

Unfortunately, Afghanistan missed several opportunities to modernize its infrastructure, educational system, economy and society. The process of modernization unleashed by King Amanullah failed to reach logical conclusion because of violent protests against

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21 International Crisis Group, "Afghanistan: The Long, Hard Road to the 2014 Transition" Asia Report No. 236 (Kabul/Brussels), October 8, 2012, 6. Accessed on July 11, 2013. <http://www.crisisgroup.org/en/regions/asia/south-asia/afghanistan/236-afghanistan-the-long-hard-road-to-the-2014-transition.aspx>,



his policy for the emancipation of women launched primarily in Pashtun areas in October 1928.<sup>22</sup> The long rule of King Zahir Shah from 1933-1973 could have transformed Afghanistan as a modern state but conflicts ranging from 'Pashtunistan' dispute with Pakistan and conflict with Sardar Daud, his first cousin, on matters of statecraft made it difficult for him to take swift measures to neutralize the influence of clergy on the Afghan society.

### Conflict Transformation since 1973

The coup launched by Sardar Mohammad Daud on July 17, 1973 against King Zahir Shah when he was visiting Italy, abolished monarchy and Afghanistan was proclaimed as a Republic<sup>23</sup>. Daud's coup, which was almost bloodless, was led by the *Parcham* faction of People's Democratic Party of Afghanistan (PDPA) and ended a phase of conflicts but generated new type of conflicts in the country. Before 1973, conflict between monarchy and political parties having ideological leanings reflected contradictions in the Afghan society. The loss of grip over power by King Zahir Shah and the nexus between Sardar Daud and the pro-Socialist PDPA created a void which was not filled even after the overthrow of his rule.

As long as Afghanistan was a monarchy, it was a buffer between pro-socialist PDPA divided into *Parcham* and *Khalq* factions and Islamists. After the toppling of monarchy, the ideological conflict between Islamists and leftist groups, which was somehow peaceful, transformed as violent and President Daud was termed as pro-left and pro-Moscow. After the July 1973 coup, there was no force which had some authority over tribal and ethnic groups of Afghanistan to prevent the outbreak of a vicious cycle of conflicts. From July 1973 when Zahir Shah's monarchical rule was abolished till April 1978 when President Daud was assassinated in the PDPA led military coup, the Soviet influence grew substantially in Afghanistan. When President Daud tried to marginalize PDPA and the pro-Soviet elements within the Afghan military the outcome was bloody coup which not only killed Sardar Daud but also plunged Afghanistan into an endless state of violence and armed conflicts culminating into the Soviet military intervention on December 27, 1979.<sup>24</sup> Following phases of conflict transformation since 1973 depicts the structural and societal contradictions in Afghanistan and the predicament of successive Afghan regimes since 1973 to maintain peace and stability in their country.

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22 Ibid., 87. Pashtun chieftains demanded that King Amanullah close all schools for girls and abolition of all reformist laws, restoration of the veil and Sharia law.

23 Ibid., Atae, 93.

24 Ibid., 94-95.

### **Phase One (1973-1978)**

This phase marked the deepening of polarization in the Afghan society on ideological grounds because of the growing rift between PDPA and Islamist parties, particularly *Hizb-e-Islami* and also between the *Parcham* and *Khalq* factions of that party. When President Daud tried to assert his position independent of socialist groups it was too late. A faction of Afghan military led by left wing *Khalqi* officer launched a bloody coup in the early hours of April 28, killing Sardar Daud and most of his family members. Noor Mohammad Taraki from the *Khalq* faction of PDPA became head of the new Afghan government.

### **Phase Two (1978-1979)**

This phase marked the violent conflict formation between the PDPA government and the Islamic groups who resisted and condemned the reforms after the *Saur revolution* terming the new regime as Communist and godless. This phase also saw transformation of conflict between the *Khalq* and *Parcham* factions of PDPA after a brief unity following the assassination of *Parcham* faction leader Mir Akbar Khyber and the arrest of several *Parcham* and *Khalq* leaders by the regime of Sardar Daud in April 1978.<sup>25</sup> Furthermore, in this phase, the involvement of Pakistan and the United States to support what they called “Afghan Jihad” against the pro-Soviet regime in Kabul got an impetus. Several thousand refugees from Afghanistan poured into Pakistan and Iran following the intensification of fighting between Afghan forces and the Islamic groups. The assassination of Noor Mohammad Taraki in a coup launched by Hafizullah Amin, another PDPA leader from the *Khalq* faction, marked the weakening of PDPA regime culminating into the overthrow of Amin’s regime in a Soviet backed coup on December 27, 1979 and the installation of Babrak Karmal, a *Parcham* faction leader as the head of the Kabul regime. Because of internal conflicts and infighting, the PDPA regime lost a valuable opportunity to transform Afghanistan from a backward and conservative to a progressive and a modern state.

### **Phase Three (1980-1989)**

This phase deepened the level of violence and armed conflicts in Afghanistan for nine years because of Soviet military intervention. Conflict formation and transformation in Afghanistan

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25 *Chronology of Conflict and Cooperation in Afghanistan: 1978-2006* (Karachi: Program On Peace Studies and Conflict Resolution, Department of International Relations, University of Karachi, 2006), 1-3.

during this phase was primarily rooted in the escalation of Afghan Jihad backed by Pakistan, United States, its allies and several Arab-Muslim countries. Najibullah, who replaced Babrak Karmal as the head of the pro-Soviet regime in 1986 tried to de-escalate conflict by pursuing a policy of national reconciliation and by forming a broad based government in Kabul. The Afghan Jihad was launched regardless of ethnic, tribal and feudal characteristics of Afghan society and targeted Soviet and the Afghan forces. Yet, Pashtun and non-Pashtun resistance groups fought under separate commands. The signing of Geneva accords on April 14, 1988 <sup>26</sup> by Pakistan, the Kabul regime, UN and guaranteed by the United States and the Soviet Union paved the way for the phased withdrawal of Soviet forces from Afghanistan by February 1989 and ended an important phase in the Afghan conflicts.

#### **Phase Four (1989-1996)**

This phase marked stalemate in Afghan conflict because despite the withdrawal of the Soviet forces from Afghanistan and the attempts made by the Afghan Mujahideen groups to occupy Kabul, pro-Moscow regime of Najibullah remained in power. The Soviet disintegration in December 1991 however deprived Najibullah of Moscow's support and it was toppled in April 1992 by the Mujahideen groups. After ousting Najibullah's forces from Kabul and establishing their control on the Afghan capital internal contradictions among the Mujahideen groups and leaders particularly between *Hizb-e-Islami* (led by Gulbadin Hekmatyar) and *Jamiat-e-Islami* (led by Burhanuddin Rabbani and Ahmed Shah Masud) deepened. Several attempts made by Saudi Arabia and Pakistan to mediate and de-escalate conflict between the two groups failed and Afghanistan was plunged into a violent civil war killing and injuring thousands of people. During this phase, Kabul saw worst rocket attacks from the forces of Gulbadin Hekmatyar who were occupying mountainous positions in the vicinity of Kabul and wanted to occupy the capital. Armed conflict between Mujahideen groups created disillusionment in Afghanistan and the opportunity was seized by Taliban who took control of Kandahar in late 1994 and Kabul in September 1996.

#### **Phase Five (1996-2001)**

This phase marked rapid conflict transformation in terms of actors, issues and role. After defeating Mujahideen groups and war lords, Taliban enforced their tutelage in 90% of the area of Afghanistan. Changing conflict dynamics during Taliban rule

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<sup>26</sup> Ibid., 82.

included armed conflict between Tajik-Uzbek dominated Northern Alliance and the Taliban regime, conflict with religious minorities and Hazara Shias. Although, Taliban claimed that they had controlled lawlessness and enforced peace, their rule marked enormous ruthlessness, transformation of Afghanistan as a hub of international terrorism led by Al-Qaeda culminating into the U.S. led attack and the dismantling of Taliban regime following the terrorist attacks in New York on September 11, 2011.

### **Phase Six (2001 onwards)**

This phase witnessed the longest and the most diversified foreign military presence in Afghanistan following the U.S-British attack on Taliban regime; the dismantling of the Taliban regime and the installation of pro-West regime of Hamid Karzai. Conflict formation and transformation during this phase centered around three things: *First*, conflict within the Karzai regime on ethnic grounds as the Pashtun community resented the dominant and influential position of minority Tajik and Uzbeks. *Second*, conflict between the coalition and the resistance groups primarily led by the Taliban. *Third*, conflict between the Karzai regime and Pakistan over what the former alleged the launching of cross border infiltration by Al-Qaeda groups particularly from tribal areas. The United States also alleged about the presence of what it called “safe heavens” of Al-Qaeda and other terrorist groups along Pak-Afghan border. The proposed withdrawal of NATO forces from Afghanistan in 2014 is expected to cause further instability as the resistance groups will gain ground resulting into the outbreak of civil war reminiscent of 1992-1996. The current phase in Afghan conflicts will be quite painful for both Pakistan and Afghanistan because even if a fraction of U.S. forces remain in Afghanistan beyond 2014, insurgency will continue and the complete withdrawal of foreign forces will, as stated earlier, plunge Afghanistan into a new phase of violent civil war.

From all the six phases discussed above, it seems, there has been more negative than positive transformation of conflicts in Afghanistan in terms of issue, player, rule and role transformation. All hopes of positive transformation of conflicts were subverted not primarily because of external players, but by the major domestic stakeholders, namely Mujahideen groups, Taliban, war lords, political parties and clergy. For instance, in the second phase (1978-79) had the PDPA regime been wise and tactful in pursuing reforms, the majority section of the Afghan population wouldn't have been alienated. Conflict between the *Khalq* and *Parcham* factions of the PDPA regime was also noticeable in that phase which eroded the idealism generated as a result of the *Saur revolution*.

Likewise, in phase four when the Soviets withdrew from Afghanistan, there should have been the positive transformation of conflict but the mess created as a result of infighting between and among the Mujahideen groups led to the outbreak of civil war and large-scale destruction of buildings. In fact, the National Museum of Afghanistan in Kabul was not looted and destroyed during the Soviet occupation of Afghanistan but during the fighting to seek control over Kabul by the Mujahideen groups. Instead of giving the people of Afghanistan a break from years of violence and war, Mujahideen leaders were more interested in capturing power by all means. In the sixth phase, after the dismantling of Taliban regime, there was a hope for building a new Afghanistan and for the positive transformation of conflict, but the outbreak of insurgency against foreign forces and the Karzai regime by the Taliban led to the new formation of new conflict in that country.

Therefore, one can say that systemic and structural contradictions in Afghan society; the fragile nature of Afghan state and the presence of foreign forces in Afghanistan diminished hopes for a positive transformation of conflict for peace and stability.

The following table will depict the process of negative and positive conflict transformation in Afghanistan since 1973.

### Process of Negative and positive Conflict Transformation in Afghanistan

S. No	Time Line	Issues	Players	Actors Results
01	1973-78	Ideological conflict between left and right wing groups. Conflict between PDPA and the Daud regime	President Daud, PDPA, <i>Jamiat-e-Islami</i> .	Negative conflict transformation
02	1978-79	Outbreak of <i>Saur Revolution</i> in April 1978 and the rise of counter-revolutionary forces led by <i>Jamiat-e-Islami</i> and <i>Hizb-e-</i>	Noor Mohammad Taraki, Hafeezullah Amin, (PDPA <i>Khalq</i> faction) Burhanuddin Rabbani ( <i>Jamiat-e-</i>	Negative conflict transformation

		<i>Islami</i>	<i>Islami</i> ) Gulbadin Hikmetyar ( <i>Hizb-e-Islami</i> ), Soviet Union, Pakistan, United States.	
03	1979-89	1. The Soviet military intervention in Afghanistan and the launching of Afghan Jihad and the launching of CIA's biggest covert operation to support Mujahideen groups. 2. Launching of Policy of National Reconciliation by President Najibullah in 1987	Soviet Union, the Kabul regime, Mujahideen groups, Pakistan, Iran, China, UN.	1. Negative conflict transformation. 2. Positive conflict transformation as a result of Najibullah's Policy of National Reconciliation and the signing of the Geneva accords in April 1988.
04.	1989-1996	Armed conflict between Najibullah regime and the Mujahideen groups continued after the Soviet military withdrawal. Rise of Taliban and their hold over Kandahar in late 1994 and on the Afghan capital in	Najibullah's regime, Burhanuddin Rabbani, Ahmed Shah Masud, Gulbadin Hikmetyar, Taliban, Pakistan, India, Iran, Arab countries, OIC, India.	Negative conflict transformation

		September 1996 transformed the nature of conflicts.		
05	1996-2001	Taliban rule followed by conflict with the Northern Alliance, Iran and later on with the United States on the issue of allowing Osama bin Laden/Al-Qaeda foothold in Afghanistan.	Taliban, Northern Alliance, Pakistan, India, Central Asian neighbors of Afghanistan and the United States	Negative conflict transformation
06	2001 onwards	1. Dismantling of Taliban regime and the beginning of a new era in Afghanistan 2. New conflict formation and transformation in Afghanistan because of the launching of insurgency against foreign forces in Afghanistan	1. Taliban, U.S and its allies, Pakistan, Northern Alliance, 2. Karzai regime, Taliban groups, U.S and its NATO allies, Pakistan, Iran and India	1. Positive conflict transformation 2. Negative conflict transformation

### The Way Forward

Forty years of sustained armed conflicts in Afghanistan have played havoc with the state and societal structures of that war devastated and impoverished country. There is no quick fix solution or a short cut to deal with the Afghan predicament because of the complicated and intricate nature of conflicts in Afghanistan. Yet, some of the realities like conflict fatigue and ripe moment may transform Afghan conflicts from negative to positive. Enormous physical and material

destruction along with the displacement of millions of Afghans caused since 1973 will surely compel major local stakeholders to bail out their people from decades of violence and bloodshed. Is there any indication for the positive transformation of conflict in Afghanistan or that country would remain in a perpetual state of insecurity and instability in the years to come? Four major indicators will transform conflicts in Afghanistan, more in a negative, than in a position direction.

*First*, the withdrawal of U.S./NATO forces from Afghanistan will put a question mark on the possibility of controlling the level of violence and armed conflicts. Even if Washington decides to maintain a part of its forces in Afghanistan beyond 2014, the situation would remain volatile because of the absence of a stable political process in that country. In order to pre-empt the surge of violence and insurgency in post-2014 period, it is reported that "America is holding drawn out negotiations with Mr. Karzai over the role and status of American troops who stay beyond 2014."<sup>27</sup> *Second*, the failure of Afghan political parties and groups to do their homework in dealing with post-1914 scenario in Afghanistan will further complicate the already messy situation and sustain standoff on reaching a comprehensive agreement on resolving issues which can ensure peace and stability. *Third*, if there is an effort to promote Afghan identity and nationalism by those Afghan groups who are concerned about the future of their country and considers the assertion of patriotic, nationalist feelings as the only way to prevent further armed conflict and bloodshed in Afghanistan, one can hope some sort of positive change thus reducing the intensity of conflict. *Finally*, the role of external players, particularly the neighbors of Afghanistan in shaping and transforming conflicts cannot be undermined. How Pakistan, Iran and the Central Asian neighbors of Afghanistan can help the process of peace and stability in that country will provide a break to Afghan people from decades of violence and armed conflicts?

All the four indicators examined above will determine the way forward in the Afghan conflicts in the years to come and will also provide an opportunity for the neighboring countries to play a positive role. Fundamentally, the issue is how the people of Afghanistan, who have suffered endlessly in 40 years of violent conflicts in their country, will get a break from the vicious cycle of violence or their lives would remain unchanged? History teaches the lesson that those nations who are unable to learn from debacles are marginalized and remain in a perpetual state of chaos and disorder.

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27 "Afghanistan Yankee beards go home," *The Economist* (London), March 2, 2013. Also see news item, "Sufficient troops to remain in Afghanistan: US general," *Dawn* (Karachi), February 10, 2013.



The dynamics of conflicts in Afghanistan proves that past is not different from the present and future remains uncertain in view of fault lines in the state and societal structures of that war torn country.

## THE MAKING OF US FOREIGN POLICY FORMATIVE INFLUENCES, SYSTEMIC ISSUES AND THE PROCESS

Touqir Hussain\*

### Abstract

*Every foreign policy is moved by the same guiding principles of national interests and cold blooded power politics and America is no exception. The process of foreign policy making in USA is hard to understand even for those who live in the US but especially for those abroad particularly if they have not been exposed to the American history, culture and political system. This paper is an attempt to help one understand U.S foreign policy at least. First of all it is the foreign policy of a highly open and vocal society with a powerful media and advanced civil society that keep the government under constant watch and scrutiny. Secondly it is the foreign policy of a highly complex and in many ways unique democracy under constant stress of domestic politics. There is an issue and there is a politics of an issue. So beware what is it that one is watching—policy or politics? Interestingly the US has five foreign policies. The President's foreign policy, when he takes office has a certain idea in his mind of what his foreign policy should be the foreign policy of Congress, another by the media and the third as seen and understood by the public opinion especially by the vast majority of the electorate. None of the four foreign policies is monolithic and is split on most issues among diverse shades of opinion. The intersection of these four foreign policy mindsets or versions is the fifth foreign policy, indeed what we call THE US FOREIGN POLICY, produced by the mechanics of many different pulls and pushes-- principally the hydraulics of political process and strategic thinking.*

**Key words:** *foreign policy, process, open society media, congress*

**T**he American foreign policy is moved by the same guiding principles of national interests and cold blooded power politics as practiced by other big powers. Yet it is so hard to understand as it is vastly different in process, form and substance as well as in rhetoric. It is hard to understand even for those who live in the US but especially for those abroad particularly if they have not been exposed to the American history, culture, political system, social values, its religious origins, capitalist mindset and a strong sense of individualism --factors that all make America a

unique nation.<sup>1</sup> Not just the foreign policy-- everything that America does is different or it does in a different way or in a way that looks different.

Here is honest attempt to help one understand its foreign policy at least. First of all it is the foreign policy of a highly open and vocal society with a powerful media and advanced civil society that keep the government under constant watch and scrutiny. Secondly it is the foreign policy of a highly complex and in many ways unique democracy under constant stress of domestic politics.

That means the government has to be explaining its policies all the time. Expressing the policies without necessarily articulating them, and revealing them but not more than what is necessary. And that also means the leadership ends up saying different things to different audiences specially while engaged in the process of making of public policy. So whatever the target audience there is always a certain gap between the rhetoric and reality. It is a tough balancing act, is not always done successfully and often causes confusion about the policy or at least about the intention behind it, especially among the audiences abroad. In other words issues do not live only at the level of foreign policy. There is an issue and there is a politics of an issue. So beware what is it that one is watching—policy or politics?

The U.S has five foreign policies. The President when he takes office has a certain idea in his mind of what his foreign policy should be. But to realize his vision he has to navigate through three other foreign policies --one by the Congress, another by the media and the third as seen and understood by the public opinion specially by the vast majority of the electorate. None of the three foreign policies is monolithic and is split on most issues among diverse shades of opinion, world view and interests. The intersection of these three policies, each of which often remains inchoate, specially on issues of high public interest, with the President's own inner thoughts or vision produces what is known as public policy. This is the fifth foreign policy, indeed what we call *THE US FOREIGN POLICY* , produced by the mechanics of many different pulls and pushes-- principally the hydraulics of political process and strategic thinking.

Some of these political pressures are not just coming from the Congress, the media and public opinion but also from various lobbies and special interests who speak through them as well as directly. And then there is another factor, the systemic issues-- pressures and influences being exerted from within the Executive

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<sup>1</sup> For an interesting account see Allan Nevins and Henry Steele Commager's classic work , *A Pocket History of the United States*(New York: Pocket Books, 1998), v-vii.

branch-- from the Pentagon, the CIA, the intelligence community, the State Department and other bureaucratic institutions. That is where the phenomenon of leaks comes in. Leaks are essentially a way of sabotaging or advancing a certain policy option while issues are being debated either as part of settling turf wars in the bureaucratic power play or for personal or ideological reasons.

The President has to contend with various ideological shades of foreign policy in the country ranging from isolationism, conservatism, and neo conservatism to liberalism and ultra-liberalism which all have found allies among the various strands of foreign policy and centers of power described above: And also resolve the constant tussle between the electoral calendar on one hand and strategic imperatives on the other, between America's own interests that are global, and those of its allies that are local and regional.

And that is not all that plays on the formulation of US foreign policy. There is the foreign policy establishment outside the government like the academia and the think tanks which also have the pretensions of speaking for and to the US foreign policy. This phenomenon further complicates the understanding of the policy specially by the outsiders. There are hundreds of respectable think-tanks, foundations, and institutions in the United States engaged in research to advance knowledge and understanding on a wide range of issues of public interest. Some are doing good honest academic research while others have ideological bias and partisan affiliation and sometimes end up acting as adjuncts or sympathizers to special interests including the government agencies. To varying degrees most of them act as advocacy groups wanting to influence policy. But in the popular belief their imprint on public policy has been vastly exaggerated. If anything, they are under the reverse influence of their patrons, including the administration who uses them sometimes for enlisting or creating public opinion. But most of the time these institutions are trying to have an impact on public policy on their own as well as on behalf of the constituencies—liberal or conservative-- that fund them. This is America, good or whatever.

Then there is another aspect of the American life influencing the public policy--mobility. The way the system works, the academics, experts and professionals are flitting back and forth between the government service and private sector. This is the so-called mobility of the American way rooted in high ideals of capitalism, democracy, and individual freedom. It enhances an individual's expertise and experience. And also keeps the government close to public opinion and preferences. Besides fulfilling one of the core ideals of American democracy that the

government should be from among the people it brings fresh ideas to policy.

But its downside is that with the experts going back and forth the policy often lacks continuity. Secondly, there is a human element that affects the policy as these experts are sometimes susceptible to looking after personal interests such as career, money and fame--the hallmarks of a society resting on strong foundations of individualism and the idea of progress. And as some of them end up playing multiple roles of academics, policy practitioners, consultants, advisors or future lobbyists it naturally gives them a certain policy bias and affects the quality of their analysis.

So one can well imagine the multiple and complex factors at play in the making of the US foreign policy. It should be noticed that the ordinary issues are not being discussed here on which the President has a lot of authority and leeway. The point of argument is the major challenges that are of high public concern and vital to national interests specially wars or serious threats to the security of the US or its citizens or serious economic issues specially that affect the jobs market, or issues that have entered the body politic of America like the support for Israel. They all excite the Congress and the media and energize the whole spectrum of the American system. In other words issues which are weighty and potentially intersect with domestic politics and affect elections. US Pakistan relationship of the past decade is one such issue.

### **Form and Substance of the US Foreign Policy**

So far the process has been discussed. Let's now turn to the form and the substance. For that the first thing you have to bear in mind is that at issue is the foreign policy of a nation that has been for major part of its history isolationist proudly self-conscious of its values and unique historical experience known as the sense of "exceptionalism". And when it did start relating to the world beyond its shores it was already a major power having the pretensions and the potential to be a super power. That means never in its history has the US related to other countries as an equal. It related from an overwhelming military and economic strength and always felt certain superiority either of national power or of moral purposes.

These are the basic facts about the formative influences on US foreign policy. But how these have shaped the American policy and behavior? Americans' historical experience and rich and self-contained existence that makes them dependent on no other power, has made them self-centered, sometimes arrogant, and often overbearing and thus unable to cross cultural barriers and understand the substance of other societies. These feelings of superiority and a sacrosanct self-image of an indispensable, exceptional and savior nation especially since the victory in the

Second World War and subsequent rise as the greatest economic and military power, have led to two sets of beliefs. *First*, a feeling that they do not need to understand other societies—especially those considered inferior or at a lower level of achievement who cannot give anything to America in terms of ideas, specially its idea of progress, material progress that is-- and institutions. *Second*, that since America is doing so much public good, its interests, world view, and strategies should be beyond challenge. As an exceptional nation it demanded an exceptional treatment.

Both these complexes have led to a tendency on the part of the United States to define its own strategic interests in value terms--minimizing or ignoring the cold blooded power politics that is always there--but considering the interests of others only as power politics, and sometimes as immoral and evil. America prefers to relate to other nations as a leader but its concept of leadership has been to lead by hegemony or domination not by consensus or consultation. And taking pride on being a nation of laws it has also sometimes claimed to be right on legal grounds.<sup>2</sup> And *lastly* its capitalist mindset has often encouraged it to throw money at problems and try to buy friendships especially of unrepresentative or authoritarian leaderships of smaller and dependent countries. Washington treats these countries as if they have no national interests of their own, and if they have these should be subsumed in the US interests. If the American interests are not being served by them there is feeling of surprise as to why these countries do not do Washington's bidding especially as they are being paid for it. There is also a feeling sometimes as if they are mercenaries. All this has made the US foreign policy a strange mix of self-righteousness, legalism, mercantilism and dictation.

America does not generally like to negotiate as this means admission of being equal or inferior to the others. From this perspective diplomacy is sometimes perceived as surrender. There is also a cultural and moral issue here. The feeling is that "bad behavior" should not be rewarded; also negotiating with "evil" makes it look defensible in the eyes of average American.<sup>3</sup> When America does negotiate the style is so different from the traditional diplomacy. It often demands the ends of diplomacy as a pre-condition to talks.

The Americans also don't usually introspect or admit mistakes as this is seen as a sign of weakness. They have so much strength to bounce back from a crisis—their crises are usually of their own making (other nations' capacity to harm them being much

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<sup>2</sup> Henry Kissinger, *Diplomacy* ( New York: Simon & Schuster Paperbacks, 1995), 25-29.

<sup>3</sup> Jessica Stern , *Terror in the Name of God: why Religious Militants Kill* (New York: Harper Collins Publishers, 2004), Xvii.

less than their own) -- that they recover from it very quickly often having not suffered much relative to their strength. And even when they have suffered they have an enormous residual strength and absorptive capacity. So there is a paradox here. As the damage has not been great and it has been repaired so fast, there is no realization that they made a mistake.

The feeling is not to get tied down by any failure or live in the past, but get up, dust off and move on. Essentially this reflects a mindset of confidence in the future and in human capacity to rebound and progress. These are all positive attributes but Americans do not realize that only they can do it, given their strengths, unique historical experience and unbounded resources. They should not expect other societies to have the same strengths, outlook on life or world view. But they do, and sometimes try to mould other societies to their image, and no wonder they often fail specially in dealing with non-Western societies suffering from issues and challenges that American never faced. America's home grown solutions designed to address their own unique challenges and backed up by their unique strengths of human and natural resources and institutions are often irrelevant to the situation of these societies. But it is difficult for Americans to understand this.

The bottom line; Because of their overweening pride in their uniqueness, military and economic power, advanced democracy and political institutions, power of innovation, and a strong sense of liberty and individualism, Americans have come to believe that their system, their values and their way of thinking are not only the best but the only good way of doing things. The only terms of reference they can see the outside world from are their own. And they feel morally justified in trying to convert others to their point of view. In fact they feel their way is so good it does not even need explaining: They just tell people to follow it and when they do not or can't Americans cannot understand why.<sup>4</sup> That is another reason why they prefer not to negotiate but to dictate, and are frustrated and baffled why a perfectly fine solution is not being obvious to others and accepted by them. Former German chancellor Helmut Schmidt is quoted to have once said "The problem is that you Americans think every problem has a solution."<sup>5</sup> This perception at least at the public level often leads them to treat war as a mission to spread the American way rather than a conflict of nations, their interests, and world views.

If a state is going to war involving especially involving fragile or fractured societies facing identity and religious issues, poor

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<sup>4</sup> Ibid. Henry Kissinger, 125-130.

<sup>5</sup> David Ignatius, "America the War-weary and War-wary", *Washington Post* (Wshington) April 5, 2013.

governance, power imbalances, security threats and state and nation building challenges it needs to understand their internal dynamics which unfortunately is not a strong point of America. Washington relies instead on the use of military power backed up by economic aid to order change (for instance Afghanistan and Iraq in modern times and Vietnam in the past). Not only that, the approach is mechanistic, self-centered, and impatient. And inevitably it runs into two problems. It ends up playing to the weaknesses of these societies and their leaderships. And because of the heavy overlay of military and financial resources it faces constant scrutiny by media and politics at home causing flip flop of policy as the policy makers keep changing strategies but piling the new strategy over the old ones in order not to alienate any political constituency or pressure group. It causes a grid lock in the ground situation often leading to the failure of the American intervention even with the best of intentions.

But the interesting thing is failures are mostly not economic or military but of judgment or policy. Even when they eventually succeed the success often comes at an enormous cost and always leaves behind a trail of anti-Americanism and unresolved issues—the collateral strategic damage if one may call it.

### **A Foreign Policy Ideological in Rhetoric but Real-Politic in Substance**

All this raises problems of both form and substance and amply demonstrates the US foreign policy to be a veritable enigma that ends up baffling even the Americans. With the globalization, the rise of rival powers, 9/11 and the wars that have followed American public is now concerned about many issues and that is affecting the making as well as conduct of the foreign policy as explained in the beginning. But in the past it did not really matter much.

The average self-contented American historically did not even know what was going on. He left the foreign policy generally to the President unless it was an issue of war and peace. On other lesser issues, for him or her, America was engaged in a moral commitment to the world, slaying monsters abroad and defending freedom. It brought prosperity to the Americans, and to the world, and defended the American way, they thought. And to some extent it was true. Hardly anybody cared as to how other countries thought of America. It was the American might and moral purpose at work, it was assumed. All that mattered was winning.

Cognizant of this American mindset, successive leaders historically made sure that all foreign policy engagements abroad were billed as a mission of higher purposes because that was the only way of mobilizing domestic support in an isolationist country for big and controversial foreign policy initiatives. This put a gloss



over America's pursuit of power politics not only for the domestic but for foreign audiences as well. That is why the containment of Soviet Union in the Cold war was on behalf of the so called "free world" (that interestingly comprised among others Shah of Iran, Marcos of Philippines, Mubarak of Egypt, Mobuto of Zaire, and the military juntas of yester years in Latin America). And wars in Iraq and Afghanistan were on behalf of "democracy".<sup>6</sup> And since in modern era the medium of TV has become so powerful that President Bush not only managed to convince the American public but also much of the outside world as well that his wars were for democracy promotion.<sup>7</sup>

Basically on issues other than wars, which, as said above are a special case, what Washington has really been doing and continues to do so is looking after its interests like other powers but a lot more aggressively and presumptuously. And it does so in a self-centered way and sometimes hypocritically and wants a total support from its allies specially small ones from whom it wants not just 100% but 200% support while its own support remains discretionary, limited and often subject to so many caveats. Americans can come and go as they please. They feel the allies have been paid for their services and America does not need to hang around. It should move on. It has other challenges to fight. But they don't want the world to judge them unkindly; they want others to have a positive image about them.

And interesting thing is being overly conscious of the superiority of their own system and way of doing things Americans are rarely aware of any double standards, contradictions or hypocrisy on their part. The Chinese for example are baffled that the US lectures them about not having relations with Sudan which are important to them for energy resources but for the same considerations the US does not mind having relations with Saudi Arabia.<sup>8</sup> They tell Russia not to support Assad of Syria for reasons of democracy but the real reason according to Moscow is geo-strategic not democracy. And that under the pretext of democracy promotion Washington wants Russia to support American strategic interests at their own expense<sup>9</sup> and the same (notion) thing is about Iran.

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<sup>6</sup> For further details how the Bush administration marketed the Iraq war to enlist domestic support see Frank Rich, *The Greatest Story ever Sold: The decline and Fall of Truth from 9/11 to Katrina*, (New York: Penguin Press, 2006), 206-215.

<sup>7</sup> Conversation with a visiting fellow from China at SAIS Johns Hopkins University, June 14, 2011.

<sup>8</sup> Ibid.

<sup>9</sup> Vitaly Churkin (Russian Ambassador to the UN), interview by Charlie Rose, *Charlie Rose show*, on the American TV network PBS, February 2013, accessed June 4, 2013. <http://www.charlierose.com>.

Washington wants both China and Russia to see Iran through America's eyes but their position seems to be "well Iran may be a threat to you but not to us". Both China and Russia have important economic and geo political interests there some focusing on Iran and some on the Middle East. Not to mention they see Iran as an important player in Afghanistan.

But to be fair to America the fact remains that for much of the 20th century beginning with the First World War the US commanding an immense array of diplomatic, economic, and political assets and military power has played a decisive role in international affairs maintaining some semblance of balance of power, stability and international order-- economic, financial and political. There is no denying the US performs best when the challenge is entirely military (like winning the two World Wars) or purely economic and financial (like setting up international financial institutions and creating some semblance of a badly needed international order after the Second World War).s It also does well in the containment of big military and economic powers like it did with Soviet Union and later Russia or China. Lastly it has performed remarkably well in purely humanitarian challenges. Look at its admirable international efforts whether in Tsunami or Haiti or in Pakistan's earthquake in 2005 and then floods in 2010. In many ways it has been a force for the good. All said and done there have been great success stories in the US foreign policy.

### **The US and the Islamic World**

Much of the contemporary trouble that the US has in its foreign policy exists mainly in America's policies towards its allies from the Cold War days in what was known as the Third World. Many such countries have now moved on and are finding new terms of engagement with Washington. They have done that successfully in Latin America which had borne the brunt of American domination and intervention for more than a century and a half; but not anymore. They have emerged out of it and their relations with the US are mostly normal. But one area of the world remains at odds with the US.

Serious issues still linger on in relations between Washington and Islamic countries or more appropriately Greater Middle East especially where many regimes, whether unrepresentative or elected are unpopular or pursuing unpopular policies on behalf of Washington on whom they have been dependent or codependent. And where to the two issues that used to loom large traditionally —energy and Israel—have now been added resurgence of political Islam and terrorism and concerns about Iran's nuclear program.

The US has been treating friendly regimes there as subordinates in a deal, whose friendship and cooperation could be bought to America's advantage. On Washington's behalf they have been pursuing unpopular policies and making themselves and by extension America unpopular. But the increasingly politically conscious populations have come to reject this bad bargain particularly in countries like Pakistan that are caught up in America's post 9/11 wars.

Washington does not understand these countries and they do not understand Washington. There is a history of anti-Americanism there that has been exacerbated by the Post 9/11 US policies.

### **US Pakistan Relations**

Pakistan has borne the brunt of the negative fall out of the two wars—the war on terrorism and the Afghanistan war. And the fact is that a relationship that derives from war is not easy to handle especially if the war as in case of the Afghanistan war has not gone well. It becomes a minefield literally. Not to mention other issues hanging over the US Pakistan relations, namely the US relationship with India which incidentally brings in the resurgent China into the equation and the lengthening strategic shadow of Russia; and of course the Central Asia and its energy resources and the conundrum of Iran. What complexity?

Pakistan looks at America through its own prism of pain while Washington looks at it through its own lens of fear and anxiety evoked by issues of high public interest in this post 9/11 world, issues that agitate the media and the Congress. Pakistan has partly brought it upon itself by its own policies but the Americans focus only on Pakistan's contribution whereas Pakistanis put the entire blame on Washington. So there is a denial on both sides that affects the relationship. And they end up with a distorted view of each other. No surprise that the two sides have focused far too much on the negatives in the relationship.

The US policy towards countries like Pakistan and other allies on hire or seasonal allies lacks balance and tends to move in extremes or in bad compromises that serve neither its interests nor of its allies well. The US has treated Pakistan as partner in a deal. If they do not cooperate, the feeling in Washington especially in the Congress and the media is that let us cut off aid because after all the relationship is a deal. And a deal is a deal in the capitalist system. That is "fairness".

When a power/state treats other countries as hirelings she cannot build a long term or stable relationship. The other side also starts exploiting it. Pakistan is a perfect example where government has come under conflicting pressures, by America to do more and by the population to do less, and has ended up pleasing neither. As

issues involved are serious they agitate the public at large promoting negative image of each other exacerbating tensions in the relationship.

That is why if the US Pakistan relationship is to go beyond the transactional stage it has to do two things. First even make the transactional relationship work.<sup>10</sup> And build some trust by recognizing that neither side can have 100% of its interests served because some of these interests can be served by the other side only at the sacrifice of its own interests. Only when a certain degree of stability comes in that the relationship can move on to the strategic stage.

In this author believes that both sides need to grow up. Currently the attitude and posture of both erode public support for the US Pakistan relationship in each country. Pakistan must understand that the US has certain interests like relationship with India which has its own dynamics, nonproliferation, fight against transnational terrorists on which it cannot go against its own interests just to please Pakistan and keep it on her side. And this will probably continue to include the use of drones whether Pakistan likes it or not. And Pakistan also has to do something about the anti-Americanism. Pakistan should not try to mask its internal weaknesses and fight its internal power struggles especially civil military rivalry through anti-Americanism.

The same goes for the US attitude --it has to recognize that Pakistan has interests of own on which it cannot have a major compromise just for the sake of American aid. And the worst is when Pakistan does not fall in line the entire machinery of American establishment, media, foreign policy establishment goes after Pakistan as if is enemy no one. Look at all the campaign last year on the Haqqani Network, and accusations of harboring Osama though knowing full well Pakistan did not know where Osama was. And even making abusive statement at high levels of the government that Pakistan army was either complicit or incompetent. Yes the administration was looking for a scapegoat for the problems in Afghanistan and wanted to get maximum political mileage from the killing of Osama but to do so at the expense of your ally is not just fair. It is not a good foreign policy.

Does it mean there is no way to deal with the American power or normal relations with the US? No. Countries that have mature policies resting on political stability, confidence, self-respect, and healthy nationalism in Latin America or elsewhere know how to

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<sup>10</sup> Remarks by Cameron Munter (Former Ambassador to Pakistan) *Atlantic Council South Asia Center*, moderated by Mr. Shuja Nawaz (Washington), February 13, 2013. Available at <http://www.acus.org/event/us-pakistan-relations-lessons-past-looking-future>.

deal with America. Look at India, Turkey, Brazil, China, Europe and Japan. They have the internal strength to counter the US power, withstand its pressure, and maintain a mutually beneficial relation with Washington. Even Pakistan of late 50's and 60's handled Washington much better while it also gained a lot from the relationship.

American power generally tramples over countries that allow them to be trampled. If one looks at the history of US Pakistan relations dispassionately the US has not got anything more than what Pakistan itself gave or was willing to give. So Pakistan cannot blame the US alone for all of Pakistan's problems.

### **Bush and the US foreign Policy**

President George W Bush foreign policy was both a continuation and rejection of the old way of making the foreign policy. He virtually became an "imperialist" President especially during his first term exercising an unrestrained freedom of scope and decision making in the formulation of his foreign policy. And that is how many things went wrong. It is pertinent to deal with the subject at some length as this was more of an aberration than norm. The idea is the readers should get a more balanced view of American policies that led to so much resentment against the US particularly in the Islamic world some based on genuine concerns, some on misperceptions, and others purely on conspiracy theories.

Let me begin by setting one misperception right. Had America become imperialist? And was American foreign policy being run by neo-cons during the Bush Presidency? My answer is in the negative on both counts. Yes, there were certain similarities in the historical phenomenon of imperialism and the combative and expansionist mood of America during the Bush administration, but what was different was equally important. The imperialist powers of the past dominated a cluster of weak, economically inferior, technologically backward, internally divided and half-sovereign territories which could be easily imposed upon. There was very little resistance to the imposed rule. The conflicts that dominated international relations were between rival imperialist powers. The world has come a long way since then.

One has to truly comprehend three things that led to the Bush foreign policy—one, the enormous fear and anger felt in the US in the wake of 9/11 tragedy, two, the unprecedented wave of anti-Americanism that had been sweeping across the Muslim world even pre-dating the terrorist attacks, and last, the stealthy manner in which the most powerful nation was attacked and humiliated and hailed by sections of the Muslim societies specially in the Middle East. All this sent an indelible message to the Americans that they were unsafe and vulnerable as there was a new enemy out there,

faceless and willing to die, and armed with deadly new weapons that were easy to find and hard to fight. And it enjoyed sympathy among some elements of the Islamic world. So something serious had to be done. One of the first responses was—the Afghanistan war.

But I do not think Afghanistan war was conceived as an imperialist venture. A Taliban-weary Afghanistan, long caught up in a bloody civil war and hosting the biggest nest of global terrorism - a threat not just to the US but also to Pakistan and indeed the world - had been inviting international concern for some time. It was an intervention waiting to happen. It came ineffectually during the Clinton years and was thus already in train when the breaking point was reached with the attack on the World Trade Centre. It was a provocation the world could have ignored only at its peril.<sup>11</sup>

Bush administration intervened but rather mindlessly and then created all kinds of problems for America and for Pakistan. What really happened was that a super power tempted by the opportunity of the post-cold war monopoly of power had been limbering up for some time to use force more freely to guarantee unchallenged assertion of its will on what is being seen as a menacing and disorderly new world. But scarred by the 9/11 trauma, inspired by a religious outlook and driven by the supreme consciousness of power, the American response ended up simplifying or distorting the emerging challenges.

In essence the American response through Afghanistan and Iraq wars reflected both the new and old thinking—the post-Cold War sole super power syndrome, and the traditional militarized mind set, and inability to understand the complex internal dynamics of many of the so called Third World countries struggling with various state and national building challenges some of which had been complicated by their involvement in the Cold War as an ally of one or the other super power.

It was not neo cons who wanted this. The entire administration was behind it as was the Congress, the media and the public. Bush administration was not just made up of neo cons—it was a matrix of multiple political strands - ideologues, evangelists, special interests, the hold-overs from the Reagan, Bush-I era with strong and long standing ties to big business, specially oil, and career lobbyists for Israel. Their interests may have diverged but the approach was similar. They all believed in the uncompromising use of unchallenged and unrivalled American power in pursuit of maximum national interests, to be defined as much by their own agendas as by any objective conditions.

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<sup>11</sup> Touqir Hussain, "Imperial America: A Skeptic's View" *Daily Times* (Islamabad), January 10, 2004.

The US made many misjudgments.<sup>12</sup> It thought all it needed in both countries was a quick military victory (against the Taliban and Saddam) and the entire nation in each case would be utterly compliant to their dominance that the US would go about establishing a “new order” without any resistance. In fact people would be happy having been “liberated”. But things did not go like that, because the challenges there were not military. Bush tried to use the old world tactic to deal with a new world and it blew up in his face.

Did America have other plans in both these countries beyond liberation? Probably but one may never know—not till years from now when documents will have become available or events will have moved sufficiently away from the post 9/11 emotions and the fog of wars that followed. This is not the time for truth to come out. The problem is even if Washington did have some other plans like getting a foothold in Central Asia and setting up an additional base in Iraq alternative or additional to Saudi Arabia one would not know from the ground situation as things did not go as planned. And when things do not go as planned in war parties always change the war narrative as well as the strategy and this comes to obscure the original purposes that remain unknown for a long time.

But world knows for now that both the wars had a serious fall out. In the case of Afghanistan war it was Pakistan which suffered the brunt of a troubled war whose spill over caused horrendous problems. In author’s view these were unintended consequences. But many in Pakistan saw them as planned by the US to destabilize Pakistan especially as evident from a general impression that Washington did not seem to care. Not only that Pakistanis saw much anti-Pakistan noise coming out of Washington, some of it focusing on the concern about the safety of Pakistan’s nuclear assets. They also saw a rise in the US India relations and India’s growing influence in Afghanistan. Their conclusion that US and India were colluding to undo Pakistan was obvious but patently wrong. The intention may have been to put pressure on Pakistan but not to take it to the brink. This was not in America’s interest and this is not what it wanted.

Perhaps for America’s own good and for the good of the world the militarized policies of President Bush did not succeed. Otherwise American power would have been unstoppable and unrestrained. Washington has hopefully learnt some lesson now as reflected in the emerging thinking under Obama where America might be re-learning the limits of power (it learnt briefly after the Vietnam but quickly forgot) and the dangers of militarization of US

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<sup>12</sup> Touqir Hussain, “Pakistan: A New Beginning?” *America’s Challenges in the Greater Middle East : The Obama Administration’s Policies. Pakistan: A new beginning?*, ed. Sharam Akbarzadeh (New York: Palgrave Macmillan, 2011). 177-194.

foreign policy.<sup>13</sup> But world will see: Both America and the world have changed.

### **Global Changes and the Changing America—Heart of the Dilemma**

Here are three things that are happening. *First*, the fact that although the United States may have become the sole superpower, the globalization and the end of the Cold War have also led to a certain devolution of power, thus raising the status of other powers with competing interests and policies.<sup>14</sup> This had made it difficult for the US to lead, tempting her to dominate and so provoking reaction and resistance. There was a tragic paradox in America's condition; being the only superpower encourages the temptation to use power yet constrains the prospects of success as never before. American power, therefore, has not been absolute. And, on many issues, the United States has been walking alone.

**First:** it was alright in the days when the US was a dominant power, at least in half of the world. Now it may superficially command the whole world but its power and influence are no longer incontestable. And that is the central dilemma it faces: how to navigate the transition from hegemony to domination and to leadership. Its recourse to unilateralism could well be an escape from this dilemma.

**Second:** how does the US adjust to the changing world is not easy as it itself has changed a lot in the past three decades. But unfortunately the changes in America are not in synch with global changes. Americans like to say the 9/11 changed the world. Well, yes and no. The world was already changing except that America did not know about it. And it did not want to know. With the post-Cold War triumphalism America felt it did not need a foreign policy.<sup>15</sup>

**Third:** the rising prosperity at home, and increasing power of the 24/7 cable networks and phenomenal growth in the power of special interests was beginning to influence, and even corrupt, politics in the US in ways not seen before. Politics was also becoming polarized specially after the triumph of conservatism and unrestrained capitalism whose foundations were laid under Reagan. Their political system was always complex but it became even more

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<sup>13</sup> Vali Nasr, *The Dispensable Nation: American Foreign Policy in Retreat* (Victoria:Scribe Publications, 2013), 4-10.

<sup>14</sup> Touqir Hussain Senior, US Institute of Peace, "US Pakistan Relations—the War on Terrorism and Beyond" Special Report No. 145 (Washington), August,2005, 2-16.

<sup>15</sup> Henry Kissinger, *Does America Need a Foreign Policy: Towards a Diplomacy for 21<sup>st</sup> Century* (New York: Touchstone, 2001), 10-25 and 283-188.



so as in the last two or three decades as it has increasingly been intersecting with ideology, money, media, public relations, advertising, lobbies, special interests and advocacy groups.

Cable TV and other 24 hour commercial television belonging to big corporations, some big ones like, NBC, ABC and CBS, associated with the entertainment industry like Disney, Time Warner, and Viacom, respectively, the network news is using foreign policy issues as if it was a ball game. The way it plays on foreign policy issues creates its own reality. Expressions such as breaking story, developing story, and minute by minute public opinion polls have tendency to excite people and turn issues into events and strip the foreign policy of its contemplative and reflective dimension and turn into all action--tangible, visible and quantifiable. If the administration is not seen as acting it is seen as clueless and passive, and negotiations are seen as weakness. Vast majority of the American electorate gets its news from them and forms opinion. And it is their opinion the government is most receptive to more than the traditional voices of the academia or respected journalists of print media or established scholars from the non-partisan think tank community.

As the foreign policy becomes a function of mass politics and social media the language and concepts of foreign policy will also change as will be the process of making of US foreign policy. So you have multiple new influences in addition to the traditional ones outlined above playing on the making of the US foreign policy—most recent phenomenon the social media and the internet where everything has to be done and understood in “real time.” And it also exacerbates the polarization and fragmentation of public opinion. In a few years’ time it is going to bring fundamental changes in the way people look at foreign policy. This will certainly affect the making of US foreign policy. And that is a subject for another day.

## **Conclusion**

So much ground is covered. Reader must be wondering what message to take away from all this. Here it is. Against this background author has made reader realize that when outsiders only see a tiny fraction of the process of the making of public policy and feel THAT IS IT that is where in the understanding of the US foreign policy they are making a mistake. They oversimplify things when they see any map or any comment coming out of media or a report from a think tank or by a consultant or a former government official specially from CIA and start taking it as the US policy and get alarmed in the process.

The worst mistake outsiders can make is to start reading US policies in Machiavellian or Byzantine terms with great strategic or

grand design pulverizing this country and uprooting that, scheming to fashion the world to its image or creating a world order yielding or succumbing to its wishes. No it is not that. American system is not susceptible to a grand design, at least not a successful one. Specially a system in which there is so much noise emanating from the media--regular and social-- think tank and strategic establishment, military/industrial complex, and intelligence community. Not to mention the politics, and polarization and plurality and diversity of political thought.

The second thing you should take away from this article is that the system is complex but there is still some simplicity in the decision making process. On issues that are small and uncontroversial the State Department is fully in charge; issues that may be big but do not agitate public opinion that much or do not involve too many other agencies the State Department takes the lead though is not fully in charge, like relations with India or to a degree China or Russia. And in both cases foreign policy works rather well despite America's peculiar way of relating to the world because all these countries have learnt the way of restraining American power. And now America's economic vulnerabilities have also come to act as a brake on its over extension. Under Obama specially in his second term the US is trying to step back from the world. So America of today and America of the immediate post 9/11 years are not quite the same.

However issues like terrorism, Pakistan, Iran or the Arab Israel question, the so called Arab Spring and Syria which excite public opinion and the Congress and intersect with domestic politics will continue to be high profile where the White House will remain in charge. In the end on such issues it is the President and his one or two close advisors who decide. But the systemic issues they have to contend with and other peculiarities of the making of the US foreign policy listed above, do influence the President.

The decision that emerges is not always good as more often than not, it is a compromise which in simple terms may be described as between its strategic interests and domestic politics which does not always advance America's best interests or of the world specially of its allies. Sometimes the compromise is weighted more in favor of strategic interests sometimes in favor of domestic politics. In the end America pays the price for its uniqueness and complexities of its system and indeed its greatness in many respects. Whether it succeeds or fails there is a method in that.

## GWADAR PORT: AN ECONOMIC HUB OR A MILITARY OUTPOST

Dr. Raja Muhammad Khan\*

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### Abstract

*The importance of Gwadar Port is manifold. Gwadar is not only going to play critical role in Pakistan's economy but is also likely to influence other neighboring countries like China, Iran and Central Asia etc. The deep-sea port at Gwadar is visualized as becoming a trade corridor and a regional hub, serving commercial goals in the region. The development of the Gwadar port holds out for the regional countries huge economic returns. A road from Gwadar to Saindak is said to be the shortest route between Central Asia and the sea. Goods, oil and gas reserves from these countries could be shipped to global markets. It will nearly halve the overland distance from China's landlocked western provinces to the sea: from about 4,000km to China's east coast, to just 2,000 km south to Gwadar. On the other hand, highways connecting it to Afghanistan reduce the distances of Pakistan-Central Asia traffic by about 500 to 1000 km. The paper evaluates the prospects of trade and their economic benefits through Gwadar Port. The envisaged trade forecast of Gwadar Port is based on the potential transit cargo of Western China, Afghanistan and Central Asia. The development of industries, trade and business in adjoining areas are some of the spins-offs of the ports, which necessitate suitable policies to accumulate maximum benefits. Indeed, the construction of the Gwadar port is a vital component of Pakistan's overall initiative to facilitate trade in the region and particularly with the landlocked states of Central Asia.*

### Key Words:

Gwadar, land Locked, Trade Corridor, Saindak, Regional Hub.

### Introduction

Owing to its strategic location and God gifted natural resources, Balochistan Province of Pakistan has always been at the centre stage of regional and global politics. Unfortunately, Pakistan could not unlock the riches of the Central Asia and Caspian yet. However, it is experiencing wide spread instability and law and order situation in the province of Balochistan, ever since in 2002 when the developmental work on the Gwadar port

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was initiated. It was also in 2002, former President of Pakistan, General Pervez Musharraf's Address at the Ceremony of Gwadar Deep-Sea Port, stated:

*Today we are here for the ground breaking ceremony of this port. In my conviction we are all here as witnesses to history being made not only for this region, for this province of Balochistan and for Pakistan, but also history being made in the relationship between Pakistan and China..... If we see this whole region, it is like a funnel. The top of the funnel is this wide area of Central Asia and also China's western region. And this funnel gets narrowed on through Afghanistan and Pakistan and the end of this funnel is Gwadar port. So this funnel, futuristically, is the economic funnel of this whole region. All the top of this funnel, the broad top of the funnel, anything going into it or out of it, Pakistan and Gwadar port provides the real input, the inlet and the outlet into it. It will also facilitate the development of shipyards and export of mineral resources of Balochistan.<sup>1</sup>*

Located at the mouth of Persian Gulf, and having proximity to the Straits of Hormuz, the Gwadar port has a strategic significance. It is located about 267 NM West of Karachi. It will be a regional centre of communication for incoming and outgoing traffic of world. Since the major shipping route connecting three main continents; Asia, Europe and Africa are passing through the surrounding area's of this port, therefore, it has attained the status of a key strategic and commercial port. Over sixty percent of global trade and transportation of oil tankers takes place through the regional waters of the Gwadar Port, strategically located near the Straits of Hormuz. In connection with the global trade, Gwadar port presents itself as the best option and the storage port, as it can handle the major ships and oil tankers. "The 14.5-meter draft of the port will be able to accommodate up to fifth-generation ships, including Panamax and mother vessels."<sup>2</sup>

Pakistan's interest in Gwadar originated after it engaged the United States Geological Survey (USGS) to conduct a survey of its coastline in 1954, which was responsible in identifying Gwadar as a suitable site for a seaport. As a result, on 8 September 1958, Pakistan purchased the Gwadar was primarily conceived in 1964 and small port was constructed at Gwadar by the Government of Pakistan between 1988 and 1992 at a cost of Rs. 1,623 million.

<sup>1</sup> IPRI Fact file, "China-Pakistan Relations a Profile of Friendship," (Islamabad: 2013). <http://www.ipripak.org/factfiles/ff60.shtml>

<sup>2</sup> Raja Muhammad Khan, "Making an apt use of Gwadar Port," Pakistan Observer, July 10, 2013 <http://pakobserver.net/detailnews.asp?id=55419>

However, due to the lack of requisite finances and expertise, the project remained unimplemented for these long years. In 2001, China agreed to invest in the development of Gwadar Port. The port was developed to boost the economic growth in the northern and western parts of Pakistan. Apart from this, it was also aimed at providing the shortest possible approach to Afghanistan and the landlocked Central Asian Republics for their trans-shipment facilities. By virtue of its strategic location, the Gwadar port is a place of great strategic value, giving tremendous boost to Pakistan's importance in the whole region. It allows Pakistan to extend an influence from the Persian Gulf through the Indian Ocean to Southeast Asia. The Gwadar deep-sea port has the potential to remain functional throughout the year and can handle large ships. Being a hub between energy efficient and energy deficient countries, it can facilitate both China and India in linking them with energy rich Middle East and Central Asia. The strategic importance of Gwadar to Pakistan cannot be underestimated and thus attempt not to make optimal utility of the port as expected will jeopardise the strategic importance.

After china agreed to invest in the development of Gwadar in 2001, it invested an estimate of \$ 248 million<sup>3</sup> and completed the first phase of the project in 2006. The project continued till 2007, when it was handed over to port of Singapore authority (PSA), through an open bidding for duration of forty years. As a concession, the PSA was given corporate tax exemption by Pakistan for the entire period of forty years. The otherwise concessional agreement, delimited PSA to invest \$3 billion on the project. PSA was to invest \$550 million in the first five years, which it had not done, until 2012. Besides, the Gwadar Port Authority (PSA) was to receive revenue from PSA, which was not insight. Whatever be the reasons, PSA could not operationalize the Gwadar port, as agreed in the bi-lateral agreement. Moreover, it failed to invest the agreed amount in five years even.<sup>4</sup>

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<sup>3</sup> Asim Sajjad Akhtar, "Balochistan versus Pakistan," *Economic and Political Weekly*, vol.42, no 45/56 (2007), 75.

<sup>4</sup> Raja Muhammad Khan, "Making an apt use of Gwadar Port," *Pakistan Observer*, July 10, 2013.

In the backdrop of the above, Islamabad entrusted the project of Gwadar Port of Port of Singapore Authority to be instrumental in breathing reality to the port. However, the expectation has been dwindling not just at the public level, but equally at the level of Pakistan Government, it was felt that, "the Gwadar port project is a disaster, as the 40-year concession agreement with the PSA has not yielded any result in its first five years." Thus. It was clear that, the government and the PSA are in default of commitments, yet, this national asset could not be left at lurch for a long. It was in the same milieu that Pakistan finally reached to the conclusion that, port is not serving the purpose for which it was built; therefore, the agreement with PSA should be revised and given to someone who could really manage and operationalize it.

Policy makers in Pakistan do not that shy away from this do not that shy away from this realization and even if Pakistan cannot effectively make the dream and ambition of Gwadar a reality, Islamabad can always collaborate with a more trusted friend to actualize the dream. The vacuum of a trusted friend was apparently filled by China. The latter evidently has been an all-weather friend of Pakistan and was swiftly drafted into the dream and reality of Gwadar. China is one of the few countries in the world which has made optimal use of geography for its strategic advantage. It has established cordial relations with majority of its neighbours and regional countries based on common interests. This interdependence resulting from economic and security partnership often claimed as a diplomatic and economic victory for China, allows China to obtain the natural resources required to sustain its economic growth.<sup>5</sup>

The expectation of the government from PSA could not hit the target, thus explains the assertion that over the last four decades or thereabout, there was recognition among the strategic community of Pakistan that the port is not being utilized as envisioned; somewhat, it is rapidly becoming white elephant.

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<sup>5</sup> Senge H. Sering, "Expansion of the Karakoram Corridor: Implications and Prospects," IDSA, Occasional Paper no. 27 (2012):5, accessed on July18, 2013, [http://www.idsa.in/sydttem/files/OP\\_Karakoramcorridor.pdf](http://www.idsa.in/sydttem/files/OP_Karakoramcorridor.pdf)

China already had a stake in the port and the inefficiency emanating from the project convincingly prompted the government to take project from PSA and was formerly handed over to China.<sup>6</sup> On February 18, 2013, the government of Pakistan finally signed an agreement with Chinese government-owned 'China Overseas Port Holdings Ltd' for the administration and operationalization of the Gwadar Port.<sup>7</sup>

The choice to make China the new contractor of the port was a well deliberated and calculated decision, though long anticipated decision by the government, in the best national interest of Pakistan.

### **Concerns over Gwadar and the New Contractor**

The decision has invited lot of direct speculative criticism from India and its Indian strategic partner, particularly the United States of America, while indirect criticism surfaced among Pakistan's friends. In its first official response, the Indian Defense Minister called the deal as a matter of "serious concern" for India, which in fact is beyond perception and amount to meddling in the internal affairs of Pakistan. The Indian and western media hurriedly propagated that, "China harbours the intention to build naval bases there."<sup>8</sup> Indeed, a resumption of the old jargon, 'String of Pearls concept' that China rejected times and again. It indeed is a concept jointly crafted by Indian and US strategists' way back in late 1990s.

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<sup>6</sup> "China takes over Gwadar Port operations," *Nation*, (Islamabad), February 19, 2013, accessed on July 18, 2013, <http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/national/19-Feb-2013/china-takes-over-gwadar-port-operations>

<sup>7</sup> "Pakistan hands over Gwadar Port operation to China," *Nations*, (Islamabad), February 18, 2013, accessed on July 18, 2013, <http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/national/18-Feb-2013/pakistan-hands-over-gwadar-port-operation-to-china>

<sup>8</sup> Shu Meng, "Gwadar Port move being seen through skewed lens," *Global Times*, February 10, 2013 <http://www.globaltimes.cn/content/759517.shtml>

Consequently, concerns over the Iran-Pakistan Gas Pipeline previously known as the Iran-Pakistan-India Pipeline (IPI). There has been a looming concern by Iran over Gwadar port vis-a-vis the pipeline project. Iran is somewhat concerned that China could take advantage of the pipeline as the pipeline has the potential to be taken to the Chinese territory across the Khunjrab pass, thus retitling it as the Iran-Pakistan-China (IPC) pipeline. Similarly, through Gwadar the pipelines from the Central Asia have the potentials to be taken to the Southern Chinese autonomous region of Xinjiang. Currently over 50 % of Chinese oil is being imported from Middle Eastern countries,<sup>9</sup> having religious and historical links with Pakistan. This oil transportation through oil tankers can take the form of the transportation through pipeline via Gwadar, the nearest and overland route to the Chinese soil. Gwadar might thus, reduce China dependency on Iran and Middle East energy.

China maintains that it is neither planning to encircle India nor heading for string for pearls strategy. Rather, unlike hegemonic powers, Chinese policy is based on the use of soft power approach and peaceful rise with economic cooperation and interdependence; a win-win situation for all. Whereas the strategically located Gwadar port is primarily meant for economic and socio-political needs of Pakistan, would also provide an easy excess to China for the overland transportation of its energy resources from Gulf and Central Asia. It would give Chinese western autonomous region; Xinjiang an easy excess to the Arabian sea, thus opening new opportunity for the development and the economic prosperity. "If a pipeline connecting the port to western China is built, the shortest route for oil imports from the Middle East can be realized."<sup>10</sup>

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<sup>9</sup> International Energy Agency, "Oil and Gas Emergency Policy : China 2012 update" *International Energy Agency*, accessed on July 18, 2013, <http://www.iea.org/publications/freepublications/publication/name,28189,en.html>

<sup>10</sup> "China's take over Gwadar port not aimed at encircling India," *Economics Times*, (Online), February 1, 2013, accessed on July 18, 2013, [http://articles.economictimes.indiatimes.com/2013-02-01/news/36684468\\_1\\_gwadar-port-global-times-china](http://articles.economictimes.indiatimes.com/2013-02-01/news/36684468_1_gwadar-port-global-times-china)



## **Present Development Status of the Project**

So far the China Harbour Engineering Company which is responsible for the construction of the port has undertaken the following sub project:<sup>11</sup>

*Phase -I: Initial infrastructure, Worth is US \$ 248 Million, Status: Complete*

- Three Multipurpose Berths
- Length of Berths 602m
- The length of Approach Channel is 4.5 km being dredged to 11.5 meters-125 meters.
- Turning basin 450 meters dia.
- One 100m service Berth.
- The port handling machineries and infrastructure including Tugs, survey Vessel and Pilot Boat etc.

*Phase-II: construction on Nine Additional Berths with a total Cost of US \$ 932 Million. Details are:*

- Four Berths Containers.
- One BCT (Bulk Cargo Terminal) which will be handling 100,000 DWT ships.
- One Grain Terminal
- One Ro-Ro Terminal.
- Two Oil Terminals to handle 200,000 DWT ships

The phase -2 of the Gwadar project would be executed by private sector and must be completed promptly and the port will be made fully functional as soon as possible.

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<sup>11</sup> "Gwadar Facts Sheet", Gwadar International, accessed on July 18,2013, <http://www.gwadarinternational.com/facts.html>

## **Economic Significance of Gwadar Port**

### *Socio-economic uplift and incentives for Pakistan*

Pakistan has a sea frontage of 1,046 Kilometers with the Arabian sea- a mid-sea which joins the strategic oil line of Persian Gulf with the Indian Ocean, stretching to West and Southeast. Approximately 36,000 ships transit through Pakistan's sea area each year. Karachi port is handling 68 percent whereas port Qasim manages 32 percent of the sea borne trade<sup>12</sup> and Gwadar port will greatly bear the increasing burden on these two ports.

Gwadar port will play an active role in changing the economic destiny of our country. Nonetheless, it can also help Pakistan manage its sea trade and provide it the much needed revenue collected through shipment, transshipment and transit facilities. Due to non-availability of infrastructure the available resources of Balochistan which are in abundance, could not be explored. As part of interior development of Gwadar port intra and inter road communication have been developed which will increase the economic activities manifold.

Fishery is providing 300,000 job opportunities to fishermen whereas another 400,000 individuals are given job in the ancillary industries. Fishery can also greatly improve if Pakistan fully utilize the EEZ depth, which it has not done so yet. Karachi fish harbour handles 90 percent fish and seafood catch and earns around 120 million US \$ in export per year. Fishery would improve and it will

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<sup>12</sup> Hassan Yaser Malik, "Strategic importance of Gwadar Port", journal of political studies, vol,19, issue-2 (2012):57-69, accessed on July 12, 2013.  
<http://pu.edu.pk/images/journal/pols/pdf-files/gwadar%20article-winter2012.pdf>

raise the fishing and seafood catch after the construction of Gwadar port.

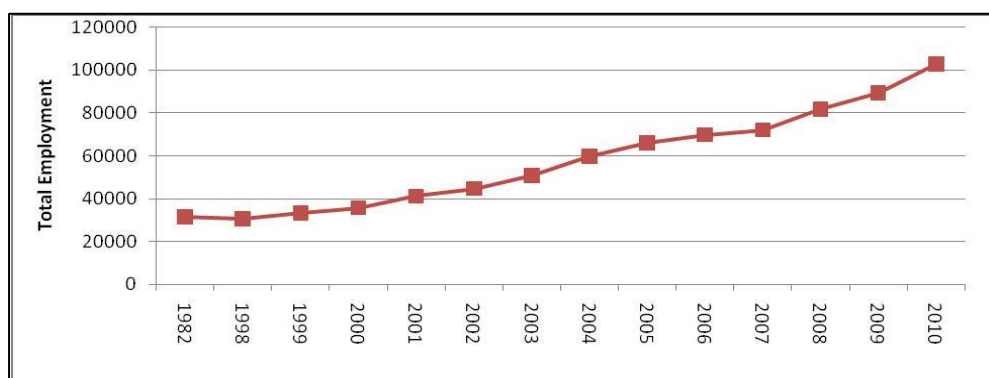
The Gwadar deep sea port is the largest infrastructural project in the history of Pakistan and the second most important by China in the country after Karakorum Highway. It is not only a sea port at the mouth of Persian Gulf but a future commercial trade hub.

The project includes country's largest oil refinery, an intricate web of roads and railroads, and an international airport under construction to be completed in 2014, housing societies, schools, hospitals, businesses, hotels and busy life full of happiness.

These modernization and development initiatives would completely transform the traditional social life of local Baloch. Infrastructural development will connect far-flung areas of Balochistan to the mainstream cities and the rest of the world. The old fishing village is completely transforming.

A rapid increase in the real state is Bloch economy. Tremendous future economic activities in the region will alleviate poverty. Federal Bureau of Statistics Pakistan report issued in 2011shows how employment ratio has increased since the inception of Gwadar port project:

### **Total Employment in The Gwadar Region (1982-2010)**



Source: Federal Bureau of Statistics Pakistan 2011.

The government has already declared tourism as an industry and is taking practical steps in this regard. A number of facilities have been announced as incentives like 30 days visa at airport, charter flights, helicopter services etc. in Gwadar, Pakistan Tourism Development Corporation (PTDC) has four acres of land earmarked at a prime location in Gwadar approved for construction. Moreover, government has very much interested to attract investors to undertake various projected with added incentives. As perceived much of tourists' flow would take place after completion of port.

#### *Trade Forecast*

*Central Asian Republics Afghanistan, and China will be the main source of trading through Gwadar. Till year 2015, the estimated cargo which will be handled at Gwadar is as under:*<sup>13</sup>

**Table 1**

Category in Million Tonnes	Year		
	2005	2010	2015
Dry Cargo	3.96	4.74	5.77
Liquid Cargo	16.62	17.54	18.77
Container (1000 TEUs)	200	241	295
Trans-shipment (1000	200	250	300

<sup>13</sup> Ismat Sabir, "Gwadar A Suez to Pakistan," *The Financial Daily* (Islamabad), July 25, 2013, accessed on July 25, 2013, [www.thefinancialdaily.com/NewsDetail/157835.aspx](http://www.thefinancialdaily.com/NewsDetail/157835.aspx)

TEUs)			
<b>Proven Reserves, Central Asia</b>			
<b>Country</b>	<b>Crude Oil in Million Barrels</b>	<b>Natural Gas in Trillion Cubic Feet</b>	<b>Coal in Million Short Tons</b>
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 Million barrels	232 Trillion cu ft	38,374 Million tons

Central Asian Republics, Afghanistan and China will be the main source of trading through Gwadar. Till year 2015, the estimated cargo which will be handled at Gwadar is as under<sup>14</sup>:-

Table 2

Country	Petroleum (Thousand Barrels/ Day)	Natural Gas (Billion Cubic Feet)	Coal (Million Short Tons)	Crude Oil Refining Capacity, (Thousand Barrels / Day)
Kazakhstan	811	314.3	82.4	427
Kyrgyzstan	2.1	0.5	0.8	10
Tajikistan	0.4	1.4	0.02	0.4
Turkmenistan	159	1,642	0	237
Uzbekistan	137	1,992	3.3	222

<sup>14</sup> Energy Information Administration , May 2002, accessed on June 23, 2013, available at [www.eia.doe.gov](http://www.eia.doe.gov).

**Source:** Energy Information Administration- [www.eia.doe.gov](http://www.eia.doe.gov)

### **CARs Trade Prospect**

The Central Asian Republics comprising of Turkmenistan, Tajikistan, Kirghizstan, Kazakhstan and Tajikistan whose total population is approximately 65 million, have considerable amount of oil and gas reserve. “All the five Central Asian states after independence have been firm to find their rightful place in the region’s political and economic configuration under the new circumstances, and become active members of the world community”.<sup>15</sup>

Uzbekistan, Turkmenistan and Tajikistan are the countries which are located in close proximity of Pakistan. Since Tajikistan, Turkmenistan and Uzbekistan are closely located with Pakistan therefore they will be more dependent on Gwadar port. Approximately the trade in the area, is estimated as much as 20 Billion US dollars whose volume is around 80 million freight tons, out of which 12 Billion US dollars is of the export<sup>16</sup>.

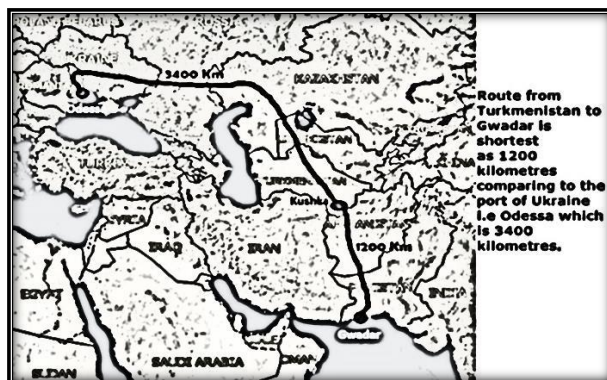
The shipment which are taking place in term of electronic items, garments and goods, out of which the main focus in relation to the exports are metal ores, oil, gas and cotton. The route from Turkmenistan to Gwadar is as short as 1200 kilometers comparing to the port of Ukraine i.e. Odessa which is around 3400 kilometers (map at Figure 1):

### **Figure 1**

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<sup>15</sup> Statement by Nurmurad Durdayev in International Seminar on Central Asia, Area Study Centre, Peshawar University, Peshawar, 7-9 October 1997.

<sup>16</sup> [www.atimes.com/atimes/South\\_Asia/DK14Df02.html](http://www.atimes.com/atimes/South_Asia/DK14Df02.html)



Therefore Gwadar has become the favorable choice with Central Asian Republics. In this direction a high way which is 500 kilometers long connecting CARs with Gwadar via Panjgur-Rabat-Herat has also been planned.

### Trade Prospect with China

Gwadar port is being constructed due to China trade prospects. Also, “in case Malacca Strait is blocked by U.S, Gwadar can serve as an alternate route for Chinese trade in the Indian Ocean and to West Asia”.<sup>17</sup> The Eastern part of China has much developed in comparison with Western part. However the Western part provides huge market, cheaper labour force and rich natural resources. China would preferred to use Gwadar port for the economic activities from western part (Xinjiang autonomous region) which is at a distance of approximately 4500 kilometers from Gwadar port comparing to the Country Eastern port which is at distance of around 10,000 kilometers from western region of China. We had the Silk route in shape off Karakoram High Way which is connecting Pakistan with Western Part of China; the same route would be extended to Gwadar via Ratodero and Khuzdar.

**Figure 2**

<sup>17</sup> Ibid., Hasan Yaser Malik, “Strategic Importance of Gwadar Port,”.



### Trade Prospects with Afghanistan

Afghanistan after having been placed on a path of development is in desperate need of looking for new avenues for boosting its economy. Afghanistan has much of natural resources in which the prominent are huge deposits of copper, high-grade iron ore, chromite, sulphur, zinc, precious stones, coal, oil and gas. When law and order situation of Afghanistan will improve, subsequently the economic activities will be at high swing via Gwadar port. US has approved 1.4 Billion US dollars to Afghanistan for the Afghan gas pipeline<sup>18</sup>. A huge economic benefits as perceived would start when the gas pipeline would be supplying around 30 billion cubic meter gas per year from Turkmenistan to Gwadar. US company like UNOCAL and AMOCO had already been spending 30 Billion US dollars in Central Asian Region, instead of going through 1500 kilometres Georgia – Turkey project, the Gwadar port would save much of cost towards this end.

### Iranian Interest in the Region

<sup>18</sup> Available at [www.pakistaneconomist.com/page/issue01/i&e3.htm](http://www.pakistaneconomist.com/page/issue01/i&e3.htm). Accessed on July\_22,2013.



Iran enjoys fairly close economic and political cooperation with the Central Asian States of Turkmenistan, Tajikistan and Uzbekistan. In January 2001, Iran finalized a deal with Turkey for the opening of a railway line extending from Alma-Ata (Kazakhstan) via Tashkent (Uzbekistan) and Tehran to Istanbul, which would then connect the economies of central Asia and Europe. If she succeeded in establishing a route for oil, gas and other commodities with the central Asian States and further to Europe through ports like Chabahar, then she will become a country of central importance in the region. Hassan (2012) further underpins the importance of Iran to the CARs, the latter though might be emancipated from the yoke of Soviet Russia, yet Moscow would not totally conceal the fact that CARs has entered a dawn of political self-reliance. This propensity displays the reason why the CARs would want independence in true spirit from Russian hegemony. Hence, Iran's proximity according to Hassan presents an alternative in the form of Chabahar to the Central Asian countries. Although this has yet to take a manifested body, giving the complexity of issues surrounding Iran, thereby the Gwadar port becomes the next best alternative. Such conflicting alternative is not unlikely to clash the interest of Iran and Pakistan over who should get the benefits of being used as economic transit route by the CARs.<sup>19</sup> Therefore, despite the level of relations between Tehran and Islamabad, the conflicting interest might cause Iran to resent the idea that Gwadar becomes a reality port or even the idea of totally transferring it to China, which could make the port more sensitivity and trigger regional and global debate.

### **Regional and international Interest in Baluchistan**

The US, after almost 11 years of war and bloodshed, has been unable to maintain peace and stability in Afghanistan and provided few positive impacts in the region. The leftovers of the US and Allied Troops (troops numbering between 13,000 to 14,000) and private contractors will not be enough to secure Western interests in the region. However, foreign intelligence agencies with an interest in the region will combine their

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<sup>19</sup> Ibid., Hasan Yaser Malik, "Strategic Importance of Gwadar Port,".

<http://pu.edu.pk/images/journal/pols/pdf-files/gwadar%20article-winter2012.pdf>

capacity and reach to create mischief that would still be significant and multidimensional. Their collective main aim could, therefore, be to deny this strategic space (Afghanistan, APR) to any regional power or bloc - China, Russia or the SCO.

In this context, secret diplomacy of the past is also being applied. Despite the fast development projects in Pakistan's largest province of Balochistan and supply of various services to its local people by Pakistan's civil and military authorities to remove an exaggerated 'sense of deprivation', the American CIA, Indian secret RAW, and Israeli Mossad have accelerated their common plot against Balochistan as part of the cold war in order to obtain their secret collective designs against the integrity of Pakistan.

It is worth mentioning the ideal geostrategic location of Balochistan with Gwadar seaport at its south could prove to be Pakistan's key junction, connecting the world with Central Asia. It is due to numerous strategic benefits that the US, which signed a nuclear deal with India in 2008, intends to control Balochistan as an independent state in counter-balancing China and containing Iran. Owing to these reasons, the US and India are creating instability in the province by backing Baloch separatists to complete their hidden agenda. It was also due to the Pak-China deal in connection with the Saindak project that the above mentioned secret agencies increased their covert support for separatist elements of Balochistan in order to continue subversive acts in the region which are working against the friendly relationship of Pakistan with China and Iran. In the past few years, their militants have kidnapped and killed many Chinese and Iranian nationals in Pakistan. In this regard, the terrorist outfit "Jundollah arranged a number of suicide attacks in Iran, while Tehran directly named CIA for patronage of those attacks"<sup>20</sup>.

As part of the new cold war, the main aim of these foreign secret agencies is to create instability and insecurity in Balochistan which, besides other aspects, is notably replete with diversified

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20 Parisa Hafezi "Jundollah bombs kill 28 in Iran," Reuters, July 16, 2010  
<http://www.reuters.com/article/2010/07/16/us-iran-bomb>

minerals.<sup>21</sup> However, we have to crush the conspiracies for the advancement of our national interests. In order to do that, the nation will have to differentiate between the covert enemies and the real friends, domestically as well as across borders.<sup>22</sup>

## The Way forward

Pakistan was the first Islamic country, the second Commonwealth and the third non-Communist country to recognize the newly established People's Republic of China on January 4, 1950. Collaboration between the two countries is multi-faceted, involving the political, economic, technological, defence, infrastructural, educational and energy arenas. Recent strides have been in cross-cultural and people-to-people relationship. Common geo-political interests, common geo-strategic concerns, and a common vision for the future of the region form the foundations of bilateral cooperation. Indeed, ever since the establishment of diplomatic ties in 1951 between Pakistan and China, this friendship has progressed greatly from mere good neighbourly relations to a strategic partnership based on common interests, mutual trust and unequivocal support on all core concerns<sup>23</sup>. With the regional scenario in Asia evolving over the past several years, particularly in the wake of the so called War on Terror, a new set of regional dynamics have emerged which not only impact, but are also impacted by, the close ties between China and Pakistan. These ramifications are not limited to the core states involved but also have implications for the broader Asian region. In the wordings of Chinese Ambassador to Pakistan Liu Jian, Sino-Pak relationship has "gone beyond bilateral dimensions and acquired broader regional and international ramifications."<sup>24</sup>

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<sup>21</sup> Sajjad Shaukat, "A Cold war over Balochistan's mineral resources," *Frontier Post*, (Lahore), June 10, 2011.

<sup>22</sup> Raja Muhammad Khan, "Making an apt use of Gwadar Port," *Pakistan Observer* (Islamabad), July 10, 2013.

<sup>23</sup> IPRI Fact file, "China-Pakistan Relations a Profile of Friendship," (Islamabad: 2013), accessed on July 10, 2013, <http://www.ipripak.org/factfiles/ff60.shtml>

<sup>24</sup> "Pakistan, China resolve to consolidate strategic Ties; Joint Statement Issued," *Pakistan Times* (Islamabad), May 6, 2013, accessed on June 4, 2013, <http://www.pakistantimes.net/pt/detail.php?newsId=17381>

As cooperation between both countries has deepened, expanding and evolving in accordance with the dictates of new geo-political, geo-strategic and geo-economic realities, certain states have sounded alarm bells. The concerns voiced by these countries stem from a twisted perception of the political compulsions and strategic interests of both China and Pakistan, and the corresponding decisions they undertake. Moreover, these perceptions and the responses they generate are also conditioned by hard facts such as Pakistan's geographical and strategic location, the prevailing security environment in the region, and the respective interests of two major players, India and the U.S., both of which have a history of multifaceted relations with Pakistan as well as China. India always has an apprehensive mindset about the Sino-Pak relationship. In October 2010, the Indian Army Chief described Pakistan and China as the two irritants and the two greatest threats to the national security of India. Indian Military strategists even made strategies to fight a two fronts war; against Pakistan and China. In November 2011, Indian Foreign Secretary said in an address to the national Defence College, New Delhi, that, "The close military and strategic ties between China and Pakistan impacts on our security environment."

Apart from defense and economic cooperation, between Pakistan and China is also being viewed with misgiving by India and other major powers. For long Gwadar has been viewed as a key location with great potential to become a major regional commercial and transshipment hub. "India is keen in looking for ways to extract economic benefits from Central Asia. India's announcement of a plan to construct a railway line connecting South and Central Asia is an example of this strategy. This railway project could not materialize for apparent geographical reasons, as India does not share any borders with the Central Asian region, thus bypassing Pakistan is a major concern. Nonetheless, Gwadar is in the interest of all the stakeholders in the region for economic development, peace and prosperity in the region.

The United States has lost on two major fronts, Iraq and Afghanistan and will maintain its presence in the region despite the withdrawal of forces next year. India, on the other hand is involved in the participation in the Chabahar port project — a move that would reinforce

New Delhi's strategic ties with Tehran and Kabul ahead of the 2014 "honorable" exit from Afghanistan by the U.S.

Gwadar also facilitates China in diversifying the existing routes of oil imports and is part of the steps it is undertaking to protect existing and newly emerging energy routes. Most of its crucial oil imports that fuel its burgeoning economy travel from the Middle East, Sudan and Angola, and across the Indian Ocean. For this, the fuel has to pass through the pirate-infested waters of the Malacca Strait; dominated by Indian and US navies. The only alternate is via the shipping lanes of the Strait of Taiwan, which plays host to a U.S. presence. Indeed, this is China's Malacca Dilemma. Gwadar Port would provide a third alternative. Crude oil can be shipped over land to Gwadar from the Gulf and CARs directly to Xinjiang. This would not only reduce freight costs and security, but would also significantly lessen the supply time. As a shipping hub, Gwadar holds the potential not only for fostering the establishment of shipping related industry but would also expand opportunities to explore Balochistan's enormous untapped reserves of natural resources. Thus, would give huge economic benefit to the region and the stakeholders.

Owing to US presence in Afghanistan and Indo-US strategic alliance, the security dynamics of the region cannot be analysed without a clear understanding of the key relationships that define it, i.e. the bilateral relationships between Pakistan, China, India and the United States. This set of bilateral relation and ties is a complex web of cooperation, suspicion, economic interdependence, and common or opposing geo-political and geo-strategic concerns, all interwoven so closely that progress or decline in one bilateral relationship has direct implications for the other ties.

Recently, on 22 May 2013, Pakistan and China signed 11 agreements, Memoranda of Understanding (MoU) and documents to strengthen and diversify cooperation in economy, science and technology, space and upper atmosphere communication and boundary management...The agreements also include those on economic and technical cooperation, boundary management system, Sino-Pak Border

Posts and their Management System, satellite navigation, and establishment of Confucius Institute at Karachi University".<sup>25</sup>

It has a constructive role in the socio-economic uplift of Balochistan and Pakistan. Gwadar deep sea port is one of the largest infrastructural projects in the history of Pakistan. It is not only a sea port at the mouth of Persian Gulf but a future commercial trade hub. Gwadar Port Project is going to transform the social, economic and political life of an ordinary Baloch. The regional and international players have their stakes, and the imminence of Sino-Pak relationship is contrary to their long-term objectives in the region. They will go all out to keep China away from any strategic project that does not serve their purpose, thus would create snag and inklings. Irrespective of impediments and irritants, the bases of Sino-Pak relations are strong enough to stand the test and trials of the contemporary challenges. Indeed, the all-weather nature of Sino-Pak relationship has the potential to convert challenges into opportunities.

## **Conclusion**

China is the one of the few countries in the world which has made optimal use of geography for its strategic advantage. It has established cordial relations with majority of its neighbours and regional countries based on common interests. This interdependence resulting from economic and security partnerships often claimed as a diplomatic and economic victory for China. The collaboration by China in Gwadar recently, resulted in the propaganda by the Indian and western media that, "China harbours the intention to build naval bases there". Indeed it was a resumption of the old jargon, 'String of Pearls concept' that China rejected times and again. It is indeed a concept jointly crafted by the Indian and the US strategist's way back in late 1990s and in near future, Gwadar acting as a regional trade corridor is a hard pill to swallow.

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<sup>25</sup> "Pakistan china sign Memoranda of Understanding", *Nation* (Islamabad), May 22, 2013, accessed on June 13, 2013, <http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/national/22-May-2013/pakistan-china-sign-11-mous>

China denies any military ambitions, claiming that it seeks a “harmonious ocean”.<sup>26</sup>

The strategically located Gwadar port is primarily meant for the economic and socio-political needs of Pakistan that would also provide an easy excess to China for the overland transportation of its energy resources from Gulf and Central Asia. Apart from this, Pakistan is the only country who has suffered the most, more than any other country due to the so called war on terror. The economy has suffered direct and indirect losses of billion of dollars and more than 50,000 plus casualties including civilians and military personals after the invasion of Afghanistan by the US and NATO forces. Despite the fact it is in the interest of Pakistan to take bold steps to sustain its deteriorating economy and to bring harmony and peace in the region, after more than a decade long war and chaos in its eastern borders. The concept of ‘string of pearls’ and the notion that Gwadar will become military post is based on propaganda. Chinese policy is based on the use of soft power approach and peaceful rise with economic cooperation and interdependence; a win-win situation for all.

The regional and international players have their stakes, and the imminence of Sino-Pak relations is contrary to their long-term objectives in the region. They will go all out to keep China away from any strategic project that does not serve their purpose, thus would create snag and inklings. Irrespective of impediments and irritants, the bases of Sino-Pak relations are strong enough to stand the test and trials of the contemporary challenges. Indeed, the all-weather nature of Sino-Pak relations has the potential to convert challenges into opportunities.

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<sup>26</sup> Martin W. Lewis, “Balochistan and a New “Great Game” in Central Asia?,” *Geocurrents*, May 20, 2011, accessed on June 29, 2013, <http://www.geocurrents.info/geopolitics/balochistan-and-a-new-great-game-in-central-asia>.

## GRAND STRATEGIC PEACE IN CHINA-INDIA-PAKISTAN TRIANGLE

NAVEED ANSAREE\*

### Abstract

*India, China and Pakistan are interlocked in a 'Strategic Triangle' of regional security paradigm. The three stake-holders have tremendous opportunities for furtherance of their national interests but also have a plethora of intertwined compulsions, vulnerabilities and fault-lines which in a way compel them to explore convergences in their grand strategies. The triangular relationship amongst the three qualifies the essential conditions as defined by the 'Triangular Relationship Theory'. The divergence and convergence of interests can make them find themselves in mutually hurting stalemate. The prospects of grand strategic stability and peace in this triangle rest on India's grand strategic option which is considered to be the core driver of the Asian security landscape. Pakistan and China will respond according to the resultant dynamics. The geo-political and geo-strategic environment is also creating space for manoeuvre and liberty of action for Russia to position itself favourably for the rediscovery of its lost global stature. However; Russia appears to be bogged down in the identity crisis of 'whether it belonged to Asia or Europe'; thus marring Russia's aims and objectives with ambiguity and uncertainty.*

**Key Words:** *Strategic triangle, triangular relationship theory, mutually hurting stalemate, regional security paradigm, national interest.*

**T**he triangular relationship amongst India, China and Pakistan almost qualify the three essential conditions as defined by the 'Triangular Relationship Theory'.<sup>1</sup>

**First Condition** is that all the three countries of the strategic triangle should be global or regional powers or key strategic players in their own right. Both China and India are the regional powers without any ambiguity. While Pakistan does not qualify to be a regional power in academic sense but certainly is a key strategic player of the regional security paradigm. Pakistan's strategic location in the Arabian sea; its relevance as a gateway to the Middle East, South Asia, China and the land-logged Central Asia; its potential to act as an energy grid or corridor from the Middle East and Central Asia as well as its status of being the only Islamic state with nuclear power status does make

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1 Liu Zongyi, "The China-India-US Relationship: Where it will Go?" Shanghai Institute for International Studies, 2011, accessed on May 21, 2012, [http://www.sis.org.cn/en/zhuant\\_view\\_en.aspx?id=10145](http://www.sis.org.cn/en/zhuant_view_en.aspx?id=10145).



Pakistan a key strategic player of the Asian security landscape in its own right.

**Second Condition** is that the growth of each party's national power should not only be different in magnitude and direction but also in perception of the respective national interests, particularly with regard to national security. China's rapid growth and rising political clout in the region causes worries to India. China does not want India to grow strong enough and threaten China's leadership role in Asia. Similarly, the security of Pakistan is so crucial to China for its energy-security that it could be ready to walk extra miles in enabling Pakistan to safeguard its territorial integrity but certainly there would be limits to Chinese support. Therefore, China has invested heavily in Pakistan to keep India embroiled in a proxy conflict, albeit at the cost of regional development. Similarly Pakistan wants to continue strengthening its strategic relationship with China so that it could mitigate its security challenges emanating from India.

**Third Condition** is that each state should have a different attitude and mindset towards the other state in terms of history, ideology, culture and political system. In this regard, China and India represent altogether different civilization and culture as well as different economic and political systems (i.e. communism Vs capitalism and single-party Vs democracy). Similarly Pakistan was carved out of the Indian subcontinent on the basis of 'Two Nation Theory'.

**Fourth Condition** is that each bilateral relationship should have direct, indirect, covert or overt consequences for the third state. As for India-China relations, the most important aspects are the border problem, China-Pakistan relations and the Dalai Lama issue. Therefore, China-Pakistan relations have strategic implications for India-China as well as India-Pakistan relations. Similarly, a rapprochement between India and Pakistan will impinge upon the strategic relevance of Pakistan to China. On the other hand a strategic accommodation of national aspirations and interests between China and India would have strategic implications for Pakistan.

Therefore, the triangular relationship amongst the three states is not only complex but projects a sixty-years old China-Pakistan nexus against India.<sup>2</sup> The nexus is expanding from strength to strength as elucidated by China's strategic co-operations with Pakistan in the field of conventional-military, nuclear and missile capabilities as well as from a host of strategic projects that China has undertaken in Pakistan, particularly the development of Gwadar port. The port is strategically located at the mouth of Arabian Gulf and world's energy life-line and

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2 Brahma Chellaney, "The China-India-Pakistan Triangle: Scenarios for the 21st Century," *Ceri Strategy Paper*, no. 8 (Paris: SciencesPo, September 17, 2010), 1-2, accessed on March 3, 2013, [http://www.sciencespo.fr/ceri/sites/sciencespo.fr.ceri/files/n8\\_17092010.pdf](http://www.sciencespo.fr/ceri/sites/sciencespo.fr.ceri/files/n8_17092010.pdf)

has immense significance in the calculus of China's energy security and trade. Therefore the security of Pakistan is crucial to China who may be willing to reverse any strategic ill-design against the state of Pakistan provided Pakistan keeps itself viable and strategically relevant to China.

### **Convergence of Interests in China-India-Pakistan Triangle**

In order to evaluate the prospects of Grand Strategic Peace in China-India-Pakistan Strategic Triangle, it is essential to focus on the convergence of interests, particularly between China and India-the two rivals for the leadership role in Asia. According to Mukul Sanwal, the difficulties between China and India reflect continuing attitudes rather than conflicting strategic goals; and the common interests between the two Asian giants outweigh their differences.<sup>3</sup> The geographical issues that have been defining the strategic orientation of the relationship so far are now fading away, and are incrementally shifting towards a cooperative and accommodative framework. In the emerging multipolar world, both China and India would have to find ways to accommodate each other, especially under the effect of three strategic shifts that are taking place in the contemporary global environment.

**First Strategic Shift** of power is happening from the U.S. to Asia as one of the driver of contemporary geopolitics. It is now up to India to collaborate with China and influence the future of Asia or be a strategic ally of the U.S.-NATO-Japan-Australia alliance to 'Contain China'.<sup>4</sup>

**Second Strategic Shift** is happening from the size of militaries to the growth of economies.<sup>5</sup> This shift is obviously on the Asian side of the calculus. Chinese and Indian economies are not only demonstrating an impressive growth but they are becoming more and more complimentary. China is now India's largest partner in terms of trade. Trade volume between China and India has increased from only US \$5 billion in 2002 to the tune of US \$75.5 billion in 2011-12 and with an intended expansion to a figure of \$100 billion by the year 2015.<sup>6</sup> Although there is a large difference between the Chinese and Indian economies but with an estimated addition of 110 million in India's work-force by the year 2020 as compared to only 20 million in China, (due to aging population) the growth of Indian economy could get closer to that of China's thus making the two as peers rather than rivals.

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3 Mukul Sanwal, "The India-versus-China Debate: Asian Giants' Common Interests Outweigh Differences," *The Economic Times* (Indianapolis-USA), February 17, 2012, accessed on May 21, 2012, <http://www.defence.pk/forums/indian-defence/159695-india-versus-china-debate-asian-giants-common-interests-outweigh-diff.html>

4 Ibid.

5 Ibid.

6 "China's Defence Minister visits India," *Daily Times* (Islamabad), September 3, 2012.

The drivers of the peer relationship would also be shaped by water and energy for which both China and India would feel compelled to develop a joint strategic doctrine to secure their energy supplies through the Indian Ocean, develop a common approach to establish an Asian oil, gas and transportation grid rather than construing encirclement or containment of each other.<sup>7</sup> Similarly, Tibet which was a barrier to a region and kept the Chinese and Indian civilization apart for thousands of the years is now linking China and India together.<sup>8</sup> According to George Yeo, "Tibet is a part of a much larger Asian drama that is changing the world; Tibet is both an opportunity and an issue; the economic opportunity is obvious. Today, there are good roads connecting Tibet to Xinjiang, Qinghai, Sichuan and Yunnan".<sup>9</sup>

**Third Strategic Shift** is about closer understanding, enhanced coordination and joint efforts that India and China have demonstrated at several international forums in order to seek reforms in global rules applicable to climate change, finance and trade; thus displaying a shared-vision for the global issues and to an extent for a multi-polar order.<sup>10</sup>

There are many areas in the triangular relationship where convergence of interest exists but statesmanship is needed for their realization. Pakistan could provide India a land access to Afghanistan and Central Asia and open up vast and untapped opportunities India had long-dreamed. Pakistan could also act as an energy-corridor for the energy-starved India, China and beyond. Indian economy is facing economic stagnation since 2008 and efforts to bring in Foreign Direct Investments have made no headway. Chinese Foreign Direct Investment could be an answer.

Similarly, China has built 770 Km long railway network in Tibet; connecting Lhasa to Nepal, and plans to extend it to the mountain pass of Nathu La at the Tibetan border with India.<sup>11</sup> India could offer China a secure transit route through an Indian port in Karnatka, Gujrat or West Bengal; from where Chinese cargo could be transported to mainland China through Nathu La or Nepal or from Jammu & Kashmir.<sup>12</sup> Pakistan could also link its rail-road infrastructure with the said corridor. Therefore, China, India and Pakistan would have to demonstrate

7 Ibid., Mukul Sanwal, "The India-versus-China Debate: Asian Giants' Common Interests Outweigh Differences,".

8 George Yeo, "Between China and India: Is Tibet the Wedge or Link?" *Yale Global* (New Heaven: Centre for Study of Globalization, September 8, 2009).

9 Ibid.

10 Sanwal.

11 Ritvij Parikh, "India and China can do the Unthinkable," *Asia Times* (Hong Kong), April 20, 2012.

12 Ibid.

statesmanship for the uninterrupted growth and development and realize their aspirations.

### **Pakistan, India and China in a Mutually Hurting Stalemate**

The questions; whether the discords amongst India, Pakistan and China have reached a state of 'Mutually Hurting Stalemate' (MHS), and how could they crawl out of the MHS, are important to be addressed before exploring various strategic options for achieving Grand Strategic Peace. If the 'Ripeness Theory' and the MHS concept are applied to China-India-Pakistan Strategic triangle, the short answer is a 'resounding yes'. The concept of a ripe-moment is tightly coupled and would rest on the perception of Mutually Hurting Stalemate.<sup>13</sup> Zartman, advocating the 'Ripeness theory' says;

*Parties resolve their conflict only when they are ready to do so – when alternative, usually unilateral means of achieving a satisfactory result are blocked and the parties feel that they are in an uncomfortable and costly predicament. At that moment they grab on to proposals that usually have been in the air for a long time and that only now appear attractive.*<sup>14</sup>

In the case of India and Pakistan, Mutually Hurting Stalemate is evident from: four wars (1948-1971), nuclearization-event (1998), Kargil crisis (1999), eye ball to eye ball military stand-off (2001-2002) for almost one year;<sup>15</sup> and also from the freedom struggle that is continuing in Indian Held Kashmir for the last many decades despite Indian high handedness and extreme repressive measures. India finds itself belittled when it gets hyphenated or bracketed with Pakistan. Such hyphenation severely curtails India's liberty of action and space for exploiting its full power potential in the comity of nations and global affairs. India and Pakistan probably have realized that a military solution is not a doable option for the resolution of Kashmir, water, Siachen and Sir Creek disputes and other issues that are haunting the two nuclear states. Adding national, regional and global aspirations to the equation; the two rivals find themselves in a black-hole of the Mutually Hurting Stalemate (MHS).

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13 William Zartman, "Ripeness: The Hurting Stalemate and Beyond," in *International Conflict Resolution after the Cold War*, ed. Paul C. Stern & Daniel Druckman (Washington: National Academy Press, 2000), 228-243.

14 "Timing of Peace Initiative: Hurting Stalemate and Ripe Moments," *The Global Review of Ethno-Politics*, vol., no. 1, (September 2001): 8.

15 Rajesh M. Basrur and Stephen Philip Cohen, "Bombs in Search of a Mission: India's Uncertain Nuclear Future," in Michael R. Chambers, ed., *South Asia in 2020: Future Strategic Balances and Alliances*, (Pennsylvania: Strategic Studies Institute, 2002), 128.

Similarly, both China and India are somewhere on the spectrum of an MHS which is evident from: China-India War (1962); a host of mutual vulnerabilities including energy, water and sea lines of communication, India's inaccessibility to Central Asia through Southern Tibet, need for Chinese Direct Investment in stagnated Indian economy; and above all heartburns against each other's grand strategic postures i.e. 'Containment of China vs. Encirclement of India' etc. Therefore the said predicaments and the cost of lost- opportunities have intertwined China-India and Pakistan in a vicious circle of the Mutually Hurting Stalemate.

Would China like India to become a genuine strategic partner of the U.S.-Vietnam-Japan-Australia alliance? 'No'. Would India like China to keep India bogged down in a proxy-confrontation and hyphenated with Pakistan in the calculus of Asian Security? 'No'. Would Pakistan like to keep playing the China-card and remain strangled in confrontation with India when it is being torn apart with the daunting challenges, such as: extremism, terrorism, dysfunctional society, deep-rooted poverty, collapsing economy; and to top it all- food, water and energy insecurities? Certainly the answer is a 'resounding No'. As the three states are nuclear powers as well as geographical neighbours, therefore no party alone can afford to settle its disputes with other with application of decisive force. The time is ripe for the three states to mitigate the mutual insecurities and vulnerabilities and seize the dawning opportunities that are promising a prosperous future for them as well as for the entire Asian region and its proximities. Grand Strategic Peace in China-India-Pakistan is not only achievable but is a win-win scenario for all the stake-holders.

## **Resurgence of Russia and Impact on Asian Security**

The geo-political and geo-strategic environment is incrementally creating space for manoeuvre and liberty of action for Russia to position itself favourably for the rediscovery of its lost global stature. However; Russia appears to be bogged down in the identity crisis of 'whether it belonged to Asia or Europe'; thus marring Russia's aims and objectives with ambiguity and uncertainty.

Recently, Russian President skipped G-8 Summit in Camp David, and also launched Russia's 'Pivot to Asia' strategy from the economic forum of 20th APEC Meeting held in September, 2012 in Vladivostok.<sup>16</sup> Russian President Vladimir Putin had only a customary meeting with U.S. Secretary of State who was representing the 'empty-chair of President Obama' but held 'full-fledged contacts' with the leaders of

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16 Yu Bin, "A Tale of Two Pivots to Asia Pacific," *Dawn* (Karachi), September 16, 2012. Vladivostok is a Far Eastern Russian city of underdeveloped Siberia. Russia spent US \$ 21 billion (\$ 6 billion more than the London Olympics-2012) to uplift Vladivostok for Meeting.

China, Japan, New Zealand, Canada, Peru, Malaysia, Brunei, Thailand, Indonesia, South Korea and IMF etc.; thus sending multitude of messages to the region.<sup>17</sup>

Russia and China both seem to have been closely coordinating their geo-political manoeuvres and diplomatic efforts in limiting the liberty of action of the U.S. camp; particularly in the Middle East. Russia and China jointly-vetoed a resolution on Syrian situation and flexed muscles at the Western powers in a SCO summit; sending a political message of an unequivocal 'No' to the bombing of Iran and an unambiguous 'No' to a regime-change in Syria through a Western style bombing.<sup>18</sup> Russia had recently asked USAID to leave Russia by October 1, 2012 after accusing them of meddling in Russian domestic politics.<sup>19</sup> Similarly, Uzbekistan Upper House has passed a bill on August 30, 2012 banning foreign military bases in Uzbekistan; thus creating serious difficulties for the U.S to find replacement of Manas Air Base in Kyrgyzstan which is due to close in 2014.<sup>20</sup> Passing of the Bill on foreign military bases speaks clearly of the Russian political leverages it still exercises in Central Asia as well as the growing Chinese influence.

There has been an unprecedented exchange of high-level visits between Russia and Pakistan. Commander-in-Chief of the Russian Ground Forces Colonel General Alexander Postnikov visited Pakistan in May 2011-a first ever visit by a senior Russian military commander to Pakistan in many years.<sup>21</sup> Pakistan's Chief of Army Staff General Ashfaq Pervaiz Kayani also visited Russia from 4-7 October 2012- a first ever visit by the Pakistan Army Chief in decades where he also met the Russian President Putin.<sup>22</sup> President Putin was also scheduled to attend a quadrilateral summit of Russia, Tajikistan, Pakistan and Afghanistan in Islamabad on 2-3 October 2012 but the same was called off and is now being rescheduled.<sup>23</sup> It appears that some 'mutual-mistrust' does exist at the strategic level which needs to be addressed before Pakistan and Russia could get into any form of strategic partnership. Putin's visit, if and when materialized, would be the first visit of any Russian top leadership since Pakistan got independence in 1947.

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17 Ibid.

18 Brendan O' Reilly, "China and Russia Flex Muscle at the West," *Daily Times* (Karachi/Islamabad), June 7, 2012.

19 AFP, "Russia Expelled USAID for Political Meddling," *Dawn* (Karachi), September 20, 2012.

20 Abdujalil Abdurasulov, "Why did Uzbekistan Ban Foreign Military Bases?" *Daily Times* (Islamabad/Karachi), September 3, 2012.

21 Ibid.

22 Wasim Iqbal and Ali Hassan, "Kayani Arrives in Moscow," *Business Recorder* (Karachi), October 4, 2012. Details of the discussions between the two leaders are not known.

23 Ibid.

There are some serious implications of Pakistan's strategic relations with Russia. Russia's role in the contemporary geo-politics appears to be a bit dubious and requires a caution from the 'Hug from the Russian Bear'.<sup>24</sup> The outcome of Cold War that culminated in the demise of former Soviet Union was decisively sealed in favour of the U.S. camp once Pakistan facilitated opening of 'China-Gate' to the U.S. The Grand Strategic balance got tilted decisively against the former Soviet Union. Pakistan's role in Afghanistan War turned out to be the last nail in USSR coffin. Russia has been allegedly found to be providing vital intelligence support to the U.S. in reviving the dormant Baluchistan Liberation Army (BLA) as well as supporting some of the militants groups operating in Pakistan. So Pakistan has to carefully read strategic direction of the Russian initiatives in the region, particularly after the drawdown of U.S.-NATO troops from Afghanistan.

Similarly, China would also have to correctly read Russia's move in the Asia-Pacific, particularly in relation to Japan. Russian collaboration with the U.S. and invitation to NATO for the extension of its stay in Afghanistan; Gazprom collaboration with Vietnam for the oil and gas exploration in South China Sea despite Chinese protests; preference to Japan over China for linking the Siberian oil fields with the Japanese port of Nakhodna;<sup>25</sup> and above all Russia's inclination for the 'voluntary transfer' of Kuril Islands to Japan as well as seeking Japanese investments in joint economic ventures in Eastern Siberia and South Kuril Islands etc. are some of the indicators calling for a caution while forging strategic partnership with Russia.<sup>26</sup>

Therefore, Russia could become a valuable strategic partner and a stake holder of 'Grand Strategic Peace' in China-India-Pakistan triangle, adding her clout to the Asian security calculus particularly in terms of strategic parity and retribution; which could be a win-win proposition for the region. Nevertheless, Russia would have to set aside its burden of history and feel contended with a shared-leadership position in the emerging new global order, and wait for the next rung of geo-politics to dawn new strategic opportunities for Russia.

Russian partnership could help shifting the global leadership towards Asia with a set of new centres of powers. In a cooperative relationship, Russia could be given access to warm waters through

24 MK Bhadrakumar, "Pakistan Gets a Cuddle and a Hug," *Daily Times* (Karachi), June 2, 2012.

25 "China Japan Rival Giants: Economic Competition," *BBC News* (Online), accessed on September 16, 2012, [http://news.bbc.co.uk/2/shared/spl/hi/asia\\_pac/05/china\\_japan/html/economic\\_competition.stm](http://news.bbc.co.uk/2/shared/spl/hi/asia_pac/05/china_japan/html/economic_competition.stm)

26 Victor Sukovitsyn, "What Makes Japan Cling to Russia's Kuril Islands?" *English Pravda* (Moscow), January 26, 2012, accessed on September 16, 2012, [http://english.pravda.ru/world/asia/26-01-2012/120335-japan\\_russia\\_kuril\\_islands-0/#](http://english.pravda.ru/world/asia/26-01-2012/120335-japan_russia_kuril_islands-0/#)

Afghanistan and Pakistan and major stakes in the energy-grid of the Caspian Sea and Middle East, particularly in the construction of Iran-Pakistan-India (IPI) and Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipelines and other giant projects. As Russia has been India's strategic partner and a major supplier of defence equipment, it could limit India's strategic leaning towards the U.S. and modify India's behaviour towards grand strategic peace in the region. Therefore the contemporary geo-economics and geo-politics are expected to accentuate the MHS in India-China-Pakistan triangle and create additional space for the three states to transform their relations into 'Grand Strategic Peace.'

### **India's Grand Strategic Options towards Pakistan and China**

The prospects of grand strategic stability and peace in India-China-Pakistan triangle rest on India's grand strategic option which is considered to be the core driver of the Asian security landscape. Pakistan and China will respond according to the resultant dynamics. India has following six grand strategic options for furtherance of its core interests in relation to Pakistan and China.

#### **Option-I: Strategic Confrontation with Pakistan and Competition with China**

Strategic Confrontation with Pakistan and Competition is more or less a 'Status Quo' option which implies that India would follow offensive and aggressive policies to settle its disputes with Pakistan; and struggle for fair competition with China in terms of economic growth, regional leadership and a compatible stature in the comity of nations. This option depicts the scenario of the yesteryears wherein both India and Pakistan fought four wars, endured a number of military stand-offs and are still engaged in proxy-wars in the form of insurgencies, subversion, coercions, intimidation and containment etc. If India continues to follow the same policy option, the future of South Asia will remain hostage to politics, short term situational gains and losses at the cost of one another; consequently strangulating the socio-economic development of South Asia. Nevertheless, such option does offer China significant advantage as it ties down a part of Indian resources and energies towards strategic confrontation with Pakistan. The option also extends substantial freedom of action to extra regional players for furthering their interests in the region.

Nevertheless, the option of strategic confrontation not only hyphenates India with Pakistan rather it impinges upon Indian national image, especially when India is unable to unleash its military prowess against Pakistan to settle disputes or further its national objectives. Certainly, India realizes its socio-economic and political fault lines as well as credibility of Pakistan's nuclear deterrence. Despite Indian blame-game and offensive diplomacy against Pakistan over a number of



terrorist attacks, India failed to militarily coerce or dissuade Pakistan from pursuing its stance on Kashmir and other issues. It would be imprudent for India to follow an approach of 'one-step-forward and two-steps-back.'

With regard to China, India could continue to compete but would not be able to exploit its full potential especially when it (India) was to remain bogged down in strategic confrontation with Pakistan. Therefore, this option is discarded on the ground that sanity would prevail in India and Pakistan and the forces of change would finally drive the two countries to overcome the status quo. The ongoing 'India-Pakistan Composite Dialogue' gives some credence to such optimism.

### **Option-II: Strategic Confrontation with Pakistan and China**

Strategic Confrontation with Pakistan and China is a dangerous and suicidal option for India as it implies a two front conflict scenario. India could ill-afford to get into confrontation with China and Pakistan at the same time. Even in case of Pakistan, the nuclear factor has changed the fundamental parameters and dynamics of conventional deterrence and diplomacy which were to India's exclusive advantage in the 1990s. Restoration of strategic balance and nuclear parity makes it impracticable for India to contemplate any confrontationist scenario with Pakistan. Certainly in case of China it would be imprudent for India to get into any overt or covert strategic confrontation. While such grand-strategic course could impinge heavily on China's peaceful rise, endanger Pakistan's survival as a state but would amount to India committing strategic suicide or a self-destruct course. Moreover the South Asian countries, such as Bangladesh and Sri Lanka now have a strategic leaning and cooperation with China. Therefore; the option is discarded for being too unrealistic.

### **Option-III: Strategic-Peace with Pakistan and Containment of China**

The option of 'Strategic Peace with Pakistan and Containment of China' seems to be a kind of strategic brinkmanship. The option implies that while India would be looking forward to the peaceful resolution of its disputes with Pakistan; but with regard to China India could become a strategic partner of U.S.'s 'Contain China' policy. Conceptually, the option appears to be workable as it resolves disputes between India and Pakistan and de-links Pakistan from China to the advantage of India. It provides the desired freedom of action to the U.S. and other regional players in the 'Containment of China' and management of a range of global security concerns. The option reinforces India-Japan-South Korea-Australia security nexus and has the potential to also draw Russia; thus shaping a kind of 'Strategic Encirclement' of China.

However; the option being a strategic brinkmanship on the part of India could unnerve China, make the region a theatre of conflict and

push the region into greater instability and uncertainty. Despite having peace with India, Pakistan could never contemplate becoming a part of the anti-China design or 'Strategic Encirclement'. Therefore, peace with India may not last long and the grand strategic dynamics could draw both India and Pakistan towards the old paradigm of conflict. China and India had gone into war in 1962. The threat of 'Strategic Encirclement' could force China to go for 'a preventive war' with India. Therefore; the option is discarded on the ground of being dangerous and fraught with a host of unintended consequences.

#### **Option-IV: Strategic-Peace with Pakistan and Competition with China**

The option of 'Strategic Peace with Pakistan and Competition with China' is a doable option but requires from India incisive statesmanship for its full manifestation. The option implies that India would be looking forward to settle its disputes and promote genuine peace in South Asia and willing to conclude a Non Aggression Pact with Pakistan. However, India would continue competing China in terms of economic growth, regional leadership and global stature in the comity of nations. It would avoid becoming a strategic ally or a pillar of U.S.'s 'Contain China' policy.

The option provides convergence of interests between India and Pakistan and weakens the strategic linkage between Pakistan and China's paradigms of grand strategies to the advantage of India. It does provide reasonable freedom of action to the U.S. and other regional players to remain relevant to the Asia-Pacific region for furtherance of their interests and management of security and economic concerns.

However, India would have to redefine and live with a new vision of 'Indian Strategic Unity and Political Autonomy' as well as genuinely accommodate Pakistan in its paradigm of grand strategy and ensure that Pakistan felt strong in all dimensions of national power. Under such circumstances Pakistan's strategic leaning towards China would gradually mutate into secondary consideration. However, India would not be able to attract fast-track economic, military and technological support from the U.S. and the West, and would have to remain contended with a medium pace of growth and development in the short-term. Nevertheless, in the long-run such option could enable India to become self-made, self-confident and self-reliant in several elements of national power.

The prospects of adoption of such option by India are not very promising when viewed in the context of chequered-relationship, national psyche and burden of history that India could find difficult to shed. Expectation of incisive statesmanship from India could turn out to be merely a wishful thinking.

### **Option-V: Grand Strategic-Peace with Pakistan and China**

The option of Grand Strategic Peace with Pakistan and China is a futuristic option based on optimism. The option implies that India, China and Pakistan would finally move towards amicable resolution of disputes, staying away from security alliances against each other, accommodating each other's core interests in an equitable manner, respecting the principle of sovereignty and equality, and above all building up a mutually beneficial economic relationship in true letter and spirit for the fulfilment of respective national aspirations and well being of their people.

The option, if materialized, is a win-win situation for all the stake holders of the triangle. It offers maximisation of one's national power, and full exploitation of the resources and markets of the triangle and neighbouring regions. In short to medium term (15-20 years), such option temporarily impinges on Indian ambition of regional leadership and tilts the balance of power in favour of China, which India can easily write-off as 'opportunity cost' and trade off for Indian faster political integration, economic growth and relative peace in the Indian subcontinent. In the long run (after 20-25 years) India stands to gain substantially by virtue of its superiority in grand strategic orientation, demographic advantage and geographic ascendancy over China. Therefore, in the long-run, India could bridge the gap with China and secure a higher stature in the regional and global order.

By muting regional security dilemma for an uninterrupted long-period, India could also create conditions for the notion of 'South Asian Union' and on an optimistic note favourably shape the dynamics for the creation of a confederation of the 'United States of South Asia'. Sooner or later, India would recognise the window of opportunity extending her grand strategic advantages in the region; thus alluring her to align her national/ regional policies towards Grand Peace.

Grand Strategic Peace in India-China-Pakistan triangle could also be an overstatement. The option requires the political leadership in India to set aside the notion of 'Indian Manifest Destiny', regional hegemony, moral realism and strategic [political] autonomy for the Indian subcontinent.<sup>27</sup> India would have to exercise greater resilience, resolve and patience. It would have to change its politico-military behaviour which had been partly 'Clausewitzian' or 'Chanakian'; employing suzerainty, assassinations and intelligence operations as a part of state policy.<sup>28</sup> Similarly, the option also requires the leadership in Pakistan to finally settle the crisis of identity, societal dysfunction, collapsing economy and above all militancy and religious extremism.

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27 Manjeet Singh, "Deducing India's Grand Strategy of Regional Hegemony from Historical and Conceptual Perspectives," Working Paper No. 76 (Singapore: Institute of Defence & Strategic Studies, 2005), 47-49.

28 Ibid.

China will have to give confidence to India that China was genuinely interested in a cooperative framework for the shared-leadership of the region and also China's rise will be peaceful and incur no cost to India.

The option presents a 'wild card scenario' that could generate debilitating effects for U.S. and its New Great Game. The resultant dynamics could be tectonic with a potential to have a major impact on global balance of power. Therefore 'Road to Grand Strategic Peace' is expected to be rather long, thorny and laborious with periods of ups and downs. In the face of rival strategies, dialectics of opposing wills and compulsions of contemporary geo-politics the triangular relationship would have to first stage through an intermediary option of 'Crafted Peace for Pakistan and Subtle Containment of China'.

### **Option-VI: Crafted-Peace for Pakistan & Subtle-Containment of China**

Crafted Peace for Pakistan and Subtle Containment of China is an option that India seemed to have adopted since 9/11 incident, and would continue to follow for next few years. Overtly, India had been projecting its option in a framework of Grand Strategic Peace but in real terms it has been a Crafted-Peace for Pakistan. Such orientation enabled India to remain a key ally in the calculus of U.S.-China rivalry and Pivot to Asia Strategy; and attract technological and military support from the West.

The option of 'Crafted- Peace' was also evident from the policies India followed in Afghanistan and from the investment it has made in Afghanistan; unfortunately against the core interests of Pakistan. India has been training and building the capacity of Afghan National Army and opened several Consulates in Afghanistan situated close to Pakistan-Afghanistan border. Indian intelligence agency RAW along with other had been suspected of massively funding, providing modern weapons and equipment as well as intelligence and training to several miscreant and militants groups who have unleashed a reign of terror across Pakistan.<sup>29</sup> These agencies have also been supporting anti-Pakistan groups working for the separation of Baluchistan.<sup>30</sup>

India's initial joining of Iran-Pakistan-India gas pipeline project, then foot-dragging for years and finally opting out of the project is a clear signpost of Indian craftiness. There is growing perception that India is only interested in the growth of economic and friendly exchanges and is least interested in the resolution of the major issues as evident from the outcome of Composite Dialogue between India and Pakistan.<sup>31</sup>

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29 Sajjad Shaukat, "Afghan War will Shift to India," *Pak Observer* (Islamabad), July 7, 2011.

30 Ibid.

31 Kamal Yousaf, "Composite Dialogue: India, Pakistan to Review Peace Progress in July," *Express Tribune* (Karachi), June 15, 2012.

The option of 'Crafted Peace' also explains the suspected India's tacit understanding with U.S over the agenda of internal implosion or dismemberment of Pakistan.<sup>32</sup> This implosion was and is being funded, fuelled, abetted and triggered by accentuating ethnic, sectarian and linguistic fault-lines. The statement of Chuck Hagel, U.S. Defence Secretary bears testimony that India was behind the internal security mess created in Pakistan.<sup>33</sup>

The option of 'Crafted Peace' did serve the U.S. and Indian strategies of the last decade as it almost kept Pakistan shackled in a uneasy relationship with the U.S and India which extended them the needed space, flexibility and freedom of action to accentuate the socio-economic and political fault-lines in Pakistan. Such nexus had seriously limited Pakistan's response option to the fire-fighting, controlling militancy and undertaking half-hearted counter-terror operations within Pakistan; albeit with a semblance of apparent success and severe blow-backs. Under such constraints, Pakistan could not afford meddling in Kashmir freedom movement or extend any meaningful support to the separatist movements and insurgencies being waged in India. Pakistani intelligence agencies and Jihadist groups could also ill-afford facing yet another allegation of terrorist attack inside India or Afghanistan, like that of Mumbai-attack.

Similarly, the last decade has also witnessed a double-faceted U.S. policy of Drone-attacks in the tribal areas of Pakistan. The crafty policy also smelled a nexus with India and ill-design for the implosion of Pakistan. Despite the availability of timely and accurate intelligence from Pakistan, U.S. displayed half-hearted interest in striking anti-Pakistan militants, whereas; U.S. went trigger-happy while striking the militants suspected to be sympathetic to Pakistan that too with little regard for collateral damages and civilian casualties. The drone policy alienated the people and turned Pakistan's tribal areas into the nurseries for would-be-the-militants and suicide bombers. Under such precarious security threat, Pakistan could not afford any overt confrontation with India or with the U.S. as it could have provided the pretext for a three-front war on Pakistan; i.e. Indian threat from the East, U.S-NATO threat from the West and also from the sea in the South; and above all, the terrorist threat on the internal front.

On a positive note, the option of 'Crafted Peace' with Pakistan was also a reflection of Indian apprehension of 'what if U.S. and NATO left Afghanistan in disarray or failed in separating Balochistan from Pakistan. India knew it full well that the insurgency or a separatist movement in one country usually have devastating effects on the neighbouring countries as seen in the cases, such as: civil wars of

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32 Ibid.

33 Shubhajit Roy, "India Financed Pak's Problems in Afghanistan: Chuck Hagel," *Indian Express* (New Delhi), March 2, 2013.

Balkans, Yugoslavia, Somalia, Sudan, Darfur; and recent uprising in Tunis, Egypt, Libya and Syria. India is extremely vulnerable to such instability as it is a nation of minorities where ruling-elite have been dividing the people into small groups for centuries on the basis of class system etc.<sup>34</sup> India could not stay insulated from the fall-out of the implosion/ dismemberment of Pakistan and the war with Taliban and Al-Qaida could have shift to India as well. India's apprehension gets validated when seen in the context of on-going dialogue between Taliban and U.S-NATO camp that too with the sponsorship from Pakistan. The initiative implies the acceptance of Pakistan's interests and future role in Afghanistan after the drawdown of U.S.-NATO troops in 2013-14.

With regard to China, India has been following the option of 'Subtle-Containment' in the last decade and also acting as a 'Swing-State' hoping to attract fast track technological and military support from the West and also benefit from China. It must be kept in mind that India's capacity is not only limited to meet the U.S. expectations in Asia pacific but India can ill-afford to upset China by becoming a strategic partner of America's new game-plan for Asia; especially when there is a great danger of failure of U.S.'s 'Pivot to Asia' strategy.<sup>35</sup> Additionally, India's strategic relations with Russia and intent to join SCO as a full member would continue to modulate India's grand strategic behavior in favour of Grand Strategic Peace.

## Conclusion

India, China and Pakistan are interlocked in a 'Strategic Triangle' of regional security paradigm. Mutual compulsions, vulnerabilities and fault-lines states compel the three states to explore convergences in their grand strategies and finally accept the mutual need of 'Grand Strategic Peace', and to transform their relations into cooperation or competition rather than depleting their resources in a futile race for regional dominance, proxy confrontation or containment. The onus of first-move towards 'Grand Strategic Peace' rests on India's Grand Strategic Option which is considered to be the core driver of the Asian security paradigm.

The theatre of next would-be-the-global-conflict is getting shaped in Asia and the adjoining regions. Destructive strategies and associated lines of operations of the extra-regional players have not only accentuated the existing fault-lines in Asian region but have created new ones in a span of few decades. India with its too many

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34 Meghnad Desai, "India-a Nation of Minorities", *Daily Times* (Islamabad/Karachi), September 3, 2012.

35 Christopher Clary, "Will India Ever Be America's Partner?: Ten Big Things Washington is Still Waiting on from New Delhi", *Foreign Policy*, (Washington), June 14, 2012.

fault-lines could ill-afford to become a strategic partner of the U.S.-NATO's New Great Game or a pillar of "Pivot to Asia" strategy. By muting the regional security dilemma over a long period and making full use of the advantages India has over China in terms of demography, geography and superiority in strategic orientation, India could bridge the growth-gap with China and secure a rightful place in comity of nations.

India has a number of grand strategic options for furtherance of its national interests in relation to Pakistan and China. Despite crafty tactics, India still seems to be alive to the need of 'Strategic Peace with Pakistan and China'. It will be even truer after the drawdown of U.S.-NATO troops and likely accommodation of Pakistan's interests in Afghanistan; albeit causing some heartburn in India. However, if India continues with the status quo option, the future of South Asia will remain hostage to politics, short term situational gains and losses at the cost of one another; consequently strangulating the socio-economic development of South Asia.

Hopefully, prudence and statesmanship would eventually prevail and the three states would find no plausible option but to move towards long-term peace. The 'Strategic Economic Triangle' if formed, has the potential to attract South East Asia as its economic gateway as well as extend Triangle's sphere of influence to Central Asia, Middle East and beyond. The Triangle may also encourage Russia as a key partner and benefit from Russia's security umbrella for strategic parity or balance of power in the dialectics of opposing wills and dynamics. In the process, Russia may also find a window of opportunity to rediscover its lost global status. The 'Grand Strategic Peace', if and when achieved, could roll the ball for a new balance of power and global order.

## GRANTING MFN STATUS TO INDIA BY PAKISTAN PROSPECTS OF LIBERALIZATION OF BILATERAL TRADE

MUHAMMAD HANIF\*

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### Abstract

*Pakistan government's recent announcement that it had decided to grant MFN status to India which has yet to take place has received mixed response from think tanks, stakeholders and members of civil society. Those who favour the according of MFN status to India, are of the opinion that a quick way of revival of Pakistan's economy is to enhance its economic growth rate by increasing its trade with India, a close neighbour and a large market. Those who are skeptical about enhancing trade with India say that liberalization of mutual trade will enable Indian goods to flood Pakistani market and severely damage less competitive segments of its industry. On the other hand, Pakistani exports to India will continue to suffer due to its heavy tariff and non-tariff trade barriers. There are also apprehensions about the success of bilateral trade process due to India's inflexible policy on resolving bilateral disputes. Under this scenario, this paper discusses the potential and prospects of enlarging Pak-India trade after granting MFN status to India. Looking through past experience of trade with India and its very restrictive trade regime the paper focuses on likely impact of MFN on Pak-India trade. The paper also examines the possibility of sustaining the mutual trade process in the light of tensions on outstanding disputes. Finally the paper concludes by offering recommendations for making bilateral trade a win-win situation.*

**Key Words:** MFN, Bilateral Trade, Non-tariff, Trade barrier

### Introduction

Pakistan needs to enhance its economic growth to address its current and lingering challenges of budget deficit, heavy debt burden, rising inflation, trade imbalance, energy crises and unemployment. Similarly, attracting foreign direct investments (FDIs) and remittances from the Pakistani Diaspora could be of greater help for addressing energy shortages, increasing Pakistan's foreign exchange reserves and caring for other economic

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and development issues. In this context, increasing trade and joint economic ventures with immediate neighbours, like India and other regional countries and with other states can prove to be beneficial for enhancing and sustaining economic growth. Currently Pakistan's share of global trade is only 0.14 percent. Even a 0.5 share in the global export market implies that its exports could rise from the current \$ 25 billion to 60 billion creating millions of jobs.<sup>1</sup> In this regard, enhancing trade with India, being nearer and a major market, is being considered by the functionaries of Pakistan government an attractive opportunity for increasing Pakistan's economic growth. It is being appreciated that as close neighbours, both Pakistan and India would enjoy lesser transportation cost and time for trade to earn mutual benefits. Apart from this, trade volumes will also increase because of acceptance of goods on both sides due to common cultural traits and similar tastes. Also, due to increased demand of Pakistani goods in India's large market, Pakistan's industry will be able to achieve economy of scale benefits in production. Analysts believe that advancement of mutual trade can bring another major advantage to Pakistan and India in a way of improving bilateral relations which can largely help in enlarging trade within the SAARC region by facilitating quick implementation of South Asian Free Trade Area (SAFTA). Not only that, meaningful progress in Pak-India trade relations can further benefit both countries and other SAARC states by opening up the mineral and energy resources of Afghanistan, Iran and Central Asian states in the west and energy reserves of Nepal, Bhutan and Myanmar in the east. Good trade relations between Pakistan and India can also create better environment for resolution of outstanding bilateral disputes.

In the past, due to lingering bilateral tensions because of 1965 War over Kashmir and 1971 Indian aggression which dismembered Pakistan, the required level of mutual trust could not develop between Pakistan and India. Nonetheless, composite bilateral dialogue was initiated in 2004; agreement for ceasefire across LOC materialized and Wagha-Attari and Srinagar-Muzaffarabad land routes were opened up for trade and visit. Ironically, volume of official trade between Pakistan and India still has remained quite low. Number of reasons which mainly include: 1) a long negative list of trade items being maintained by both the countries under SAFTA, 2) infrastructural and procedural problems on the borders, and 3) imposition of heavy tariff and non-tariff barriers by India and tensions on borders due to Kashmir issue. In this realm, main

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<sup>1</sup> Ishrat Husain, "Prospects and Challenges for Increasing India-Pakistan Trade," Atlantic Council, November 2011, 1, accessed on January 5, 2013, [http://ishrathusain.iba.edu.pk/speeches/New/Atlantic\\_Council\\_Issue\\_brief\\_IndiaPakistanTrade.pdf](http://ishrathusain.iba.edu.pk/speeches/New/Atlantic_Council_Issue_brief_IndiaPakistanTrade.pdf)

hindrance in the way of healthy Pak-India economic relations is India's heavy non-tariff trade barriers, though India had granted MFN status to Pakistan in 1996. However, due to such restrictive conditions unofficial/illegal trade through smuggling and via other countries such as Dubai, Singapore and Thailand continues to happen.

To liberalize trade with India, after resumption of composite dialogue, as a consequence of long parleys held with India during 2011-2012, Pakistan government decided in principle to grant MFN status to India. In this context Pakistan's cabinet has already approved Commerce Ministry's proposal to grant MFN status to India. Although, except Pakistani business community and two main political parties who have largely favoured government decision of granting MFN to India, other opinion makers in Pakistan such as some economists, think tanks, industrialists, members of civil society and Ministry of Industries have shown mixed reaction to the decision.<sup>2</sup>

The MFN status implies that as members of World Trade Organization (WTO) both countries are obliged to adopt nondiscrimination principles of MFN which require each WTO member to extend similar trade concessions to all other members.<sup>3</sup> In this context, granting of MFN status by Pakistan to India would mean that restrictions on imports from India would have to be eliminated and same tariff rates would apply to Indian imports as are imposed by Pakistan to imports from other countries.<sup>4</sup> In this context WTO rules also allow members to impose safeguards restricting imports in case of serious injury to domestic manufacturing industry due to trading under MFN obligations.<sup>5</sup> In the light of granting MFN to India both countries are seeing mutual benefits to be obtained by opening up their borders for trade.<sup>6</sup> It is being estimated that after granting MFN status to India mutual trade volume will increase from existing

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<sup>2</sup> "16 Years on.... Pakistan finally reciprocates granting MFN status to India," *Express Tribune* (Islamabad), November 3, 2011, accessed on January 3, 2013, <http://tribune.com.pk/story/286925/16-years-on-pakistan-finally-reciprocates-granting-mfn-status-to-india/>

<sup>3</sup> "Trade Relations between Pakistan and India," PILDAT, January 2012, accessed on January 21, 2013, [http://www.pildat.org/publications/publication/FP/TradeRelationsbetweenPakistanAndIndia\\_IndianPerspective\\_Jan2012.pdf](http://www.pildat.org/publications/publication/FP/TradeRelationsbetweenPakistanAndIndia_IndianPerspective_Jan2012.pdf)

<sup>4</sup> Mohsin Khan, "Indian-Pakistan Trade Relations," New American Foundation, January 2013, 2, accessed on February 12, 2013, [http://www.indiapakistantrade.org/resources/Khan\\_India-PakistanTrade\\_NAF2.pdf](http://www.indiapakistantrade.org/resources/Khan_India-PakistanTrade_NAF2.pdf) (accessed February 12, 2013).

<sup>5</sup> Ibid. PILDAT, "Trade Relations between Pakistan and India," 16-17.

<sup>6</sup> Ibid., Ishrat Husain, "Prospects and Challenges for Increasing India-Pakistan Trade."

value of \$2 billion a year to \$ 6 billion in the initial about 5 years and later it could multiply to even higher figures.<sup>7</sup>

However despite such pragmatic estimates, in view of past experience of tenuous political relations between Pakistan and India, due to India's heavy tariff and non-tariff barriers and its negative list which restricts Pakistani exports, success and sustainability of this bilateral process seems to be a difficult task. To search possibilities of success of evolving liberalization of trade between Pakistan and India there is a need to find answers to some questions such as: How will MFN status to India impact Pakistani exports to India and Indian exports will impact Pakistan's industry and other related sectors in the light of previous experience of mutual trade and under India's still existing high tariff and non-tariff barriers? How the negatives of provision of MFN status should be offset by Pakistan to make its trade beneficial? And will the evolving process be sustainable in view of India's non flexible policy on resolution of outstanding disputes and resultant tensions on the Line of Control (LOC)?

This paper discusses the potential and prospects of enlarging Pak-India trade after grant of MFN status to India. Keeping in view the past experience of trade with India and its very restrictive trade regime, the paper focuses on the likely impact of MFN on Pak-India trade in the form of relative advantages and disadvantages to Pakistan and overall potential and prospects of trade expansion with India. The paper also examines the possibility of sustaining the mutual trade process and concludes by offering recommendations for making a positive sum situation in trade with India.

## **An Overview of Past Trade Relations with India**

Soon after getting independence in 1947 both Pakistan and India became members of General Agreement on Tariff and Trade (GATT) and in line with the rules of this agreement granted in-principle Most Favoured Nation (MFN) status to each other in 1957 through a bilateral agreement but it was short lived.<sup>8</sup> It is according to the fundamental principle of GATT that all its members are bound to grant MFN status to all other member states with respect to trade in goods. This implies reduction of tariffs and other barriers to trade for member countries without any discriminatory treatment in international commerce.<sup>9</sup> After independence both Pakistan and India were close partners in trade. Till 1950s volume of bilateral

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<sup>7</sup> Ibid., 1.

<sup>8</sup> Ibid., PILDAT, "Trade Relations between Pakistan and India," 16.

<sup>9</sup> Waqas Bin Najib, et al., "Implications of Trade Liberalization between Pakistan & India," Punjab Board of Investment & Trade, May 3, 2012, accessed on January 6, 2012, [http://www.pbbit.gov.pk/uploaded/projects/file/Working\\_Paper\\_PAK%20INDIA.pdf](http://www.pbbit.gov.pk/uploaded/projects/file/Working_Paper_PAK%20INDIA.pdf)

trade between two countries remained satisfactory. Pakistan's exports to India in 1948-49 were 23.6 percent of its total exports and its imports from India amounted to 50.6 percent of its total imports which declined to 1.3 percent and 0.06 percent respectively in 1975-76. Pakistan's share in India's global exports and imports was 2.2 percent and 1.1 percent respectively in 1951-52 which gradually got down to 0.7 percent and 0.13 percent in 2005-06.<sup>10</sup> After 1965 War followed by Indian aggression in 1971 which dismembered Pakistan, despite having signed 14 trade facilitation agreements till 1964 the trade came to stand still till the time composite dialogue was started in 2004. Even after 1996 when India accorded MFN status to Pakistan mutual trade did not pick up due to disturbed political relations because of Kashmir dispute, non-opening of all traditional land routes for trade and application of heavy tariff and non-tariff trade barriers by India. However, mutual trade gradually improved from 2004 onwards although it still remained much below the expected level.

In 2001, India's exports to Pakistan were equal to US \$ 164.6 million, which went up to US \$ 2235.8 million in 2010. The imported value of goods from Pakistan was US \$ 69.9 million in 2001 which increased to US \$ 248.4 million in 2010. As is evident from data given below the trade balance from 2001 to 2010 has been strongly in favour of India.<sup>11</sup>

**Table: India's Trade Balance with Pakistan (US \$ Million)**

Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Exports	164.61	18707	183.6	522.1	593.1	1235.0	1584.3	1772.8	1455.8	2235.8
Imports	69.6	33.9	68.1	79.1	165.9	286.5	286.7	372.0	272.1	248.47
Trade Balance	94.70	153.8	115.5	442.9	427.1	948.6	1297.6	1400.8	1183.7	1987.4

*Source: Trade Map, International Trade Center, Geneva & also see PILDAT, "Trade Relations between Pakistan and India"*

The above data indicates that two countries have not been able to realize full potential of their trade. India's trade balance with Pakistan which was US \$ 94.7 million in 2001 increased to US \$ 948.6 million in 2006 and US \$ 1987.4 million in 2010. On the other hand Pakistan's imports from India in its global imports have increased from 4 percent in 2008 to 6 percent in 2010 where as

<sup>10</sup> Ibid, PILDAT, "Trade Relations between Pakistan and India," 12.

<sup>11</sup> Ibid.

India's imports from Pakistan remained nominal.<sup>12</sup> From 2001 to 2010 Pakistan's main imports from India have been sugar and sugar confectionary, cotton, man-made filaments, organic chemicals, residues, waste of food industry, animal fodder, edible vegetables, coffee, tea, spices, rubber, oil seed, fruits, grain, seed and miscellaneous chemical products. Whereas Pakistan's main exports to India from 2001 to 2010 have been edible fruit, nuts, peel of citrus fruit, melons, mineral fuels, oils, distillation products, organic chemicals, salt, sulphur, earth stone, plaster, lime, cement, cotton, lead articles, raw hides and skins, plastics and plastic articles, inorganic chemicals, precious metal compounds, wool, animal hair and fabric.<sup>13</sup> The main reason for low levels of Pakistani exports to India is high tariff and non-tariff barriers imposed by India. In the opinion of Pakistani as well as Indian observers, Indian non-tariff barriers are a significant hurdle to Pakistani exports to India.<sup>14</sup>

### India's Restrictive Trade Regime

Although India accorded MFN status to Pakistan in 1996, it is otherwise maintaining the most restrictive tariff and non-tariff regime in the SAARC region due to which Pakistan has not been able to draw the benefits linked with the MFN status. The toughest part of India's trade regime is high tariffs on import of textile and agriculture goods which are of Pakistan's export interest and non-tariff barriers. Although non-tariff barriers are not Pakistan specific, due to India's Free Trade Agreements (FTAs) with Nepal, Bhutan and Sri Lanka and its Preferential Trade Agreement (PTA) with Afghanistan, Pakistan is the most affected country because these countries get concessions on non-tariff barriers based on these trade agreements. Bangladesh being a Least Developed Country (LDC) in South Asia under SAFTA obligations, also gets deeper preferential treatment from Non LDCs of South Asia including India.<sup>15</sup> Therefore after getting MFN status tariff facilities from Pakistan, while India will be able to enhance its exports because of Pakistan's otherwise relaxed tariff regime, Pakistan will only be able to draw real benefits out of MFN status if tariffs and non-tariff barriers negatively impacting Pakistan's exports to India are relaxed. For this purpose

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<sup>12</sup> Ibid.

<sup>13</sup> Ibid.

<sup>14</sup> Asad Sayed, "Gains from Trade and Structural Impediments to India-Pakistan Trade," in *International Relations Theory and South Asian Regional Cooperation, Vol. II*, ed., E. Sridharan, (Delhi: Oxford University Press, 2011), 9.

<sup>15</sup> Dr. Manzoor Ahmad et al., "Normalization of Trade with India: Opportunities and Challenges for Pakistan," Trade Development Authority of Pakistan, June 1, 2012, 4, accessed on February 3, 2013, [http://www.tdap.gov.pk/word/Report\\_040712%20rev.pdf](http://www.tdap.gov.pk/word/Report_040712%20rev.pdf)

Pakistan will have to successfully negotiate an agreement on removal of related tariff and non-tariff barriers. Failing that it might have to sign an FTA with India. India's current major tariff and non-tariff trade barriers are discussed below.

### **India's MFN Tariffs and Para Tariffs**

India has been reducing its tariffs for the last many years. Although India's average applied MFN tariff currently stands at 12 percent, its tariff regime is still complex. In sectors of Pakistan's export interest like textiles and agriculture import taxes are still high. Then the situation is further complicated by para-tariffs levied by India since these tariffs further increase the effective applied duty rates. Whereas the average MFN customs duty rate is 12 percent, with para-tariffs it becomes 25.6 percent on the average. Actually the rates increase two fold for textile and clothing and three fold for chemicals and cement from average applied MFN rates.<sup>16</sup>

India's tariff regime also protects agriculture. Average tariff protection for agricultural products in 2010-2011 was as high as 32.2 percent in comparison to manufactured products at 8.9 percent. Almost 57 percent of agricultural goods bear tariffs of 30 percent. This state of tariffs acts as an impediment to trade of agricultural goods with India. Rice and sugar are also affected by these taxes.<sup>17</sup> Therefore Pakistan's agriculture can only benefit by increasing its exports to India if it is given a level playing field by India.<sup>18</sup>

India's tariffs for semi manufactured goods are lower as compared to processed goods. This provides an opportunity for manufacturing industry in India to get cheaper material for further processing. Therefore it provides a potential area for Pakistani exports. However, local manufacturers of automotive parts and surgical equipment sectors in Pakistan suggest that the exports of intermediate goods be regulated in order to support the local manufacturing industry.<sup>19</sup> India imposes para-tariff measures like Countervailing Duty (CVD) and education cess also. This considerably raises the effective tariff rate. These para-tariffs are levied in lieu of domestic taxes on imports to provide a level playing field to local producers in India.<sup>20</sup>

India's sensitive list (allowed under SAFTA to restrict import of some goods to protect domestic industries) protects a wide range of textile and agriculture products. About 30 percent of the items on India's sensitive list are agricultural, whereas 34 percent are

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<sup>16</sup> Ibid., 3.

<sup>17</sup> Ibid.

<sup>18</sup> Ibid., Mohsin Khan, "Indian-Pakistan Trade Relations," 3.

<sup>19</sup> Ibid., Dr. Manzoor Ahmad et al., "Normalization of Trade with India: Opportunities and Challenges for Pakistan," 3.

<sup>20</sup> Ibid., 4.

industrial products. On the other hand, Pakistan's sensitive list contains 4 percent agricultural and 24 percent textile products.<sup>21</sup> According to South Asian Free Trade Area (SAFTA) signed in 2004 and enforced in 2006 India will reduce tariffs to zero from 5 percent on all products except those on the sensitive list by 2013 as per its commitment as a Non-LDC member of SAFTA.<sup>22</sup> But its impact on Pakistan will be limited because India's agriculture and textiles are protected by the sensitive list.<sup>23</sup>

### **India's Non-Tariff Barriers (NTBs)**

While India's NTBs may not be country specific, they are reported to be extensive in sectors of high export potential for Pakistan, namely textiles, agriculture, marble and cement. These NTBs range from specific tariffs, and para-tariff measures to complicated labelling requirements, licensing regimes, custom procedures, multiple standards, internal state taxes, subsidies and sales taxes.<sup>24</sup> Also non-tariff barriers due to infrastructural constraints at land ports and restrictive bilateral transport protocols act as an impediment to trade, especially between India and Pakistan.<sup>25</sup> India's extensive non-tariff barriers are:

- The import licensing and permit regimes are complex, varying according to product or user.<sup>26</sup>
- India is one of the most active users of anti-dumping measures. A number of safeguard measures have also been imposed including quantitative restrictions. Reference prices have also been established for some products, which are revised every two weeks to align with international market prices.<sup>27</sup>
- Lack of harmonization and acceptance of standards particularly for agricultural and textile products is a major barrier from Indian side. The mutual

<sup>21</sup> Ibid., 3.

<sup>22</sup> FaizSobhan, "SAFTA: Today and Tomorrow," in *SAARC towards Meaningful Cooperation*, ed., TomislavDelinic&Nishchal N. Pandey (Kathmandu: Centre for South Asian Studies, 2012), 45.

<sup>23</sup> Ibid., Dr. Manzoor Ahmad et al., "Normalization of Trade with India: Opportunities and Challenges for Pakistan," 3.

<sup>24</sup> Ibid., Mohsin Khan, "Indian-Pakistan Trade Relations,"3.

<sup>25</sup> Ibid., Dr. Manzoor Ahmad et al., "Normalization of Trade with India: Opportunities and Challenges for Pakistan," 18.

<sup>26</sup> Hafiz A. Pasha and Muhammad Imran, "The Prospects for Indo-Pakistan Trade,"*The Lahore Journal of Economics*, vol.. 17, (September 2012): 306.

<sup>27</sup> Dr. Kamal Monnoo, unpublished paper, "Most Favoured Nation (MFN) and Trade Liberalization between Pakistan & India," 3.

recognition agreement which has been recently signed by two countries for harmonization of standards for the time being only covers one item, which is cement.<sup>28</sup>

- Many Pakistani traders feel that Indian NTBs are Pakistan-specific. Denying this allegation India says that it discriminates equally against all trading partners. Apparently it appears that NTBs imposed by India are not specific to Pakistan, but to help India. In the true sense, however, these barriers hurt Pakistan the most in South Asia because India has FTAs almost with all other South Asian countries under which these NTBS have been done away with. Also, in some cases NTBs are levied on Pakistan on ad-hoc basis.<sup>29</sup>
- There are arbitrary customs procedures such as application of minimum custom values, compulsory pre-shipment inspections for certain items, import permits and original SPS certificates for agricultural products, checking by multiple agencies and bureaucratic hurdles are also a problem.<sup>30</sup>
- India has also imposed some technical barriers to trade such as sanitary and phyto sanitary (plant and plant product safety) measures.<sup>31</sup>

While on one hand, India is widely propagating its efforts to gradually removing “official” trade hurdles, on the other hand, to maintain status quo, it is adding other barriers, particularly in sectors where its interests are most threatened by Pakistani exporters, such as cement and gypsum. In 2012, India has passed a regulation which prohibits the trucking of goods in vehicles with more than 10 wheels and also those over 40 tons capacity. Pakistan’s cement Industry has been badly hit by this Indian regulation.<sup>32</sup>

### **Impact of Granting MFN Status to India on Pakistan’s Trade with India**

While most of the economists, government officials, various stake holders and think tanks in Pakistan and India have generally

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<sup>28</sup> Ibid., Dr. Manzoor Ahmad et al., “Normalization of Trade with India: Opportunities and Challenges for Pakistan,” 4.

<sup>29</sup> Ibid., Mohsin Khan, “Indian-Pakistan Trade Relations,” 7.

<sup>30</sup> Ibid., Dr. Manzoor Ahmad et al., “Normalization of Trade with India: Opportunities and Challenges for Pakistan,” 4.

<sup>31</sup> Ibid., Mohsin Khan, “Indian-Pakistan Trade Relations,” 7.

<sup>32</sup> Ibid.



given positive response to Pakistan's decision of granting MFN status to India, there are some who are criticising this government decision also. Those who are in favour say that granting MFN status to India will enhance mutual trade and bring many advantages to both the countries. Those who have opposed the government decision of liberalization of trade with India have cautioned against greater expectation of any spectacular increase in Pakistani exports to India because of its strict tariff and non-tariff trade regime, they have also expressed concerns that after attaining MFN status, due to Pakistan's softer tariff and non-tariff regime India's exports might flood Pakistani market thus harming its industry. Some stake holders have also expressed apprehensions about adverse implications on various specific sectors of Pakistan's industry such as textiles and agriculture due to India's additional tariffs and subsidies and some other industrial sectors which are not yet competitive. In the same line of action, few Pakistani industrialists have also requested the government for protecting interest of their industry.

While the above mentioned viewpoints have indicated various advantages and disadvantages of granting MFN status and liberalization of trade with India, they have also suggested some positive measures to make the trade liberalization process a win-win situation for both sides.

### **Likely Advantages of Liberalization of Trade with India**

Various studies reveal that granting MFN status to India and increased bilateral trade will benefit both countries in the long run. However, since some sectors of Pakistani industry are less competitive, initially imports from India might partially harm those sectors (like automobiles and pharmaceuticals) but ultimately it will be able to compete with the Indian industry and its increased production as a result will bring dividends.<sup>33</sup> Also a meaningful increase in Pakistan's exports to India will only happen if India reduces and removes its tariff and non-tariff barriers and also eliminates its negative list.<sup>34</sup> If these restrictions are relaxed by India, then after giving MFN to India, Pakistan will gain access to huge Indian market and will be able to gain a number of advantages such as: Using advantage of less freight due to short distances as compared with exporting to distant countries outside the region Pakistan could market its goods in northern India at highly competitive rates.<sup>35</sup> Likewise Pakistan will be able to import raw materials for its industry from India at lesser price instead of

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<sup>33</sup> Majid Ali Wajid, "Trade with India in Pakistan's Interest," *Nation*(Islamabad), August 25, 2003.

<sup>34</sup> Ibid., Mohsin Khan, "Indian-Pakistan Trade Relations," 7.

<sup>35</sup> Ibid., Majid Ali Wajid, "Trade with India in Pakistan's interest."

importing from far off developed countries at higher price. Pakistan will also benefit by regularizing the informal trade (US \$ 1.5 in 2004) between the two countries through smuggling on borders and through third countries.<sup>36</sup>

Dr. Ishrat Hussain comments that Pak-India trade is a win-win situation. According to him, India has a middle class of approximately 300 million people with rising purchasing power which matches that of the South Eastern Europe. While Pakistan's middle class is about 30 million, even 10 percent share of the Indian middle class can double the market size of Pakistani companies and businesses.<sup>37</sup>

Pakistan's automobile industry has progressed well, is producing all types of vehicles under franchise and is almost contributing over 30 billion rupees to the government exchequer annually in the form of duties and taxes. However, Indian automobile industry with strong engineering base and large capacity for production of vehicles enjoys a clear edge over Pakistan. Therefore, if Pakistan imports vehicles from India, it will benefit its consumers being much cheaper but Pakistan's industry will initially suffer till it becomes competitive. However, it will be beneficial to import automotive components and spare parts from India at a lower price than Thailand. Joint ventures between producing units of both countries located near borders will also be profitable as it will lower the unit cost of production and distribution.<sup>38</sup>

In India, IT industry has made tremendous progress. It is now the fastest growing sector in India earning about US \$ 62 billion annually and employing almost 125,000 workers. A majority of the multinational IT companies operating in India have software and research development centers. Pakistan's IT industry is growing at a faster pace. As per WTO made formula, the size of IT industry in Pakistan is presently in the range of US \$ 2.8 to US \$ 3 billion and IT related exports are around US \$ 1.6 billion. To use IT industry as a catalyst for its economic revival Pakistan can draw benefit out of India's software industry. It can further promote IT through joint ventures with India in Pakistan since it can provide skilled professionals of comparable quality at lower wages than India. It will benefit both countries.<sup>39</sup> If liberalization of trade between Pakistan and India succeeds it can act as a major trust building measure which can ultimately lead to resolution of Kashmir and other disputes. A meaningful progress on resolution of Kashmir dispute

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<sup>36</sup> Ibid.

<sup>37</sup> Ibid., Ishrat Husain, "Prospects and Challenges for Increasing India-Pakistan Trade," 1.

<sup>38</sup> Ibid., Ishrat Husain, "Prospects and Challenges for Increasing India-Pakistan Trade," 6.

<sup>39</sup> Ibid.,

can also help India in getting transit route through Pakistan to Afghanistan and Central Asia. This will facilitate India to transport iron ore from Afghanistan and energy from Iran and Central Asian states through Pakistan. If this happens both countries will get substantial economic benefits and this opening will also help in making the new Silk Road a success story.<sup>40</sup>

The Pakistani industries that would benefit from liberalization of trade with India are; fish, rice, dry fruits, sugar, cotton, wool, cement, leather, yarn, cotton fabrics, clothing, cutlery, surgical instruments and sports goods.<sup>41</sup>

In iron and steel industry, India is the eighth largest crude-steel producer and largest producer of sponge iron in the world. Pakistan's iron and steel product imports from India account for just a small fraction of its total imports. In 2004, Pakistan imported US \$ 62 million worth of iron and steel products (326 items) of which India supplied only 25 items, worth 7.1 million. Another 46 are identified as import items which are cheaper to import from India than from the rest of the world. Hence these items can be imported from India.<sup>42</sup>

Pakistan's chemical industry has developed on ad-hoc basis because of small local market and high tariffs. Hence the country is dependent on imported chemicals to cater to the needs of its agriculture and industrial sectors. During 2004, Pakistan's imports of chemicals were worth US \$ 2.8 billion. Indian chemical industry is the 12<sup>th</sup> largest in the world and third largest in Asia (volume wise).<sup>43</sup> Therefore, import of chemical products from India instead of importing from far off countries will be very beneficial.

Pakistan's pharmaceutical industry with 316 manufacturing companies and 30 multinationals (47 percent share), producing pharmaceuticals worth US \$ 2 billion and meeting 80 percent of country's demand plays a significant role in economic development of the country. About 95 percent of the basic raw materials are imported from China, India, Japan, UK, Germany and Netherlands. Being much smaller Pakistan's industry is less competitive than Indian industry. India is the fourth largest producer of pharmaceuticals in the world production by volume, and it is among the top 20 pharmaceutical exporters. During year 2003 and 2004, Pakistan imported 4.3 percent and 6.8 percent of its total imports of chemical and pharmaceutical products respectively from India

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<sup>40</sup> Ibid., Raza Rumi, "Trade with India is a Rational Policy Choice."

<sup>41</sup> Dr. Zafar Mahood, "Benefits and Impediments to Trade Cooperation: A Case of Pak-India Trade," at IPRI Seminar on Pakistan-India Trade Cooperation: Challenges and Opportunities, January 30, 2013.

<sup>42</sup> Ibid., Ishrat Husain, "Prospects and Challenges for Increasing India-Pakistan Trade," 5.

<sup>43</sup> Ibid.

comprising 353 items. Out of Pakistan's total imports of 1105 items in 2004, India supplied 353 items. There are still 166 items of chemical and pharmaceutical products which can be imported from India at lower unit value compared to the unit value of same items from elsewhere.<sup>44</sup>

Pakistani consumers will benefit from cheaper Indian medicines if imported to Pakistan. For example medicines like zinetac-Galaxo cost 10 tablets for Rs. 7.20 in India whereas the same 10 tablets made in Pakistan would cost the consumer Rs. 80. So while import of medicines from India will benefit Pakistani consumers Pakistan's industry will also become more competitive although initially it will have to be provided the limited protection.<sup>45</sup> Import of cheaper raw material from India will also help Pakistan industry to become more competitive with Indian industry. A recent permission by the government for importing raw materials of medicines had helped in reducing price of some medicines.<sup>46</sup>

Pakistan has a well-developed and famous sports goods and surgical instruments industry. In addition to these products Pakistan can also export light engineering products to India given its well-developed industrial clusters in Gujranwala, Gujrat and Sialkot.<sup>47</sup>

In societal terms, increased trade would mean increased business to business and people to people connectivity which will not only help in turning SAFTA to be a successful agreement but will also help trust building on people to people level. This would create a demand at the grass roots for resolution of bilateral disputes through dialogue.<sup>48</sup> This will also encourage intra-regional trade, investments and joint ventures which will attract regional investments to Pakistan as well.<sup>49</sup>

In the overall context, analysts have the perception that after grant of MFN to India and removal of tariff and non-tariff trade barriers by India, Pakistan will be able to largely benefit from trade liberalization with India. Increased trade flows from India as a result of MFN status will provide additional customs revenues to Pakistan provided corruption can be avoided in the collection of custom

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<sup>44</sup> Ibid.

<sup>45</sup> Ibid., Majid Ali Wajid, "Trade with India in Pakistan's interest."

<sup>46</sup> Ibid.

<sup>47</sup> Ibid., Waqas Bin Najib, et al., "Implications of Trade Liberalization between Pakistan & India."

<sup>48</sup> Dr. AbidQaiyum Suleri, "Renewed Hopes for South Asia," Sustainable Development Policy Institute, June 30, 2012, accessed on February 3, 2013,

[http://www.sdpi.org/sdc/news\\_details.php?event\\_id=&news\\_id=719](http://www.sdpi.org/sdc/news_details.php?event_id=&news_id=719)

<sup>49</sup> Muhammad Hanif, "Regional Economic Integration in South Asia: Progress and Prospects," *IPRI Journal*, vol. XII, no. 2 (Summer 2012): 118.

duties. Since reduction or elimination of trade barriers will enable product prices to reduce and increase in choices for consumers because of trade liberalization will benefit Pakistani consumers also. Immediate trade flows will also help in enhancement of economic growth of Pakistan.

However, despite strong reservations among some economists and scholars regarding success of the trade process without resolving Kashmir and other disputes, they are still hopeful in view of some examples where despite serious bilateral disputes among states mutual trade has flourished in large volumes. These examples are China-India, US-China, China-Taiwan and Malaysia-Singapore. Therefore it is being hoped that as a result of increased mutual trade stake holders in Pakistan and India might ultimately help in building opinion in favour of resolution of disputes.<sup>50</sup>

### **Disadvantages of Granting MFN Status to India**

Due to India's high tariffs on textiles and clothing and agriculture goods, to the tune of 25 percent on the average and 36 percent on chemicals and cement, and inclusion of textiles and agriculture products in the sensitive list, Pakistan's exports of these commodities to India will continue to suffer till India agrees to remove additional tariffs other than MFN rate (12 percent) and to eliminate these commodities from the sensitive list. India's sensitive list protects a wide range of textile and agriculture products. About 30 percent of the items on India's sensitive list are agricultural, whereas 34 percent are industrial products. On the other hand, Pakistan's sensitive list contains 4 percent agricultural and 24 percent textile products.<sup>51</sup>

India also heavily subsidizes into agricultural production including fertilizers, electricity and irrigation. Indian subsidies on agriculture are almost three times higher in comparison to Pakistan. India also supports its farmers by providing modern machinery on cheaper prices and allocating more governmental budget for agriculture sector. It is also creating water issues for Pakistan by construction of water reservoirs in Indian held Kashmir (IHK) on rivers in Pakistan's share. This puts Pakistan's agriculture at disadvantage for imports as well as exports.<sup>52</sup> As a result of granting MFN to India, Pakistan's automobile and automotive parts industries are likely to suffer more losses than what they will earn as profits on

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<sup>50</sup> Ibid., Ishrat Husain, "Prospects and Challenges for Increasing India-Pakistan Trade," 8.

<sup>51</sup> Ibid., Dr. Manzoor Ahmad et al., "Normalization of Trade with India: Opportunities and Challenges for Pakistan," 3.

<sup>52</sup> Dr. Kamal Monnoo presented his Concluding Remarks in *IPRI Seminar* titled "Pakistan-India Trade Cooperation: Challenges and Opportunities," January 30, 2013.

account of achieving economy of scale advantages due to access to India's large market and to markets of other South Asian countries through India's land routes.<sup>53</sup>

Some industrialists are also of the view that after granting MFN to India, because of Pakistan's less restrictive trade barriers as compared with India, Indian goods will flood Pakistani market and less competitive industries of Pakistan will either suffer losses till they become competitive or they will be eliminated in the process. In this context Pakistan's pharmaceutical and automobile industries which are contributing to Pakistan's GDP in a major way will be most affected. The exports of textiles and agriculture goods will also suffer till India agrees for reduction of unnecessary additional tariffs, removal of textiles and agriculture goods from its sensitive list and elimination of related non-tariff barriers.<sup>54</sup>

It is also being commented that overall volume of Pakistan-India trade will also suffer till removal of India's extensive non-tariff barriers. NishaTaneja working for *Indian Council for Research on International Economic Relations* indicates towards existing non-tariff barriers which is limiting quick rise in Pak-India trade. Some of these are cumbersome procedures, non-transparent regulations and infrastructure bottlenecks which hinder smooth flow of trade across borders.<sup>55</sup>

Businessmen involved in chemical and synthetic fiber sectors say that India had a surplus of fiber which was equal to 80 percent of the demand in Pakistan. Therefore Indians could dump this surplus in the Pakistani market since the enforcement regime of anti-dumping laws is quite weak in Pakistan. If that happens, the flourishing domestic fiber industry would badly suffer financially.<sup>56</sup>

Some stakeholders have stated that in the past, losses to Pakistani exporters had occurred because of delays by India's customs authorities, testing laboratories and the Bureau of Indian Standards and railways.<sup>57</sup>

### **Potential and Prospects of Pakistan's Trade with India after MFN**

In view of the above analysis it can be well comprehended that Pakistan's economy can quickly pick up growth if it liberalizes its

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<sup>53</sup> Ibid., Mohsin Khan, "Indian-Pakistan Trade Relations," 6.

<sup>54</sup> Ibid., Majid Ali Wajid, "Trade with India in Pakistan's interest."

<sup>55</sup> Pakistan-India Trade: What needs to be Done? What does it Matter? Wilson Center, April 23, 2012, accessed on January 21, 2013, <http://www.wilsoncenter.org/event/pakistan-india-trade-what-needs-to-be-done-what-does-it-matter>

<sup>56</sup> Ibid., Ishrat Husain, "Managing India-Pakistan Trade Relations," 6.

<sup>57</sup> Ibid., 6.

trade with India (provided India also relaxes its very restrictive tariff and non-tariff regime which is negatively impacting Pakistani exports to India). Mutual trade relations which are based on spirit of creating win-win situation for both sides will also provide impetus to economic integration in South Asia which would further benefit Pakistan in a major way.<sup>58</sup> According to some economists, due to restricted access of Pakistani goods in the international markets Pakistan has been facing the dilemma of getting marginal diminishing returns from the potential export items. By penetrating India's large and growing market, Pakistan can tap the potential of industrial hubs in south and west (Balochistan coastline and Karachi in Sindh), in the central belt (Multan, Lahore, Faisalabad, Gujranwala, Sialkot and Gujrat in Punjab) and in the north (Peshawar in Khyber Pakhtunkhwa).<sup>59</sup>

Between 2001 and 2011 trade between India and Pakistan had recorded almost a tenfold increase reaching a level of US \$2 billion. Unofficial trade is also almost equal to US \$2 billion. Estimates by the economists based on different assumptions and models show a likely jump of trade from current levels to between 5 and 10 fold if all tariff and non-tariff barriers are removed by India.<sup>60</sup>

Ijaz Nabi and Anjum Nasim have estimated that trade between Pakistan and India could increase three fold if Pakistan accorded MFN status to India.<sup>61</sup> A State Bank of Pakistan report has concluded that bilateral trade between Pakistan and India could increase fivefold if MFN status is granted to India and non-tariff barriers were removed by both countries.<sup>62</sup>

Most studies indicate that because of low transport costs, dismantling of tariff and non-tariff barriers, Pakistan's granting of MFN status to India and improvements in logistic arrangements will increase the trade volumes to approximately US \$8 to 10 billion annually.<sup>63</sup>

In a recent study, Mohsin Khan has predicted that trade between Pakistan and India could increase by 20 times than its current level of US \$2.5 billion to the US \$50 billion after granting MFN status to India and while conducting normal trade relations. According to consensus estimates of the government, academics and business people in Pakistan a trade volume up to US \$6 to \$10 billion

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<sup>58</sup> Ibid., Dr. Zafar Mahmood, "Benefits and Impediments to trade Cooperation: A Case of Pak-India Trade."

<sup>59</sup> Ibid.

<sup>60</sup> Ibid., Ishrat Husain, "Managing India-Pakistan Trade Relations," 2.

<sup>61</sup> Ibid., Ishrat Husain, "Prospects and Challenges for Increasing India-Pakistan Trade," 2.

<sup>62</sup> Ibid., 3.

<sup>63</sup> Ishrat Husain, "Managing India-Pakistan Trade Relations," 2.

can be attained within next five years thereby raising GDP and domestic income in both countries.<sup>64</sup>

It is being estimated that although full scale realization of the potential of trade after granting MFN status to India will take some time but a beneficial process will start which will have to be carefully managed by both India and Pakistan due to their fragile political relations.<sup>65</sup>

With the removal of tariff and non-tariff barriers and elimination of essential exportable goods of Pakistan from its sensitive list by India, the bilateral trade if made politically sustainable is expected to bring many benefits to Pakistan such as immediate creation of trade flows, capital investment and joint economic ventures, cooperation in the field of IT, science and technology and research and development which will help in boosting the productivity of domestic industries and enhancing the economic growth.<sup>66</sup>

### **Sustainability of Pakistan-India Trade Process**

Considering India's rigid policy of non-removal of its tariff and non-tariff barriers, restriction of items of Pakistan's export interest through sensitive list and its long standing strategy of delaying resolution of outstanding Kashmir and other disputes creating tensions on the LOC, it is difficult to say with full confidence that Pakistan can earn desired benefits from liberalizing its trade with India. Also, there are many apprehensions regarding sustainability of bilateral trade process unless and until India shows flexibility in facilitating Pakistani exports and a definite progress is seen in resolving the bilateral disputes. It is also being perceived that the situation can be further compounded if India's game playing with Pakistan over Kashmir and Afghanistan aimed at its isolation and encirclement continues.<sup>67</sup> In the context of sustainability of the evolving trade process views of some analysts are:

- There is a realistic fear of collective punishments and sanctions against Pakistan if something goes wrong on the security and political fronts. Both countries' political parties and extremist groups on both sides will exploit trade imbalance being in favour of India which could put undue pressure on the Pakistan's

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<sup>64</sup> Ibid., Mohsin Khan, "Indian-Pakistan Trade Relations," 2.

<sup>65</sup> Ibid., Ishrat Husain, "Managing India-Pakistan Trade Relations," 2.

<sup>66</sup> Ibid., 3.

<sup>67</sup> Ibid., Dr. Kamal Monnoo, "Most Favoured Nation (MFN) and Trade Liberalization between Pakistan & India," 7.



government that may chose to sacrifice trade in order to survive.

- While traders and importers in both countries would be happy to see their business expanding, inefficient manufacturing firms in Pakistan being losers from trade liberalization may lobby the government and political parties that cheaper imports from India are destroying Pakistan's domestic industry and jobs if affected industry is not protected.
- If the Composite Dialogue doesn't proceed forward with positive results then opponents of normalizing economic relations in Pakistan would pressurize the government that trade was a major impediment to resolution of political disputes.<sup>68</sup>

However Dr. Ishrat Hussain opines that increased trade and related socio-economic benefits can build constituencies in both countries in favour of building and maintaining good bilateral relations, ultimately contributing to progress on core political and security issues.<sup>69</sup> But he also states some of the factors that risk derailing of Pak-India trade regime. *Firstly*, a terrorist attack on India linked to Pakistan could prompt New Delhi by ceasing trade. *Secondly*, opposition political parties in both countries could take anti-trade positions on trade imbalance. *Thirdly*, powerful industrialists in both countries could compel governments to impose retaliatory measures on trade. *Finally*, powerful media in both countries could support the cause of smaller industries that suffer from trade liberalization. In his view trade liberalization can be sustainable and beneficial only if trade relations are managed carefully and maturely by both sides.<sup>70</sup>

Most of the analysts in South Asia suggest that mutual trade can be made sustainable if both India and Pakistan focus on welfare of their people by removing their poverty and providing them employment opportunities by increasing volumes of their bilateral trade and enhancing economic growth. This will become much easy if India as a bigger country takes the initiative for eliminating mutual tensions by resolving Kashmir and other disputes with Pakistan in a just manner and with a larger heart. This is the only way that bilateral trade can give real dividends and can lead to major advantages to both countries in the form of wider trade with Central

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<sup>68</sup> Ibid., Ishrat Husain, "Managing India-Pakistan Trade Relations," 7-8.

<sup>69</sup> Ibid., Wilson Center, "Pakistan-India Trade: What needs to be done? What does it Matter?"

<sup>70</sup> Ibid.

Asia, West Asia and ASEAN and success of the proposed new Silk Road.

In the light of the above analysis and opinions expressed by various policy makers, economic-analysts, think tanks and stake holders, main findings and recommendations of the study are summarized below.

### **Conclusion and Recommendations**

The trade normalization process between India and Pakistan would be facilitated by granting MFN status to India by Pakistan. Liberalization of bilateral trade would be beneficial for Pakistan, provided India gets serious on suitably addressing its tariff and non-tariff barriers and removal of Pakistan's exportable goods from its negative list and both countries also address infrastructural bottlenecks on borders. As allowed under WTO rules Pakistan also needs to protect its less competitive industry from flooding of its market by Indian goods. To make the trade process sustainable both countries should try to achieve progress on resolution of outstanding disputes so that these do not act as an impediment to bilateral trade and South Asian economic integration. However, while Pakistan can carry out exercise of enhancing trade with India by according MFN status and using skillful diplomacy with India on removal of trade barriers and achievement of parallel progress on resolution of disputes, it may have to link provision of transit trade facility to India to Afghanistan and beyond with the achievement of a definite progress on resolution of Kashmir dispute. In any case after India is given MFN status both countries should make joint efforts to make the bilateral trade process mutually beneficial through cooperation.

To succeed in liberalization of bilateral trade, achieving an early economic integration in South Asia and initiating a process of trading with west through Pakistan and with east through India following recommendations are offered:

- Before finally according MFN status to India Pakistan should negotiate and sign an agreement with India for removal of at least critical tariff and non-tariff barriers which restrict Pakistani exports to India. The agreement should also include removal of textiles and agriculture goods from India's sensitive list. After according MFN to India, Pakistan should provide limited protection under WTO rules to those industries which are not yet competitive.
- To mobilize opinion of people of Kashmir in favour of Pak-India trade, India should also agree to open additional land routes for trade for the people of

Jammu and Kashmir, such as Jammu-Sialkot and Jammu-Mirpur-Mangla routes.

- In case India continues to show inflexibility on removal of remaining tariff and non-tariff trade barriers, Pakistan should negotiate with India to sign an FTA to make the trade process beneficial.
- Pakistan should also negotiate with India for reduction of its sensitive list for key exports of Pakistan including agriculture goods, textiles and knit wear, light engineering products like fans, refrigerators, washing machines, tractors, foot wear, plastic ware and light petroleum distillates.
- Pakistan should continue with the composite dialogue to achieve simultaneous progress on resolution of all disputes and India should show flexibility on resolution of Kashmir and other disputes. Till there is a definite progress on resolution of Kashmir dispute, Pakistan should not grant transit trade facility to India to Afghanistan and beyond.
- Both countries should rationalize and simplify the technical barriers to trade and India should remove sanitary and phyto-sanitary measures which are a powerful barrier to trade.
- Banking and financial services are pivotal for international trade. Both countries should open bank branches in each other's commercial centers.
- Both India and Pakistan should also negotiate an agreement for including services and investment in each other's country as part of mutual trade.
- Domestic tax, tariff and subsidy policies that distort incentive for production and trade in both countries should be removed.
- Trade should be facilitated through quick border crossings, streamlining of documentation procedures, coordination of border agencies, opening of new border crossings, quick customs clearance, improvement of electronic data interchange, telecommunication and transport links, creation of new shipping protocols and increasing railway, air and road connections between the two countries.
- Both Pakistan and India should upgrade infrastructure including covered sheds, automated handling, cold storage, weight bridges and fork lifters etc. at all ports.

## DRONE WARFARE – A CRITICAL APPRAISAL

NASIR HAFEEZ\*

### Abstract

*The US-led global war on terror, the US Af-Pak strategy, the phenomenon of terrorism and the employment of predator drones by the US administration in various parts of the world and particularly in Pakistan has drawn criticism on drone warfare. The introduction of armed drones to kill individuals or destroy targets inside other countries' territories has raised various important questions of the rationale, necessity, targeting strategy and mechanism of drone operations. Moreover, the important notions of state sovereignty, monopoly over use of force and territorial integrity have also been put to test by the use of force in the form of armed drones, against individuals inside other states, without the formal declaration of wars. In addition, whether global war on terror is to be conducted and fought inside only a few selected states or anywhere where the terrorists are actually or perceived to be based or not. Lastly, the technological, psychological, moral, social and legal implications of drone warfare also need to be considered in detail, which has a potential of expanding or becoming a norm on a global level, due to a rapid proliferation of drone technology, its cost effectiveness and safety of its operators. The purpose of this paper is to critically evaluate some of these important issues, significant for both 21st century international relations and modern warfare.*

### Introduction

**A**rmed Drones are high-technology remotely controlled unmanned aircrafts armed with missiles employed for targeted killing. These are being used by the US on the pretext of war on terror in the Federally-administered Tribal Areas (FATA) of Pakistan, Somalia, Yemen, Iraq, Afghanistan and now in Syria. Strikes are planned and executed by the CIA against high value targets identified on the bases of intelligence reportedly received through multiple sources, including human and technical. The strikes have been claimed highly accurate and successful in killing the desired targets, but unfortunately large number of innocent civilians has also been killed as a result of their use. Nevertheless, this method of targeted killing is being described by American security experts as highly accurate and economical for the US, which can help eliminate key figures in the terrorist

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networks working against their forces, yet there are some serious implications posed to international peace and security as a direct consequence of their use. The legitimacy of these operations, violation of state sovereignty and threat to international system are issues of concern related to the use of drones inside other states, which are also US allies. Questions have been raised in many parts of the world, predominantly in America about all these issues but there has been no change in US policy. US administration continues to pursue its policy of reliance on drone operations, disregarding the anti-drone debate. There is a great resentment within the people of the target nations because there are many civilian victims of drone attacks, often termed as collateral damage.

In this short paper an effort has been made to discuss the challenges of drone warfare, how and why it is counterproductive and poses a serious threat to the international system. It is believed that drone strikes are creating more problems than solving, resulting in increased distrust, fears and uncertainty, weakening the state structure and gradually making it irrelevant. If this policy continues it may lead to dangerous consequences and prolonged conflict between the oppressor and the oppressed and also between the "claimed Powerful" and the "declared Weak".

Drone is an addition to the weapons of war which has substantially increased the reach and effectiveness of the adversary with virtually no direct threat to the life of operator. There is a lot of criticism on the concept and the manner in which they are being utilized but this cannot undermine their utility. There is a requirement of viewing this new technology more objectively without any national sentiment of oppressor and the oppressed. Weapons do not have nationalities, rather they are deigned to add to the power potential and reach of a nation whosoever possess them. Drones do add to the range and effectiveness of the military operations, but there are some operational challenges in the manner they are currently being used. An attempt has been made, without referring to the political statements and national positions, to highlight some of the challenges of Drones which are likely to have negative impact on the international system as a whole.

### **Legacy of War on Terror**

The entire confusion in drone warfare is created by the very concept of war on terror declared by the US after 9/11. It is unclear who the terrorist enemy is? As former CIA Director R. James Woolsey pointed out immediately after the September 11 attacks, "It is clear now, as it was on December 7, 1941, that the United States is at war. The question is: with whom?" This clearly shows the problem at the very conception of war on terror, accentuating the problems of understanding and execution in operations being conducted under

this pretext, including the controversial drone strikes. United Nations Special Rapporteur on extra-judicial, summary, or arbitrary executions, Philip Alston mentions that the use of drones is:

*...a highly probable blurring and expansion of the boundaries of the applicable legal frameworks – human rights law, the laws of war, and the law applicable to the use of inter-state force...The result has been the displacement of clear legal standards with a vaguely defined license to kill, and the creation of a major accountability vacuum... In terms of the legal framework, many of these practices violate straightforward legal rules...<sup>1</sup>*

### **Geography of the New War**

This war being waged with drones has no fixed geography. It can move anywhere, wherever the suspected Al Qaida combatants can or may move. According to international law and international norms, the ISAF-led military operation inside Afghanistan to some extent are operations mandated under UN resolution, however, the US forces often cross these limits. Moreover military forces are stationed and conducting various operations with the consent of the internationally-recognized existing Afghan government. There is a clear legitimate armed conflict between two opposing forces inside Afghanistan i.e. Taliban and other resistance groups fighting against International forces and the Afghan government forces. But the drone strikes being conducted in other countries where there is no UN mandate like Pakistan (though recognized as a front-line Non NATO ally in war against terror) are by no mean legitimate. The territory irrespective whether it is tribal area or settled area is part of Pakistan and no use of force by any external power is allowed under international law. In fact drone warfare:

*...redefines the geography of war in ways that reveal an apparent lacuna in the laws of war (viz., the law of war's implicit reliance on a bounded geography). The laws of war have inchoate boundaries for where they apply, *lexspecialis*, and where the Law of Everyday Life applies."<sup>2</sup>*

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- 1 Philip Alston, "Report of the Special Rapporteur on Extrajudicial, Summary or Arbitrary Executions", United Nations General Assembly Human Rights Council Study on Targeted Killings, May 28, 2010, 26, accessed on June 23, 2013, <http://www2.ohchr.org/english/bodies/hrcouncil/docs/14session/A.HRC.14.24.Add6.pdf>
  - 2 Kenneth Anderson, "Targeted Killing and Drone Warfare: How We Came to Debate Whether There Is a 'Legal Geography of War'", accessed on July 3, 2013, <http://media.hoover.org/9D98363A-8CC0-4878-87DF-2B45F8DE5156/FinalDownload/DownloadId-2DCB571E1AAC27113D5D59B97BF028AC/9D98363A-8CC0-4878->

## Challenge to the UN System

UN charter confirms and fortifies the foundation of state system on some fundamental principles. These include the sovereign equality of member states, peaceful settlement and resolution of international disputes in such a manner that international peace and security are not endangered, nonuse or the threat of use of force against the territorial integrity or political independence of any state.<sup>3</sup>In this back drop the drone warfare as unleashed by US is in clear violation of basic principles set up by UN charter i.e. breach of state sovereignty, use of force and interference in internal affairs. This unilateral intervention poses serious threat to UN state system and also to international peace and security. The emergence of non-state actors and the rapid globalization of economy have already diluted the power and control of state entity and now is further eroding by the conduct of drone attacks.

## Use of Lethal Force

Use of lethal force has two broad legitimate grounds:<sup>4</sup> One as part of law enforcement action within state boundaries as per laid down and recognized limits set by the law of the land. The attempt, however, is to arrest rather than kill the criminal so that proper judicial procedure may be followed for his conviction and punishment by the court of law. The other is use of force in self-defence, once attacked by any other state. This is covered under laws of war or armed conflict which has its own jurisdictions and implications. US drone strikes have not been able to satisfy either of the two and still struggling to find some legal ground. Interestingly the right of self-defence and pre-emptive doctrine has been used as a pretext to invade Afghanistan and Iraq but in case of drone attack, so far no position has been taken by the US and these have been termed as covert operations.<sup>5</sup>The question that critics increasingly raise is whether this activity by the CIA is lawful, or is it extra-judicial execution. Are there obligations to seek to capture rather than kill?<sup>6</sup>

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2B45F8DE5156/sites/default/files/documents/FutureChallenges\_Anderson.pdf

3 Article 2 of UN Charter, accessed on July 3, 2013, <http://www.un.org/en/documents/charter/chapter1.shtml>

4 Michael L. Gross, "Fighting by Other Means in the Mideast: a Critical Analysis of Israel's Assassination" *Political Studies*, vol. 51, (2003):350-368

5 Ibid., Kenneth Anderson, "Targeted Killing and Drone Warfare: How We Came to Debate Whether there Is a 'Legal Geography of War'".

6 Kenneth Anderson, "Hearing, Rise of the Drones: Unmanned Systems and the Future of War", Written Testimony Submitted to

## **Principle of Distinction and Proportionality**

Drones have problem of both distinction and proportionality. Individuals who have been targeted in drone strikes have not been clearly identified as armed combatants and many innocent have also been killed on suspicious grounds in the same process. Moreover, those alleged of conspiring, abetting or sympathizing with Al Qaida or Affiliates have not been given fair chance to defend themselves. The harm they could have caused or may be planning to cause is not proportionate to what has been done to them, their families, homes, livelihood or their country.

## **Reliability of Intelligence**

The CIA collects intelligence from multiple sources and has listed various Al-Qaida and its affiliate organization leaders and members as their legitimate targets. This process is not transparent and we don't know how they recognize these individuals and how they get the approval for their killing. Earlier, based on the intelligence collected, provided and confirmed by CIA and openly claimed by the US leadership, Iraq was widely suspected of possessing weapons of mass destruction. However, these weapons of mass destruction could not be discovered putting a serious question mark on the credibility of US intelligence agencies and reliance on intelligence information for waging combat or covert operations. The entire war effort along with its justification has been accepted as a mistake and as a result both the Bush administration and US intelligence community had to face public criticism and humiliation. But this is not the only instance where the US intelligence misled its leadership. There is a long history of failures during the cold war, the controversies of "Bomber gap" and "Missile gap" highlighting poor rather exaggerated threat assessments of Soviet nuclear and strategic capabilities are some additional examples. Acquiring reliable, accurate and actionable intelligence is a difficult task which an intelligence agency finds difficult to achieve thereby putting greater responsibilities on the political leadership to exercise wise judgment and caution. Based on its track record, one can safely assume that the intelligence provided by CIA for the conduct of drone strikes may be fairly accurate but not correct in all cases.

## **Legitimate Targets**

Drones are a means to use lethal force against any desired target. But what are the criteria to identify a person as a legitimate



target for Drone strikes? How are these targets identified on ground, calling for the strike and who confirms that they are the real targets. If all individuals affiliated with Al Qaida and affiliated organizations or sympathetic to such organizations are to be considered legitimate targets then what is the procedure to confirm that these individuals are actual members of these organization. There are no dossiers and records held by any agency and neither has been claimed so far. The next step is even more difficult, once the membership or affiliation is established, how to establish that they are involved in terrorist acts against the US or actively involved in the planning process in this regard. Even if they are involved in planning, is it a justifiable ground for their killing. Most sovereign states plan military operations and train their military personnel, keeping in view their own threat perception, so by this definition, will all states which plan military operations or train their military personnel for combat operations will be considered legitimate targets for killing by the US through drone operations?

### **Accountability**

The personnel, mainly from CIA, involved in operating drones are tasked to engage and kill their targets without following any legal procedure which may hold them accountable in court of law for their action and judgment. This is highly dangerous when few people sitting in some closed rooms of CIA analyze data and issue license to kill someone without giving him a chance to identify and defend him or herself. There is no public accountability of the officials involved and the efficacy of the procedures followed, thus making the process harmful to public interest and problematic.

### **Covert Operations**

Drones are being used in covert operations by CIA. This is the first time when covert operations are being conducted overtly. Knowing fully well who is conducting these operation, where and against whom, taking full responsibility but without any legal cover. This is highly controversial and reminds one of the historical *Melian* dialogue "powerful exact what they can, and the weak grant what they must."<sup>7</sup> This means that since the US is the most powerful state in the world, therefore it can do whatever it can and rest of the world is unable to oppose it so it does what they must, so did Pakistan and the rest of the world. But interestingly Taliban chose to fight against the US as did the *Melians* against the powerful Athenians.

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7 The Melian Dialogue, accessed on June 5, 2013, [http://web.mit.edu/dimitrib/www/Milos\\_Photos/Melian\\_Dialogue.html](http://web.mit.edu/dimitrib/www/Milos_Photos/Melian_Dialogue.html)

## **Warfare or Video Game: Detachment from Battlefield**

Drone operations are unique in character using technical instruments guided remotely by operators sitting thousands of miles away from the rugged mountainous battlefield, inside the secure and cozy comfort of an operation room within the US mainland. This physical displacement from the battlefield creates an artificial environment much like a video game where causalities are taken as hits and scores in a computer games. This process renders human killing as a video game, grossly reduces the sanctity and respect for human life and generates complete disregard to the suffering and pain of those who are being killed with impunity. This physical detachment of the drone operators, who might have never been outside their own countries and might have never known any other society, are likely to regard warfare as a sport, insensitive to its human and psychological implications for humanity and society. Such type of war diminishes the ethical or moral issue of killing innocent civilian. For them it is just a screen display where they hear no screams, see no blood, witness no pain and smell no smoke. This kind of remote warfare tends to promote killing more and more achieving higher and higher scores as in a video game. The evidence of this psyche and mind-set is visible from the video released, which was based on the conversations between the US soldiers killing innocent civilian.<sup>8</sup> Risk taking in drone warfare is also common as it poses no threat to the operator's life and can be considered as affordable by the drone operators.

## **War Casualties**

The US has been sensitive to the issue of its own soldier's causalities in all its military operations. The body bags of soldiers returning home during Vietnam War had serious psychological impact on the nation. Similarly the growing discontent against the War on Terror is because of the increasing number of soldiers being killed or injured. If by some other means this human casualty can be reduced or minimized, the war or no war would be less of an issue for the Americans. These drones have done the same, where the drone fighter is away from the battlefield hazards and is immune to the retaliatory action of the enemy being targeted. This unique insulation from the hazards of war and battlefield breeds a culture where an average American is not bothered about the questions of state sovereignty, legality, or the unintended casualties that the drone strikes tend to inflict. "The message U.S. citizens take home

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8 Video, *Collateral Murder: Iraq*, accessed on July 22, 2013, <http://readersupportednews.org/off-site-news-section/45-45/1427-video-us-apache-helicopter-kills-12-unarmed-iraqis>

when they hear about drone strikes in the FATA is that their government overrides such concerns in the pursuit of America's enemies – and it's a message they are mostly comfortable with."<sup>9</sup>

### **Implications for Conflict Resolution**

Drones pose both social and political problems but it has another dangerous implication that it keeps the conflict warm if not hot. The use of force seems quite a possibility and at no human cost to the aggressor. This tendency reduces the chances of negotiated settlement based on give and take and compromise. The side possessing drones will try to dictate and destroy rather than negotiate as the cost of conflict seems affordable to the aggressor and there is no benefit in conceding to the demands of the victims. If this trend continues then the settlement of conflicts through peaceful means will become more difficult, seriously endangering world peace and security. In a recent drone attack which has resulted in killing of TTP leader Wali-ur-Rehman has done exactly the same. The strike has killed an undesired leader of the opposition at a time when the government was making an effort to negotiate and resolve problems with Taliban in Pakistan. The drone strike has done the damage and destroyed any prospects of dialogue and peaceful settlement of the conflict.

### **Proliferation of Drone Technology**

Today US enjoys an overwhelming superiority in the use of armed drones but this is likely to end soon. Up to 70 countries already possess drone technology<sup>10</sup> but are using them mostly for reconnaissance purpose. This may become complicated when these countries also start using armed drones for targeting. These new drones will gradually become more smart and undetectable, ensuring silent killing of undesirable individuals, irrespective of the fact whether they are legitimate combatant or not. This may seriously undermine the entire justice system of the free and civilized world and create new threats to world peace, security and regional stability.

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9 Trefor Moss, "Obama's Drone War", *The Diplomat* (February 6, 2012) accessed on July 21, 2013, <http://the-diplomat.com/flashpoints-blog/2012/02/06/obamas-drone-war/>

10 Micah Zenko, "10 Things You did not Know about Drones" *Foreign Policy* (March/April, 2012), accessed on June 23, 2012, [http://www.foreignpolicy.com/articles/2012/02/27/10\\_things\\_you\\_didnt\\_know\\_about\\_drones?page=0,3](http://www.foreignpolicy.com/articles/2012/02/27/10_things_you_didnt_know_about_drones?page=0,3)

## **Duplicity of Drone Warfare**

When international law is applied and state relations are conducted, there is an increasing trend of double standards and lack of moral considerations for policy making. Pakistan has repeatedly been the target of this international duplicity and discrimination. The states are increasingly being categorized differently as per political and commercial interests by major powers. With regards to drones this duplicity is clearly evident. Here States are not all the same when it comes to terrorism, in other words, no rational US leader is going to take the solemn international law admonition of the “sovereign equality of states” too seriously in these matters—There will not be “Predators over Paris, France,” any more than there will be “Predators over Paris, Texas,” but Pakistan, Yemen, Somalia, and points beyond are a different story.<sup>11</sup> Understandable the double standards are there but now have been exposed, the moral high ground of the free and fair liberal democratic systems, as they may call it to be, is being challenged.

## **State Institutions**

There is an increasingly disappointing situation because drone warfare undermines the state institutions of the countries being targeted by terming them as failing states. It would be appropriate to consider them as new and evolving but are definitely not failing. The state apparatus is up against the menace which the world (though joined together) is finding difficult to control. The entire world coalition forces under ISAF and NATO have not been able to crush militancy and extremism with all their resources and technological, how can countries like Pakistan, Yemen, Somalia or Syria alone do so. On the contrary, if we compare the performance of coalition forces in Afghanistan with Pakistani forces operations in Swat Valley and Waziristan, the performance of Pakistani forces is far better than the performance of ISAF or the US forces in Afghanistan. Drones attack conducted on this ground that state forces are not capable of doing the task is thus not valid.

## **Ungovernable Territories**

The argument of ungovernable territories has frequently been used to justify drone strikes especially in the tribal areas where there is limited writ of the government. If this issue of ungovernable territories is raised then many other countries will have serious problems and new issues of interference in internal affairs will emerge. India in Kashmir has serious governance problems and also

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11 Ibid., Kenneth Anderson, “Targeted Killing and Drone Warfare: How We Came to Debate Whether There Is a ‘Legal Geography of War’”.

in many other districts (Maoist movement) where it has no control. Can another state start targeting some suspected criminals inside India using drones on the pretext that these are ungovernable areas and are being used by terrorists as safe heavens? Similarly US has problems with Cuba, Mexico and other Central American countries with many weakly-governed border areas, so can this argument be used to justify killing of suspects in these countries. The world has large ungovernable territories which not under tight state control, so what would be the future of military operations within the state boundaries if they are ungovernable. Should it not be the same state or the UN to decide? What actions are required to be taken? Or a single state should be allowed to interfere unilaterally.

### **Democratic Norms**

If by any means and on any ground these drone operations are considered as essential and only way to bring the culprit to justice then what will happen to the so called democratic norms considered as desired objectives of a free and civilized world. The regime of Col Qaddafi which has recently been removed for being oppressive and accused of committing atrocities on its own people violating human rights and not giving legitimate chance to the opposition parties and individuals to express their opinion and engaging in extrajudicial killings and imprisonment of own people. Is this not the same crime which the US is committing in other states, under the guise of covert operations by using drones and private contractors, to assassinate individuals without giving them a fair chance to defend themselves?

### **Conclusion**

The drone strikes inside state territories not engaged in any armed conflict have raised serious debate at various levels regarding their legitimacy and efficacy. The UN system, does not allow continuation of this policy and more so the public opinion is also against it. Despite all this opposition, the US administration continues to pursue this policy which is detrimental to the contemporary international system based on the principles of state sovereignty and territorial integrity. There are serious issues related to the violation of state sovereignty, acts of aggression against citizens of other states and new form and emerging norm of extrajudicial killing and civilian assassinations. There are no transparent accountability procedures in place to verify the credibility of the intelligence and necessity of drone attacks in other states. Additionally, this concept of remote targeting is producing a new culture of warfare which is inhuman in nature and dangerous for negotiated settlement of disputes. The world today is becoming a

dangerous place to live where remotely controlled drones are targeting people by the choice of few without affording them an opportunity of fair trial and chance of self-defence.

Some of the issues highlighted in this paper indicate that drone strikes have serious, technical and legal challenges. Moreover, killing few individuals arbitrarily on the basis of suspicion will not eliminate terrorism. There are genuine and core issues related to the notion of terrorism which must be understood and addressed. Ironically, these issues are used by the extremist groups to rally support, collect funds and recruit young people to perpetrate acts of terrorism. Unless these issues are resolved, the fight against extremism will never end.

It is believed in Pakistan that drone strikes have failed to control or reduce terrorism. However, whilst attempting to eliminate the militant leadership, it is also leading to the killing of innocent civilians, thus further breeding terrorism by providing legitimate grounds for the recruitment of new members and suicide bombers. These attacks are used as a plea by extremists to carry out suicidal attacks inside Pakistan, leading to further spread of violence, destabilization and insecurity within the society. The Joint-Parliamentary statement<sup>12</sup> clearly calls for the end of drones strikes inside Pakistan, a true reflection of public demand of the Pakistani nation. In the greater good of the world at large and improving friendly relation and cooperation with Pakistan, under the Obama administration's second term, the US should revisit its policy of using drone strikes inside the territory of a frontline ally, and stop further drone strikes.

The new government which is taking over (has taken over) in KPK under Pakistan Tehrik-e-Insaf (PTI) and in the center under PML(N) have both expressed their serious concerns to end drone strikes but ironically there is no shift in the US policy. President Obama in his recent address to National Defence University, Washington has reiterated continuation of drone policy though with some modifications. Hope better sense may prevail and the entire policy is objectively revised in the greater interest of humanity and peace and security for all nations.

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12 "Resolution on Guidelines for Terms of Engagement with USA/NATO/ISAF and General Foreign Policy", National Assembly of Pakistan: Resolutions, April 12, 2012, accessed on June 23, 2013, [http://www.na.gov.pk/en/resolution\\_detail.php?id=61](http://www.na.gov.pk/en/resolution_detail.php?id=61)

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## BOOK REVIEWS

### **The Meadow: The Kashmir Kidnapping that Changed the Face of Modern Terrorism**

*Authors: Adrian Levy and Cathy Scott-Clark*

*Publisher, Penguin Books (New Delhi) India*

*Year 2012*

*Pages 536*

*Price: 599 Pounds*

*ISBN: 9780143418757*

**W**ritten by two renowned journalists, *The Meadow* casts a spell like a gripping crime thriller, the only difference is its real characters and situation that makes it more intriguing for the reader. This book is result of an organized investigation into unfortunate kidnapping and later killing of six foreign tourists in the Indian Occupied Kashmir (IUK) in 1994. The authors successfully bring reader up close to the bone-chilling developments of the militancy-torn Indian Occupied Kashmir, by telling of mindless blood-letting, conspiracies and terror in all its horrid details coupled with the reckless manipulations by Indian agencies involved in so called counter-terror operations. By the time the book ends, reader is left with a grieved heavy heart at plight of six foreign hostages in this political drama.

Adrian Levy and Cathy Scott-Clark specialize in investigative journalism and have worked for UK's The Sunday Times and The Guardian for nearly 18 years. Honoured with 'Foreign Correspondents of the Year' award in 2004 and 'British Journalists of the Year' award in 2009, they've co-authored three books including *The Deception*. Their latest book on Kashmir *The Meadow*—not only has aimed at demystifying the fate of several Western hostages in 1995 *Al Faran* kidnapping but has created ripples among all social, political and security quarters. This book is written in the style of a novel rather than a documentary narrative of facts, begins with a chapter on Masood Azhar who became a household name in the subcontinent in the wake of the hijacking of AI 814 to Kandahar in December 1999. The making of the founder of *Jaish-e-Mohammed* under the benign patronage of his cleric father Master Alvi based in the seminary town of Binori and Masood's alleged link with Osama bin Laden is all given with impressive details. The writers, piecing together diverse reports of Masood's rise to fame (or infamy), have tried to link kidnapping of tourists with demands of Kashmiri freedom fighters to free Masood of Indian custody.

The most significant attribute of this book is the human element that differentiates it from other books of similar genre. The

authors have crisscrossed between given details about Masood and six tourists from different countries (US, Britain and Norway), successfully establishing a link between the families, psychologies and feelings of the reader. We are given the back-story of each hostage and a blow-by-blow account of the kidnap. Every mindset is explored, from the Indian negotiators to the rebels. The American hostage, American Don Childs, was the luckiest one who managed to escape and was later sent back home by efforts of US embassy. One Norwegian, Hans Christian Ostro, who was killed, had tried to escape four times that lead to his beheading. The remaining four hostages, Britons Keith Mangan and Paul Wells, German Dirk Hasert and American Don Hutchings, stayed in captivity for over six months, were forced to march over snow-covered peaks resulting in snow blindness, scraggy mountain paths that caused them footsore, eating bread, rice and little else and living through the nights in smoky Gujjar huts in some of the remotest places on Earth.

The kidnapping had awestruck international community and put Kashmir in the limelight. In the background, the families of the missing struggled to keep their hopes alive, while international governments negotiated frantically with India, and the army, police and intelligence services tried to follow the trail. But the remaining four hostages were never found, their case forgotten - until this book was published.

The most remarkable element of this book is authors' accurate description of Indian police and intelligence officials engaged in secret operations to search out information. Particularly interesting is their account of "reformed" militants, an understatement for New Delhi-sponsored mercenaries that were allowed a free run of the state, torturing, maiming and killing people without accountability, while Prime Minister P.V. Narasimha Rao vigorously pursued his pre-poll commitment to cleanse the Valley of terrorism. In the end though, the reader is left confused as to the precise role of pro-Government militants in this hostage episode.

*'The Meadow'* unearths more than just the details; it has surpassed the confines of journalistic investigations. The *Al Faran* episode is an apt prism that helps one see India's handling of Kashmir, and the West's response to the conflict. It is also clear that after the kidnapping, the West took a different view of Kashmir, seeing it no longer as a struggle for self-determination, but as a theatre for terrorism with potential global consequences. The militants are said to have carried out their atrocities to secure the release of some of their more hardcore counterparts, but for the Narasimha Rao government, this incident was an opportunity to maximize an infliction of pain on Pakistan, fulfilling a key plank of the Rao doctrine: to frame Pakistan as a state sponsor of terror.



Finally the end of the western backpackers came not in a terrorist hole, but with government forces, claims the book.

Voluminous and detailed, the 500-page book is a gripping real-life thriller, unveiling the games detectives and security agencies played in Kashmir. The authors also disclose rivalries between the Indian army, intelligence and police outfits. They reveal the reluctance of New Delhi to allow either the Jammu and Kashmir Police or Scotland Yard or FBI to pursue investigations that could have ended the hostage crisis. Levy and Scott-Clark write, "Anywhere else in the world, the fraternity of police would have shared intelligence and war stories. Here (in Kashmir) everything was infused by politics, shrouded in secrecy and predicated by control" (p.386).

The authors tentatively suggest that the official Indian negotiator was deliberately let down by the intelligence establishment just when he had cracked a deal with the 'kidnappers' against payment of a ransom of Rs.1 crore. This is where the otherwise told story loses track. The authors suggest that Indian intelligence, under instruction from an insecure prime minister, deliberately delayed mounting a rescue operation despite knowing very well that the kidnappers were running out of steam and even Pakistan-based militants had condemned the killing of the Norwegian hostage. The turning of page 300, account journeys towards a sorry end and the reader enters a new world of gritty, gross realities, unmasking a face of Indian agencies that many in international community thought nonexistent.

Interestingly what is proved by Levy and Clark after a tiring research of the kidnapping was examined and analyzed by a senior Pakistani scholar Dr.PervaizIqbalCheema in his article "Who Killed the Western Hostages?"<sup>1</sup> He hinted on a similar investigation of Julius Angel (A German), the mystic appearance and disappearance of *Al faran* and possible outcomes that Indian government might have achieved from the episode. The conclusive remarks of Dr. Cheema are reasserted by the fact finding mission of the authors of *The Meadows*: the striking note struck by the authors is their conviction that India had let loose a virtual war on the Kashmiri people, using every instrument in the book of counter-terrorism. According to Levy and Clark, Indian security forces and vigilantes on the Government's payroll killed innocents in thousands, dumping their bodies in unmarked mass graves, terrorized villagers suspecting them to have pro-militant sympathies, destroyed the civilian administrative apparatus and turned the Valley into a gigantic military bunker. In the end, the account reads more like a charge

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<sup>1</sup> DrPervaizIqbalCheema, "Who Killed the Western Hostages" *The News International* (Rawalpindi) June 3, 2001.

sheet against the Indian establishment-isolated from the people, fighting internal battles primarily by leaking reports to the media, botching up operations and cynically willing to sacrifice human lives to attain political goals.

Most explosively of all, though, the authors claim that far from being utterly clueless, the security forces identify the hostages' exact location early on, but choose not to act simply to prolong the adverse international publicity for Pakistan, which is fingered as having backed the plot. They further allege that for the same reasons, a rogue Indian police unit then had the hostages killed. While such a theory may seem far-fetched, the level of research put in by authors, who both covered the kidnapping as foreign correspondents in India, lend it credibility. The passage of time has helped loosen tongues, and an impressive cast helps tell the story, from the whisky-drinking Indian policeman who acts as chief negotiator, through to his Scotland Yard counterpart, Roy Ramm, who feels the posh mandarins in the Foreign Office put far too much faith in the Indians. It also lays bare the pain for the families of the four missing men. For instance when Paul Wells's father, Bob, comes to Kashmir looking for answers, an Indian police chief shows him a picture of a decomposing head which he insists is his son's, only for DNA tests to prove it to be that of an unidentified local.

Nevertheless, *The Meadow* makes a shocking but amazing and superb reading. The authors must be complimented for narrating an intricate, gripping human story in a manner that compels readers to finish the book in one sitting. But: the question hanging in the air for many years that who let down the foreign tourists and why? Is answered by *The Meadows*.

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**Pakistan and the New Nuclear Taboo: Regional Deterrence and the International Arms Control Regime**

*Author: Dr. Rizwana Abbasi*

*ISBN: 978 3 0343 0272 2*

*Publisher: Bern Peter Lang, 2012.*

*Pages: 355*

*Price: £ 50*

South Asian nuclear issues have become a core issue of international nonproliferation debate today. Since 1998, the advocates of nonproliferation regime have been critically examining the nuclear development within the subcontinent. The nuclear status of India and Pakistan did not only initiate a scholarly debate on the nuclearization of South Asia but it also augmented the criticism on the effectiveness of NPT. Therefore, different schools of thought emerged which reflected diverse opinions about the nuclear ambitions of India and Pakistan. Indian and Pakistani writers tried to explain the official standing of their states in South Asian nuclear race. The work of Dr. Rizwana Abbasi, in this regard, tries to discuss the nuclear race of South Asia by presenting contemporary Pakistani perspective.

Dr. Abbasi's work *Pakistan and the New Nuclear Taboo* talks about the status of Pakistan, world's seventh nuclear power and first in the Muslim world. Her book covers the theoretical dimensions of South Asian nuclear competition. The writer centralizes her core argument on the nuclear behavior of Pakistan, which has been analyzed in consideration of the global nonproliferation standards and its impact on Pakistan's nuclear program. Generally, the writer emphasizes the nuclear development of Pakistan in the light of domestic, international and regional imperatives. In view of the nuclear taboos, she argues the state behavior could secure international system by resisting the ambitions to acquire nuclear weapons. Therefore, nonproliferation regime is only viable option to regulate states' nuclear behavior (p.30).

The whole debate in this book revolves around regime theory, coupled with three schools of thought realism, neo-liberalism and constructivism. According to regime theory, the IAEA and NPT along with multilateral export control regimes emerged to eliminate the nuclear proliferation globally. The idea of taboo (prohibition norm) will be undermined if the nuclear states will use nuclear weapons in any circumstances (p.58). The existing nuclear taboo against the use of nuclear weapons will be secured with the promotion of new taboos against the possession of nuclear weapons, which will be further helpful in achieving 'Global Zero' (complete disarmament). Moreover, the international institutions (UN) have

failed to promote the nuclear taboos against the possession and use of nuclear weapons (p.62).

By studying the Pakistan's nuclear behavior, DrAbbasi starts her debate from 1950s with there a list logic which best explains the regional scenarios at the time of independence inflicting a sense of insecurity in Pakistan's strategic thinking. Post partition era fabricated a conflicted environment in subcontinent due to the territorial disputes and distribution of natural resources (water issues) among the newly founded states (p.86). So, the initial demands of Pakistan were met by Atoms for Peace Program of US, but the nuclear regime at that period in time, forced Pakistan to use nuclear technology for peaceful purposes. Furthermore, Pakistan supported the Irish proposal on nuclear nonproliferation. The realist model remained insufficient explaining Pakistan's behavior because the country strengthened its conventional capabilities and developed diplomatic relations with the US in order to counter regional threats. The regime theory led Pakistan into SEATO and CENTO, but Indian stance influenced Pakistan's policy toward NPT. The realist ideals hampered Pakistan strategic thinking in response of 1971 separation of East Pakistan and the PNE of India in 1974. However, Pakistan always supported the NWFZ in South Asia which was deliberately refused by India. Hence, the semi-anarchic environment of South Asia forced Pakistan's strategic thinking from neo-liberal to realist dimension.

This book further examines the Pakistan's behavior in three conventional crises which fostered the nuclear developments within the country. US imposed sanctions and provided economic and strategic aid to Pakistan in order to halt its nuclear program but the security driven nuclear ambitions of Pakistan continued the nuclear program. Eventually, the decision of BJP in 1998 dragged Pakistan into becoming a declared nuclear state. In this way, Pakistan declared its nuclear weapons and maintained credible minimum deterrence in the region. On one side, the deterrence factor of taboo in post nuclearized South Asia prevented the conventional war between India and Pakistan. On the other hand, the normative principle of taboo against the use of nuclear weapons had no clear relevance in Indian and Pakistani context (p.171).

The seven chapters of this volume provide very brief accounts of Pakistan's nuclear program and its contemporary status, but the most critical portion starts from chapter four which deals with the issues of vertical and horizontal proliferation. Dr Abbasi develops very contentious argument in her book on A.Q Khan's network. She states "The Khan's behavior was opportunistic. He saw an opportunity to engage in reverse proliferation, and make money and he made full use of it" (p.209). No doubt, she defends the A.Q. Khan's revelation by saying that the country is not signatory to NPT

and CTBT, that's why it is not violating the available nonproliferation regimes, but she persists with her critical analysis of A.Q Khan issue by providing evidences to prove the existence of Khan's international network.

The writer also mentions in her studies the steps taken by the Government of Pakistan to strengthen export control laws, improving personnel security and engaging in international security cooperation. There are also three areas which are needed to be developed further; the integrity of the command and control structure; preventing proliferation insiders; and ensuring physical security of nuclear weapons (p. 229). At the end, Dr Abbasi highlights Pakistan's status as a challenge to nonproliferation regime. She thinks the nonproliferation is a global problem which could only be resolved by strengthening the role of international institutions and enhancing the cooperation between states. Furthermore, the issues of 'haves' and 'have not', reducing the influence of powerful states, providing security guarantees, amending the treaty according to the new developments could be possible solutions to overcome the issues of nonproliferation internationally. Additionally, the supervision of non-NPT states' behavior, general and complete disarmament, removal of NPT withdrawal provision, addressing the causes of reluctance to join the NPT and dealing properly the clandestine nuclear facilities are further potential resolutions prescribed by the author.

Finally, this work concluded the debate by maintaining that the combination of theoretical models which can explain the nuclear behavior of Pakistan. The concluding remarks offer an assessment of the strengths and weaknesses of the theoretical approaches adopted in this book to forecast the status of nonproliferation regime. In this way, this book delivers a comprehensive talk on Pakistan's contemporary nuclear behavior, and the nonproliferation issues the country is facing presently. There are number of Pakistani writers who have presented their convincing arguments in their studies regarding the nuclear program of Pakistan. This book while discussing Pakistan's nuclear standing is an addition in the available literature on South Asian nuclear contest. No doubt, the work of Dr Abbais is difficult to compare with the existing work of Dr Zafar Iqbal, Cheema, Dr. Zulifqar Khan, Naeem Salik, Dr. Zafar Nawaz Jaspal, but this is an effective and an appropriate work to understand the security and nonproliferation concerns regarding the nuclear program of Pakistan.

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## THE IMPACT OF PRIVATIZATION IN PAKISTAN

*Author: Dr. Akhtar Hasan Khan,*

*ISBN: 978-969-0-02400-8*

*Publisher: (Lahore: Ferozson (Pvt.) Ltd., 2012),*

*Pages: 167*

*Price:*

The book *Impact of Privatization in Pakistan* written by Dr. Akhtar Hasan Khan wraps all the eras since independence and its consequences of privatization in Pakistan, in a very expound way covering broad aspects. The author's in-depth insight on the subject is virtually a true piece of research. It focuses on the utmost need of transparency in privatization, which the narrator proved by groping the case studies of international regime. Into the bargain, the institutionalizing of privatization occurred after descend of Berlin Wall in 1989. For those who want to examine deeply the repercussions of 1970's nationalization and back-way to privatization, the book is worth considering in that sphere. The book under review comprises 13 chapters.

In the beginning the book draws attention to the role of public-private sector or state in the economic growth is evaluated, examining the past experiences of developing countries. The *modus operandi* adopted all the way is pragmatic, and realistic according to the public conditions and requisite needs. It is analyzed that the policies adopted in the wake of 1990s; the decade of privatization, influenced all over the world. A big wave of privatization had been experienced in developed countries rather than in developing countries. Wherein, the role of privatization has seen more positive in developed countries due to its vivid transparency.

Elucidation of 'Theory of Privatization' and its arguments for private and public sectors, is implanted skillfully in chapter 2. While elucidating the theory of Privatization, it is very easy to grasp that the private sector, by its single-minded focus on profit maximization and the highest share values, is more efficient than the public sector which is constrained by political considerations. Privatization reached to its peak time in mid/late 1980, after the fall of Berlin Wall in 1989. The work indicates that the privatization became an international mode since it was set a prerequisite for the Marxian communist philosophy in the USSR and Eastern Europe. It is also explained as a powerful tool in reducing fiscal deficit one of the substantial and sizeable points of a strict economic theory.

The book analyses the particulars of the international experience of privatization specifically in UK, USSR, India and China. The intensive analysis implies that Russia is not a good example of privatization. She adopted two policies which include: the loan share programme and the selling of vouchers to management and the employees, however, unfortunately both could not succeed. The UK on the other hand, became the most victorious example of privatization. The study appreciates the role of Mrs. Thatcher — the former UK prime minister — who played an imperative role in the wake of privatization in the UK. Her programme was implemented with the main aim of expanding equity ownership of public sector firms (p.31). China in the wake of its quickening economy, has been

analyzed by the author as a nearly winning the entire boom in comparison to other international regime's privatization. Chinese privatization got thrive due to the facts that China has fortunately never experienced any political collapse nor even caught under International Monetary Fund (IMF) or World Bank (WB) loan. Whereas, privatization in India has not been a major plank of economic policy from 1990's to the first decade of the 21st century. So, the Indian economy could not execute and prosper well consequently and has not achieved a positive incite by their privatization strategy.

Moving forward, the author focused on the 'Historical Background of Privatization in Pakistan' which enjoys its best epoch in 1960's as its economic feat was at its peak at that time. However, the nationalization programmes lead by a socialist; the PPP government in 1972, was not designed keeping in view of any economic considerations nor even executed in an appropriate sequence. This nationalization policy not only nationalized industries but also gone for private banks and life insurance companies too. As the outcome of this manifesto, the colossal businessmen swayed not to invest in Pakistan, where industries were being nationalized and humiliated. Consequently, Pakistan lost its industrialist class as an upshot and corollary of nationalization. It had to hang around until 1990's to overwhelm the repercussions of 1970's universally recognized flawed policy: enveloped in chapter 4.

Chapter 5 focuses the 'Phases in Privatization of Pakistan' in which the divestiture as well as flaws of public sector has been narrated in different stages. In the phase-1: 1947-1971, the PIDC was conjuring up the providence of private sector. It had one of the fastest growing manufacturing sectors in the world (p.47) with the help of both PIDC and the private sector. In phase-2: 1971-1977, the economic policy adopted by the then Prime Minister Z. A. Bhutto with the dissemination of the Economic Reforms Order in 1972 was to nationalize the economic sectors. Enclosed to it, lose of East Pakistan was also on the screen as various gigantic industries were operating there resulted in the devastation of Pak Rupee. It was an era, which killed the original fortitude of businessmen that is still having its effects. Then, the phase-3: 1977-1988, was the era of de-nationalization which tried to demeanor privatization in a transparent mode. Into phase 4: 1988-1999, despite the fact that mammoth privatizations took place with a planned connotation but nevertheless could not achieved its objectives properly. The overall impact of privatization during this decade has been analyzed by the book as "lost decade" made no positive contribution to the national economy, whereas it had negative impact on industrial employment, growth and investment' (p.64).

The volume elaborates; the new privatization strategy was announced in February 2009. However, it concludes Pakistan, at present, is facing numerous internal threats and economy is undergoing a very critical phase. The author recounts the privatization of KESC, Financial Institutions, PTCL, Steel Mills, Oil and Gas Wells and the privatization through Sales of Shares as there was extensive privatization in 1990s and more widespread sales in the first decade of the 21st century.

In the end, the conclusion and policy recommendations that analyze the pros and corns of privatization strategies are presented. The strategy ought to be comprehended keeping the past experience as well as

current financial prudence of the country in contours. In addition, the past experience of other nations should also be kept back in mind before devising the privatization plan. Thus, the present government has done well by privatizing only one unit in more than three years despite its ambitious privatization strategy (p.138). The work spells out; privatization is not always motivating dynamism particularly takes in account the energy sector of Pakistan, which is already lacking behind. Though the privatization of KESC has been practiced out but still has proved to be an unmitigated disaster and was under loss since last thirteen years. It is examined on the whole that the privatization through sales of shares has proven to be the most desirable method of privatization, both in the international capital market and in Pakistan.

The book is an excellent piece of work on the study and the principle policy recommendation of this instructive book is to adopt the privatization strategy as an economic advantage not as an ideological or political approach. Moreover transparency in the process of privatization is the indispensable condition for its success. Privatization should not be pursued as problematic philosophy but as pragmatic and purposeful public policy.

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**DOCUMENTS****Document 1****DOCUMENT 1****U.S.-CHINA STRATEGIC AND ECONOMIC DIALOGUE JOINT  
OPENING SESSION**

Remarks

John Kerry

Secretary of State

Vice President Joe Biden, Secretary of Treasury Jacob Lew, State  
Councilor Yang Jiechi, and Vice Premier Wang Yang

Dean Acheson Auditorium

Washington, DC

July 10, 2013

**S**ECRETARY KERRY: Good morning, everybody. I want to thank my good friend of almost 40-plus years, the Vice President of the United States, for coming today. I don't think there's ever been a Vice President who is as steeped in foreign policy, as knowledgeable, and whose instincts are as honed as Vice President Joe Biden's. And he, believe it or not, began his visits to China as a young senator on the first visit to meet with Deng Xiaoping in 1979. And he has been many times since and has received many Chinese leaders here.

I will tell you that the Vice President, on so many different issues in the discussions that we have, has just an inherent native sense of direction with respect to foreign policy. And I won't say too much more here except to say that we who had the privilege of working with him in the Senate – I think I was there with him for 26 years – saw a person whose word is good, whose instincts are sound, and whose principles and values are just as basic and as based in America and in common sense as you could desire. So, ladies and gentlemen! without further ado, the Vice President of the United States, Joe Biden.

**VICE PRESIDENT BIDEN:** Vice Premier Wang, I hope you understand not to believe a word of what the Secretary just said. (Laughter.) The one thing I do know for sure, that this Strategic and Economic Dialogue is essential, is essential to get right for both our countries. There's no more important relationship.

State Councilor Yang, it's good to see you again. I am honored to be with you. I'd point out to the State Councilor; we've known each other for a while. His elocution and his mastery of English exceeds

mine, and so I seek his advice occasionally on speeches. (Laughter). But honored to welcome your delegation to Washington.

I want to start by expressing my sadness, the sadness of, quite frankly, the American people in the loss of two beautiful young lives, young Chinese students in the Asiana plane crash on Saturday. Our sympathies to their families and to your country. It was remarkable to see that plane and the state it was in and – but the loss of those two young lives is, for families, the most devastating thing that happens in our lives.

We meet at a time of transition on both sides. China has a new president and new leaders. I've had the great pleasure and honor of spending a fair amount of time with President Xi when President Hu and President Obama thought the two vice presidents could – should get to know one another, and we ended up spending about 10 days together, five in each of our countries traveling around, and you get to know someone fairly well. When I congratulated him on his elevation, I asked if he could possibly help me – (laughter) – but he made no commitment whatsoever. (Laughter.)

But all kidding aside we welcome and look forward to the transition that's taking place on both sides. And Vice Premier, I want you to know that in the persons of John Kerry and Jack Lew as part of the change in the guard here, we have sent you, in this case, in this meeting, two of the best, most seasoned, qualified public servants that this nation has to offer. And that is not hyperbole. They generally are. I think Jack's had every job in the Administration, in every administration, and he sometimes in our meetings gets confused to whether he's supposed to be calling for spending less money or more money – (laughter) – based on whether he's director of OMB or the Secretary of Treasury.

But all kidding aside, we – this transition that's taken place in the last six months or so is important, and that I think it's vitally important that the relationships among the four men behind me are deepened and become more personal. I look out and see our trade rep. He's heard me say that – there's a famous American politician, a former Speaker of the House, Tip O'Neill, and he used to say all politics is local. Well, I think a significant part of international politics, foreign policy, is personal, trust. One of the most important things that we need to continue to establish and deepen between our peoples and between our governments is trust. We don't have to agree on everything, but you have to trust. And I think it's – in building these relationships, both our countries will be much better for it in the years ahead.

The stakes are very high because it's fair to say that the dynamic that emerges between our nations will affect not just our peoples, but quite frankly, have a significant impact on the entire

world. And let me be blunt: There are strong voices on both sides of the Pacific that talk about a relationship in terms of mistrust and suspicion. They still exist in both our countries. Our relationship is subject to all kinds of caricatures. I've heard the U.S.-China relationship described as everything from the next Cold War to the new G-2. And the truth is neither are accurate. Neither are accurate. The truth is more complicated.

Our relationship is and will continue to be, God willing, a mix of competition and cooperation. And competition can be good for both of us and cooperation is essential. For two nations as large and influential as ours, it's only natural that there be competition. And if the game is fair and healthy, political and economic competition can then marshal the best energies of both our societies. But this mix places added – an added burden on both of us. The relationship – a relationship like ours will work only if the leaders and citizens approach it with a sense of vision and a spirit of maturity. We will have our disagreements. We have them now. But if we are straightforward, clear, and predictable with one another, we can find solutions that work for both of us.

I made clear on my last visit to China that we are a Pacific power; we have been and we're going to remain one. That should be viewed – and in my discussions in China was viewed by many – as a stabilizing influence. But as we implement President Obama's policy of rebalancing toward the Asia Pacific, it's important that the United States and China communicate clearly and work closely with one another on what is going on.

We have big issues to deal with. We each have important contributions to make to global and economic stability. And my country – my country has been, in the last four years, grappling with such challenges as infrastructure, education, our fiscal picture; too many Americans still remain out of work. But China faces serious challenges as well. It needs to create high skill jobs for young people, deal with grave environmental problems, reform China's banking sector, respond to market forces, and bring its shadow financial sector to heel.

The United States is making progress. Our economy has now added private sector jobs for 40 consecutive months – not enough in the view of this Administration, but 40 consecutive months. The manufacturing sector is once again growing, growing at the fastest pace in decades. And our deficit next year is projected to be less than half of what it was in 2009 as a share of our economy.

And the next steps China – and the next steps that China needs to take for its own economy happen to be in the interest of the United States as well. Your own plans call for the kind of changes that have to take place that are difficult, like here. But if they do, they will benefit us both, including freeing exchange rates, shifting to a

consumption-led economy, enforcing intellectual property rights, and renewed innovation.

It's easy for pundits to point out to us, in both our countries, what we need to do. But there are political realities. These things are not easy to do quickly, but they must be done. Some argue that China should continue on its current path, enhancing some aspects of its free market system while rising political openness gradually occurs, maintaining the state's deep involvement in the Chinese economy.

I do not pretend to know whether – what – with any degree of certainty, precision, what will allow China to rise above those economic challenges. But I believe that history offers us both some lessons. History shows that prosperity is greatest when governments allow not just the free exchange of goods but the free exchange of ideas, that innovation, which thrives in open economies and societies, thrives in open economies and societies. That is – that's the currency of the 21<sup>st</sup> century success, which in the long run greater openness, transparency, respect for universal rights, actually is a source of national and international stability.

As I've said before, I believe that China – presumptuous of me – but will be stronger and more stable and more innovative if it represents and respects international human rights norms. But there are differences that we have. We also have significant challenges – strategic challenges to discuss. Together we need to be addressing the longstanding disagreements and, when sensitive issues arise, work hard not to create new ones.

For example, our military is – your military is modernizing and expanding its presence in Asia. Ours is updating its global posture as two wars come to an end and we recalibrate and rebalance in Asia. These trends will bring us into closer contact. Leading the military dimension of our dialogue underdeveloped on both sides causes us to run unnecessary risk.

So I welcomed yesterday the round of strategic security dialogue and the enhanced dialogue between our senior military leaders. More of it must occur. It's critical to expand our military-to-military dialogue, exchanges in cooperation, as we go forward. We have to know what each other are doing. The truth is, we have a common interest in defending a wide range of public goods and international rules that will only grow more compelling as China looks beyond its borders.

For example, we both benefit from freedom of navigation and uninhibited lawful commerce. That will deepen and it will also become more apparent a need, and it will depend on how China approaches its territorial disputes with its neighbors and how we work together to advance common interest.

We both will benefit from an open, secure, reliable internet. Outright cyber-enabling theft that U.S. companies are experiencing now must be viewed as out of bounds and needs to stop.

The race to develop cleaner, more affordable energy sources through a mix of competition and cooperation, to state the obvious, can benefit both our people and the people in the world. So I welcome the new energy and climate dialogue and our agreement to reduce the pollutants known as HFCs, which make an outsized contribution to climate change.

And of course, the security of both our nations, as we have discussed privately and somewhat publicly, is threatened by North Korea's nuclear missile programs. Neither of us – neither of us – will accept a North Korea that is a nuclear-armed state. Our presidents have agreed that ending that threat is a critical priority not only to our relationship – in our relationship, but for each of our nations. We're determined to intensify our cooperation with China to denuclearize North Korea.

Many of the most pressing challenges will be very difficult to solve unless we are willing to continue to work together, as we are doing today and have been doing for some time. China now has the second-largest economy in the world, and God-willing, will continue to grow. It's in our interest. It's no longer the discussion, when I was a young senator, of zero-sum games here. We used to talk about if another nation grows and benefits, somehow that – it's the exact opposite, to state the obvious.

With that new – not new, but emerging and continuing growth of the Chinese economy and the second largest in the world now, that's the good news. The bad news is it comes with some new international responsibilities. It's understandable that China wants to be involved in international rules-setting, as you should be, but is weary about taking additional international burdens on. Ultimately, the two go hand in hand, because in 2013, the world's environment and rule-based economic order cannot sustain an exception the size of China. Your country is simply too immense and too important.

As John pointed out, I first visited China in 1976 as a young senator. It was already clear then that China stood on the cusp of remarkable change. I believed then and I believe now that your country's rise would be and is good for America and the world. That is just a simple statement of fact. But it's never been inevitable. The greatest cause for optimism is what happens when our people come together. We see a lot of ourselves in each other – a striving entrepreneurial spirit, optimism about the future. I see that when I speak to young Americans across this country, and I saw it when I was accompanied by your President and spoke to college students in Chengdu.

Mechanisms like the Strategic and Economic Dialogue play an important role in managing our complex relationship. If together we get it right, we can leave behind a much better future for our children and for their children, and quite frankly, for the world. That sounds somewhat chauvinistic, just to be talking about as we get our relationship right it has such a consequence for the world. But it does. It does. And nothing matters more.

So I welcome you. I know this is your – not the first day, but I welcome you on behalf of the President, and I wish you a great deal of luck. We have a great deal of work to do. The promise is real. The competition will, in fact – as I said to President Xi when he was Vice President – the competition is good. It's good for us, it's good for you. We welcome it. We welcome it. And we'll both be better for, as I said, as a consequence. If we get it right, so will the world.

So thank you for the important work you're doing here today. I wish you luck the remainder of this discussion, and I look forward to seeing you in China. Thank you. (Applause)

**MODERATOR:** Please welcome the Vice Premier of the People's Republic of China.

**VICE PREMIER WANG:** (Via interpreter) (In progress) host together with State Councilor Yang Jiechi to co-host the fifth round of the China-U.S. Strategic and Economic Dialogues with my American counterparts. I would like to thank the U.S. side for the thoughtful arrangements they have made for the meeting, and also pay tribute to the tremendous work our teams have been doing for this meeting.

I came to the United States 10 years ago. And this time I am here again as the special representative of President Xi Jinping, and I'm here to co-host the S&ED. I don't know what kind of situation I'm going to face on this visit and what changes have taken place in the United States in these 10 years. Well, in the past two days, I can see that the Americans are still taller than the Chinese and still have a stronger body and longer nose than the Chinese. And nothing much has changed, so I feel more confident of my visit this time.

(Inaudible), there are also things that have changed in these past 10 years. That is the economic relationship between our two countries. A lot of things have changed in our economic relationship. We are becoming closely connected with each other on the economic side. In particular, one month ago President Xi Jinping and President Obama had a historic meeting in California. During that meeting, the two presidents, with great vision and foresight, reached an important agreement on working together to build a new model of major country relationship between China and the United States. This charted the course for the future growth of China-U.S. relations. Our job, in this forum of the S&ED, is to turn the important agreement between the two presidents into tangible outcomes and add substances to this new model of major country relationship so as

to bring benefits to the people of the two countries and the world around.

China-U.S. relationship is one of the most important bilateral relations in the world. The S&ED, jointly initiated by our two presidents in 2009, has served as an important platform for the two countries to enhance mutual trust, expand cooperation, and manage differences. Over the past four years, the two sides have had close communication and candid discussions on issues of long-term strategic and overarching importance. Well, this has enabled the (inaudible) of China-U.S. relationship to always forge ahead in the right direction against the surging waves and changes in a political – international, political, and economic landscape.

History of the world tells us that for countries, dialogue works better than confrontation, and debate better than fight. Before China and the United States established diplomatic ties, the two countries were in a state of no contact and often found themselves to be exchanging accusations and abuses without actually seeing each other. The Chinese were calling the Americans imperialists. I don't know what the Americans were labeling China, maybe a communist (inaudible), I don't know. However, this kind of exchange of accusations and abuses had failed to settle anything.

Since the establishment of diplomatic ties, particularly since China's accession to the WTO, the exchanges between China and the United States have become increasingly close, and we have carried out frequent dialogues of various forms at all levels. While we did have a fair amount of bitter argument, sometimes heated ones, both of us had actually benefitted from such exchanges.

One of the accomplishments is the surge of two-way trade from 333 billion – point-seven billion U.S. dollars during the 2008 global financial crisis, to nearly 500 billion U.S. dollars in 2012. What has happened shows that to maintain long-term dialogue between our two big countries not only benefits the Chinese and American people, but also serves peace and the development of the world.

I think that dialogue and debate are often found to be important means that lead to creative ideas. When cornered by a rival in a debate, one would often come up with some quick wits. In his meeting with President Obama, President Xi Jinping said that, "Well, when the rabbit was cornered in a fight with a strong opponent like an eagle, the rabbit would then, well, come with some courage to fight back." So in the – as the Chinese poem goes, after endless mountains and rivers that leaved out whether there is a way out, suddenly one encounters the shadowed willows, bright flowers, and finds the path to another village.

And I also believe that dialogue is an important means to advance the progress of human civilizations. I think it's my personal belief that also has a color of philosophical thinking. I think dialogue

is important for both countries; we are ready to have dialogue, listen to different voices, and be receptive to the right views through our dialogue with all parties, including the United States. And by way of listening to different views and opinions, we have detected some of the problems that hindered our steps forward and that, in turn, helped us to improve on what we do.

Naturally, like the United States, we will never accept views, however presented, that undermine our basic system or national interest. To us, a dialogue like that is simply unacceptable. This is our bottom line and we will never give up. This round of the S&ED provides an opportunity for us to build on past achievements and then look ahead towards the future.

The international landscape is undergoing profound and complex changes. Despite many of our differences, our common interests are also growing. For us, candid dialogue and sincere cooperation remains the right direction. We need to raise our strategic, mutual trust to new heights through dialogue, and trust starts with communication and exchanges. The more communication exchanges we have, the less misunderstanding and disagreement. We also need to forge new consensus on upholding world peace and development through dialogue.

China is the world's largest developing country, the United States the largest developed one. The importance of our relations have gone far beyond the bilateral scope and acquired a global significance. Good cooperation between China and United States can serve as an anchor for world peace and stability and an engine for prosperity and development.

Dear colleagues, this round of S&ED presents a new model of major country relationship that is based on non-conflict, non-confrontation, mutual respect, and willing cooperation. I'm sure that the outcomes of the dialogue will further boost our confidence in building a new model of major country relationship. Let's join hands and write a new chapter in our cooperation across the Pacific. Thank you. (Applause)

**MODERATOR:** Please welcome the Secretary of the Treasury of the United States.

**SECRETARY LEW:** It's a pleasure for me to join Vice President Biden, Secretary Kerry, in welcoming Vice Premier Wang, State Councilor Yang, and the entire Chinese delegation to Washington for this fifth round of the Strategic and Economic Dialogues. I'm pleased that Secretary Kerry could make it back, and I know everyone joins me in wishing Teresa a speedy recovery.

It's also nice to be back among so many friends in the familiar halls of the State Department. I'm happy to be back here today. And I offer my condolences to the families and friends of the two Chinese students killed in Saturday's tragic plane crash in San



Francisco, and the American people you know have those two students in our thoughts and prayers, and their families and friends.

We meet at a time when the citizens in both of our countries are looking to their policymakers to advance policies that lead to greater prosperity, equity, and opportunity. Major economies like ours are consistently challenged to reform and adapt and to strengthen our institutions. We know this from our own experience recovering from the financial crisis, and you know this from your ongoing transition to the next stage of your economic development.

Five years ago, after the worst crisis in a generation, the United States promised the world that we would address the vulnerabilities in our economy, and we did. We recapitalized and repaired our banks, overhauled our system of financial regulation, and jumpstarted a recovery in private demand. As a result of these bold policies, our economy has grown for 40 straight months, and we're poised for continued strong and broad-based growth. Our businesses have created more than seven million jobs, and our housing market is recovering.

But we have a lot of work ahead of us. Our top priority is to grow our economy and to create good middle class jobs. In China, your economy is undergoing a systemic transition where significant and fundamental shifts in policy will be required to sustain growth in the future. We welcome the market-oriented reform commitments that you've made. These reforms recognize the imperative of shifting to domestic consumption, greater private sector innovation, an economy that's more open to competition with more flexible prices, including the exchange rate and interest rates, and a more flexible financial system.

Now, while we must each guide our economic futures by expanding the middle class of our nations, what we each do domestically matters enormously to one another. Yes, our economies are interconnected, but what makes matters difficult is ensuring that our economies are growing in a way that is balanced, beneficial, and mutually compatible. That's our challenge.

In the world's two largest economies, too much is at stake for us to let our differences come in the way of progress. For the United States, this means an economic relationship where our firms and workers operate on a level playing field and where the rights of those who participate in the global economy, including innovators and the holders of intellectual property, are preserved and protected from government-sponsored cyber intrusion. It means working together to address our common challenges, such as climate change, energy and food security, and conduct in cyberspace. Cooperation on these fronts is absolutely critical to our futures and the world's future as well.

As our two presidents have made clear, we're cooperating to address the challenges that we face, identifying common interests where we can, and directly addressing our differences. The Strategic and Economic Dialogue is critical to generating practical cooperation on issues across our relationship and a place where we can make real progress. This dialogue brings together the key decision makers from both of our countries to address the critical issues that we face. It has led to important, tangible results for both sides, and I'm confident that we will continue to make concrete progress.

During our discussions, I will encourage China to follow through decisively on important commitments it has made to transition to a more balanced and sustainable pattern of growth. This transition will be critical to China's success and consequential to the world economy. Moving forward, I think there's much we can achieve together, and therefore I encourage us to work diligently, cooperatively, and sincerely as we address the challenges that we face.

Thank you and I welcome our visitors for these two days of meetings. (Applause)

**MODERATOR:** Please welcome the State Councilor of the People's Republic of China.

**STATE COUNCILOR YANG:** (Via interpreter) The Honorable Secretary of State John Kerry, the Honorable Secretary of the Treasury Jacob Lew, Your Excellency Vice Premier Wang Yang, ladies and gentlemen, dear friends. First of all, on behalf of Vice Premier Wang and in my own name, I wish to express my appreciation to the U.S. side for your expression of condolence on the jet crash, the death of the two Chinese young students, and the injury of the other Chinese nationals.

It gives me great pleasure to co-chair the fifth round of China-U.S. Strategic and Economic Dialogues together with Vice Premier Wang, Secretary Kerry, and Secretary Lew. A key feature of this round of dialogue is that many things are new. Both China and the United States have entered a new period. President Obama has started his second term in which he aims to revitalize the economy and advance social reforms. China, in its over three decades of reform and opening up, has made tremendous economic and social progress guided by the new central leadership with comrade Xi Jinping as the general secretary. The Chinese people are striving to realize the Chinese dream, a dream that seeks to bring about prosperity of the country, the renewal of the nation, and the happiness of the people. The Chinese dream and the beautiful dreams of people across the world, including the American dream, are concerted and mutually complementary to each other.

The China-U.S. relationship has reached a new starting point. During the strategic, constructive, and historic meeting held between

our two presidents at the Annenberg Estate last month, the two sides agreed to work together to build a new model of major country relationship based on mutual respect and win-win cooperation. This charts the course and it draws the blueprint for the future development of China-U.S. relations. Under the new situation faced with new opportunities, the S&ED has taken on new missions and tasks. Vice Premier Wang, my other Chinese colleagues, and I have come here for the purpose of implementing the agreement reached between our presidents and advancing the new model of major country relationship between our two countries.

At this round of the S&ED, we hope to further increase mutual understanding with the U.S. side. China is endeavoring to meet what we call the two centenary goals, namely to complete the building of a moderately prosperous society in all respects by the 100<sup>th</sup> anniversary of the Communist Party of China, and to turn China into a socialist modern country that is strong, prosperous, democratic, culturally advanced and harmonious by the centenary of the People's Republic of China. China will stay committed to reform on opening up, stick to the path of peaceful development, and the win-win strategy of opening up, be a responsible player in and contribute to the building of the international system. We do this because we want to deliver a better life to our people and help the world – help make the world a more peaceful, stable, and prosperous place. At this round of the S&ED, we hope to expand and deepen practical cooperation with the U.S. side.

Huge cooperation exists in both countries' economic structural adjustment. Military-to-military relations enjoy good momentum of development which needs to be valued and maintained by both sides. Our people are well disposed to each other, and there is broad space for some national, cultural, and people-to-people exchanges and cooperation. China is ready to carry out all dimensional cooperation with the U.S. side to produce as many mutually beneficial results as possible for the benefit of our two peoples. At this round of the S&ED, we hope to enhance coordination and cooperation with the U.S. side on international, regional, and global issues. The two sides should step up macroeconomic policy coordination, deepen communication on regional hotspot issues, work together to tackle such global challenges as climate change and cyber security, promote global economic growth, maintain regional stability, and protect our homeland, planet Earth.

At this round of the S&ED, we hope to explore with the U.S. side the enhancement of our dialogue mechanism. We welcome the positive results of the third Strategic Security Dialogue, the Climate Change Working Group, and the Cyber Working Group. We look forward to the two small-group meetings with our U.S. colleagues on

energy security and climate change to strengthen policy communication and practical cooperation in these fields. And we will explore the establishment of new sub-dialogues and working groups to meet and serve the demands of our growing relationship.

China is the biggest developing country and the United States is the largest developed country. There are many common interests between us as well as some frictions and difficulties. However, our common interests far outweigh our differences. We must seek consensus while sharing differences and turn our disputes and differences into commonalities. And we should work together to advance our relationship. China is a responsible major country, and we have been working with the United States and other countries to respond to the international financial crisis. And we also work with all countries in the world to fight against terrorism.

According to authoritative international statistics, China contributes to over 80 percent to Asians' economic growth, and among the P-5 countries of the United Nations Security Council, China is the largest troop – peacekeeping troop-contributing nation. And within its capability as a member of the P-5, China will contribute to world peace, stability, and development. We believe that the vast Asia-Pacific Ocean can accommodate the common development of China and United States, and that we are ready to work with the U.S. and other countries to make our due contribution to the development of Asia and the development of the Pacific region. We also hope that relevant countries would honor their commitments and through bilateral consultations and negotiations, in particular those among and between countries concerned, properly work on and settle differences on territories. And on the basis of equality and mutual respect, we are ready to conduct human rights dialogue with the United States.

The growth of military-to-military relationship between our two countries is developing towards a sound direction, and at the same time, it is my view that the potential of China-U.S. cooperation remains to be tapped. With development of its science and technology, China has enhanced its competitiveness in certain areas. However, such growth is limited to certain areas, and there is still a big gap between us and the developed world. There are competitions, but these competitions should be conducted on the basis of mutual respect, and these should be sound competitions.

Ladies and gentlemen, dear friends, it is important to tap new thinking and to take active actions to build the new model of major country relationship between China and the United States. Let us build on the past four S&EDs, forge ahead in the direction set by our presidents, and work innovatively for positive and fruitful results at this round of dialogues so as to inject fresh impetus into

the China-U.S. cooperation across the Pacific Ocean. Thank you.  
(Applause)

**MODERATOR:** Please welcome the Secretary of State of the United States.

**SECRETARY KERRY:** Vice Premier Wang and State Councilor Yang, thank you for being here with us. Welcome to the United States and to the State Department. And Secretary Lew, good to have you over here, and I'm happy to welcome other members of both the Chinese and the American delegation, and particularly our new colleague in the Cabinet, Penny Pritzker, Secretary of Commerce, and our Trade Representative Mike Froman, and our newly minted, approved last night by the United States Senate, new Assistant Secretary of State for East Asia Pacific Affairs Danny Russel. Congratulations to you. We're happy for you.

I – before I start about my comments, I just want to thank everybody for your extraordinary well wishes in the last days. Teresa is doing better, under evaluation, and we hope improving. I want to thank everybody for the remarkable outpouring of good wishes. It's been really pretty special.

We are very, very humbled by the expressions of support. I think she's coming along, and I know when she's able to, she'll thank everybody herself.

That said, I want to thank everybody for coming here this morning. I want to thank the Vice President for his comments and his very long and devoted efforts with respect to the relationship with China. And Secretary Lew, thank you for co-chairing. And my other co-chairs, we're honored to be here with you.

This is the fifth dialogue, and I want to thank our friends from China for the extremely generous, warm welcome that I received when I went to Beijing a few months ago. I had the privilege of sitting with the State Councilor in the Diaoyutai Guesthouse, right in the very room where Henry Kissinger received an invitation for President Nixon to visit with Mao Zedong, the invitation coming from Chou En-lai.

And I think it is fair to say that since then there's been a remarkable journey between our countries. And we have, as the saying goes, the journey of a thousand miles begins with a single step, and that step was taken back then. But we still have a lot of steps that we can take together.

And as I expressed to the State Councilor last night at dinner, there is no question in my mind that long after all of us have finished our turn at these dialogues, long after we have left the public life, China and the United States will continue, throughout this century, to be able to set the example as the two most powerful economies, the two countries with the greatest global reach, and the greatest ability

to able to affect the outcome of a life on this planet. I say that looking at the challenges that we face, with respect to conflicts in the world, nuclear proliferation, global climate change, the issues of cyberspace and cyber warfare and other complicated challenges of this time.

I had the opportunity when I was in Beijing to see firsthand the way that this partnership is thriving and, frankly, can thrive even more. I walked through an exhibit of energy projects, working side-by-side American and Chinese leaders from government and the private sector and civil society, demonstrated a whole series of technological breakthroughs. And that came from the pooling of ideas and resources and the commitment of both sides to work together, not just, Mr. Vice Premier, to have a dialogue, but to take out of the dialogue specific proposals and ways in which we can, in fact, cooperate and make a difference.

When I first went to China in the early 1990s as a senator, that cooperation simply didn't exist. But today, thanks to initiatives like this dialogue, we know that it is possible, but not only possibly but absolutely essential that if we're going to meet the global challenges facing both of our countries we need to find ways to cooperate together more effectively.

So Vice Premier and State Councilor, we're glad that we have the opportunity now to return your hospitality, to keep those conversations going, and to look for more ways to collaborate and to innovate together. So I welcome everybody from both delegations.

The first Strategic and Economic Dialogue was really a landmark event. It was a new chapter in the relationship between the United States and China. And with each passing year, we have been able to build on this dialogue and we now, I think, made it into the key mechanism for managing cooperation and competition between our countries. I think the Vice President said, and I heard both of our Chinese interlocutors say, that this dialogue is important to our ability to be able to manage conflict, even as we have differences between us. And we've seen very high-level participation on both sides.

Our agenda is broad and it cuts across strategic and economic tracks. And as an outgrowth of the S&ED, we've added the strategic security dialogue in 2011 and new working groups on cyber issues and on climate change this year. I think that underscores the importance of these two days of meetings.

This year's dialogue, obviously, brings a number of new faces to the table, including my own. And we're all here because we know that our shared concerns are, in fact, complex. But recognizing that complexity, we also recognize the urgency of China and the United States finding common ground, bringing together counterparts from across our governments to look for honest, wide-ranging conversations and ways of cooperating.

We're here because our governments are committed to the idea that really underpins this mechanism, and it is the same idea that brought our presidents together for that often referred to historic meeting out in California. When we find ways to strengthen our economic ties, it spurs innovation, it spurs growth, it creates jobs in both of our countries.

When we deepen our cooperation on regional and global security issues, it helps all of our people to be safer and it projects stability across the world. And frankly, in a world where increasingly governments are failing and populations are rising up and looking for order and structure and possibilities, it is important for the two leading nations of the world to find a way to set an example for success between governments. When we work together to build trust and goodwill and understanding, it opens the door to greater collaboration.

Now, I want to underscore that when we make a decision, it has ripple effects that reach far beyond both of our borders. I was in Addis Ababa recently at the 50<sup>th</sup> anniversary of the African Union. As we know, China, Russia, the United States are all investing in China, all making a difference. And China is the biggest investor of all.

We're already working on some of the challenges that threaten global security. We're pushing for a nuclear-free Korean Peninsula, preventing together a nuclear Iran. And we're promoting stability in maritime East Asia.

We together have a responsibility to meet the emerging challenges that affect us and draw attention to those challenges to the rest of the world. How will we curb climate change? How will we pioneer new energy technology, which is, in fact, the response to climate change? Energy policy is the solution to climate change. How will we support inclusive, broad-based growth in a rules-based order across the Asia Pacific?

Our people, as well as people around the world, are looking to our two countries to help answer these questions. And here in the next two days, working together, we can get closer to those answers.

My friends, while this dialogue is about cooperating on our shared interests, it is – as the State Councilor and the Vice Premier have said, it is also about addressing our differences, speaking candidly about them, and trying to find ways to manage them. We will never agree on everything and we will have candid conversation on those issues where we don't see eye-to-eye, because that is absolutely the best way to constructively manage our differences and increase understanding.

So the importance of this dialogue really couldn't be any clearer. I'm confident that the next two days are going to be productive and that we will be able to build on what this dialogue has achieved in the last four years.

So I thank everybody for their commitment to this effort and for everything that all of the members of this working group, who've been working towards this two-day meeting, have done to help make this a constructive two days. We look forward to positive results. Thank you for being with us. (Applause)

July 15, 2013.  
<http://www.state.gov/secretary/remarks/2013/07/211773.htm>



## DOCUMENT 2

### U.S.-CHINA STRATEGIC AND ECONOMIC DIALOGUE V STRATEGIC TRACK SELECT OUTCOMES

Fact Sheet  
Office of the Spokesperson  
Washington, DC

July 12, 2013

**O**n the occasion of the Strategic and Economic Dialogue (S&ED) July 10-11, 2013, the United States and China agreed to, among other things:

**Promote an open, cooperative, secure, and reliable cyber space:**

Prior to the S&ED, the United States and China held the first meeting of the civilian-military Cyber Working Group, where the two sides committed to work together on cooperative activities and further discussions on international norms of state behavior in cyberspace. Both sides commented positively on the candid, in-depth dialogue and agreed to hold the next meeting before the end of 2013.

**Build healthy, stable, and reliable military-to-military ties:**

Senior civilian and military officials used the July 9 Strategic Security Dialogue to address some of the most sensitive issues in the bilateral relationship, expanding their discussion this year from cyber and maritime security to missile defense and nuclear policy. To build confidence, our two militaries agreed to actively explore a notification mechanism for major military activities and continue to discuss the rules of behavior for air and maritime activities.

**Work toward shared goals on DPRK:** Secretary Kerry and State Councilor Yang held in-depth consultations on the situation on the Korean Peninsula and agreed on the fundamental importance of the denuclearization of the Korean Peninsula in a peaceful manner and reiterated their joint commitment to continue high-level discussions to achieve this shared goal. The two sides called for full implementation of UNSCR 2094 and other relevant resolutions by all UN Member States, and for the necessary steps by all parties that would create the conditions for the resumption of the Six-Party Talks.

**Call on Iran to satisfy its obligations:** The United States and China discussed Iran's nuclear program, agreed that Iran should fulfill its international obligations under the Non-Proliferation Treaty, and called for full implementation of the relevant UN Security Council resolutions. The United States and China reaffirmed their commitment to taking active part in the P5+1 negotiation with Iran

and called on Iran to take concrete actions to satisfy the concerns of the international community through negotiations with the P5+1.

**Push for a peaceful solution to the crisis in Syria:** The United States and China reiterated their shared commitment to preparing for the Geneva Conference on Syria and to resolving the crisis through political means in order to bring about a Syrian-led peaceful political transition that establishes a transitional governing body. We reaffirmed opposition to the use or proliferation of chemical weapons and called for measures to alleviate the suffering of the Syrian people.

**Combat Climate Change and Protect the Environment:** The United States and China agreed to accelerate action on climate change through five new action initiatives on heavy-duty and other vehicles; carbon capture, utilization, and storage; greenhouse gas data collection and management; smart grids; and energy efficiency in buildings and industry. These reflect the first of the recommendations made by the Climate Change Working Group that Secretary Kerry announced in April. They will also work together to implement the agreement of Presidents Obama and Xi on HFCs. The United States and China announced new efforts to share best practices in air quality planning, pollution reduction, environmental law and adjudication, and the study of greenhouse gases, as well as agreement to work together to combat wildlife trafficking..

**Support Global Energy Security:** The United States and China discussed measures to drive energy innovation and investment. They agreed to address barriers to further development of their energy production potential, including regulatory and pricing issues. Both countries agreed to cooperate on energy efficiency, renewable energy, emergency responses, phasing out fossil fuel subsidies, and sharing data on energy supply, demand, and reserves.

**Enhance Cooperation on Global Development:** The United States and China agreed to carry out joint projects in Afghanistan and Timor-Leste and announced a new Dialogue on Global Development – the first-ever regular mechanism for the two sides to exchange views on development issues and jointly advance our shared goals of poverty reduction, economic growth, and sustainable development.

July 15, 2013.  
<http://www.state.gov/r/pa/prs/ps/2013/07/211862.htm>.

## DOCUMENT 3

### JOINT STATEMENT ON “COMMON VISION FOR DEEPENING PAKISTAN-CHINA STRATEGIC COOPERATIVE PARTNERSHIP IN THE NEW ERA”

**A**t the invitation of Premier Li Keqiang, the Prime Minister of Pakistan Muhammad Nawaz Sharif, paid an official visit to China from July 3 to July 8, 2013. This was Prime Minister Nawaz Sharif's first overseas trip since taking oath of office and follows Chinese Premier's visit to Pakistan in May 2013. These successive visits, in a short period of time, reflect the positive desire of both countries to further reinforce the existing brotherly and time-tested China-Pakistan-relationship.

During the visit, Prime Minister Nawaz Sharif met with President Xi Jinping, held talks with Premier Li Keqiang, and met with Mr. Zhang Dejiang, Chairman of the Standing Committee of the National People's Congress of China. Prime Minister Nawaz Sharif also met with corporate leaders and leading members of business-community.

The Pakistani Prime Minister reaffirmed the strong commitment of his government to further promote and deepen the bilateral strategic cooperation between China and Pakistan. The Chinese leaders appreciated that Prime Minister Nawaz Sharif had chosen China as his first destination for his visit abroad.

Prime Minister Nawaz Sharif underscored that the recent political transition in Pakistan was a historic development which would create political cohesion, social stability, and internal growth. It will also improve governance and lead to sound macro-economic management thus creating an enabling environment for Foreign Investment in Pakistan.

The two sides reviewed with satisfaction the development of China-Pakistan relations, and were of the view that this relationship had acquired growing strategic significance in the emerging dynamics of 21st century. Both sides decided to continue to deepen the Sino-Pakistan strategic partnership in the new era.

Both leaders appreciated that Asia was the engine of global economic growth and more than forty percent of the global population resided in this vibrant and dynamic region. A major urbanization and technological advancement was underway in this

region which would unleash enormous potential for regional economic development.

Both Pakistan and China recognizing the existing opportunities and the challenges, vowed to promote policies that can advance the cause of peace, co-operation, and harmony thereby creating a win-win situation in the region.

Both leaders reaffirmed their commitment to pursue people-centric policies that could mitigate poverty, promote social and economic development and diminish the roots of conflict.

The two sides decided to further deepen practical cooperation in all sectors and strengthen coordination and cooperation on international and regional issues according to the guiding principles of the Treaty of Friendship, Cooperation and Good-Neighborly Relations between the People's Republic of China and the Islamic Republic of Pakistan signed in April 2005 and on the basis of the existing close cooperation.

China reaffirmed that its relationship with Pakistan was always a matter of highest priority in its foreign policy, and it would continue to strengthen this strategic partnership. China appreciated Pakistan's long-term, staunch support on issues concerning China's core interests. China would continue to extend its full support to Pakistan in the latter's efforts to uphold its independence, sovereignty and territorial integrity, while respecting the development path chosen by the people according to its national priority, and support Pakistan in maintaining social stability and economic development.

Pakistan reiterated that friendship with China was the cornerstone of its foreign policy, enjoying a national consensus. Pakistan appreciated the support and assistance of the Chinese government and people for Pakistan's sovereignty and socio-economic development.

Pakistan will continue to adhere to its one-China policy, oppose Taiwan and Tibet's independence and support China's efforts in combating the "Three Evils" of extremism, terrorism and separatism. We regard ETIM as our common threat and stand united in combating this menace.

The two sides believe that maintaining the tradition of frequent exchange of visits and meetings between their leadership, and fully leveraging arrangements such as annual meetings between their

leaders, is of great importance in advancing bilateral relations. They also agreed to enhance the role of mechanisms such as Foreign Ministers' Dialogue, Strategic Dialogue and other consultative mechanisms between the relevant ministries and departments, so as to strengthen the strategic communication and coordination between the two countries.

Both sides reaffirmed that expanding bilateral economic relations was a matter of high priority. The two sides agreed that China is committed to realizing the Chinese dream of national rejuvenation by accelerating the transformation of the pattern of economic development and earnestly pursuing the strategy to develop its western region. Meanwhile, Pakistan is committed to reviving the national economy and realizing its "Asian Tiger dream". The development strategies of the two countries therefore coincide with each other. Both sides decided to further strengthen the ties of pragmatic cooperation between them, with a view to translating their high-level political relationship into wider economic dividends. To this end, the two sides will strengthen cooperation in trade, investment, energy, agriculture, mining, food security, environment, finance and other fields.

The two sides agreed to fully implement the Additional Agreement to Extend the Five Year Development Programme on China – Pakistan Trade and Economic Cooperation and the China-Pakistan Free Trade Agreement; fast track work on the projects identified under the Five Year Development Program; hold the second phase of tax-reduction negotiations of China-Pakistan Free Trade Agreement on speedy basis; further liberalize trade, and advance economic integration between them.

Enhancing connectivity between China and Pakistan is of great importance to expanding economic and trade cooperation, promoting economic integration, and fostering economic development of the two countries.

To develop the Long-term Plan for China-Pakistan Economic Corridor, both sides agreed to set up the Joint Cooperation Committee on the Long-Term Plan for China-Pakistan Economic Corridor, with the National Development and Reform Commission of China and the Planning and Development Ministry of Pakistan as leading ministries, and secretariats established in both ministries. Ministerial officials of both countries held talks in Beijing recently. The Chinese side will dispatch a working group at an early date to Pakistan for further consultations.

Both sides agreed to start work on the Long-term Plan for China-Pakistan Economic Corridor on speedy basis. The plan will mainly include such areas of cooperation as connectivity construction, economic and technical cooperation, people-to-people and cultural exchanges, and exchanges between local governments and organizations.

Both sides agreed that they will focus on the following areas of cooperation in the near future under the framework of the Long-Term Plan for China-Pakistan Economic Corridor: start the China-Pakistan Cross-border Fiber Optic Cable project at an appropriate time, upgrade and realign the Karakoram Highway on fast-track basis, explore cooperation on solar energy and biomass energy, explore construction of industrial parks along the Pakistan-China Economic Corridor, launch at an early date inter-governmental consultations to implement the Digital Television Terrestrial Multimedia Broadcasting (DTMB) in Pakistan, coordinate the commercial operation of TD-LTE in Pakistan, and enhance cooperation in the wireless broadband area.

Both sides will support enterprises of the two countries in conducting cooperation on establishment of industrial zones in Gwadar.

The Chinese side agreed to support the efforts of the Government of Pakistan in addressing its urgent energy needs. The two sides agreed to hold the third meeting of the China-Pakistan Joint Energy Working Group at an early date and deepen cooperation in conventional energy, renewable energy and other sources of energy.

China stressed that it will continue to encourage and support Chinese enterprises' investment in Pakistan. The two sides agreed to speed up work on the China-Pakistan Agriculture Demonstration Zones.

Prime Minister Nawaz Sharif acknowledged that a great number of Chinese personnel working on various economic projects in Pakistan were contributing to Pakistan's economic development and were an asset both to Pakistan as well as the region. The Chinese side expressed its appreciation for the Pakistani side's efforts to safeguard the security of Chinese personnel and institutions in Pakistan, and create good environment for deepening pragmatic cooperation between the two countries.

The two sides agreed to jointly carry out economic and technical cooperation in agriculture, health, education and public transport and other projects that benefit the people.

The two sides agreed to deepen cooperation between their financial regulators and institutions, and support their financial institutions in setting-up representative offices, branches or subsidiaries, and carrying out business activities subject to relevant laws and regulations.

The two sides agreed to continue the implementation of the currency- swap agreement.

The two sides agreed to enhance exchanges between young entrepreneurs, which will strengthen communication on trade and investment cooperation.

The two sides believe that enlarging and deepening maritime cooperation between the two countries was of great importance. The two sides agreed to enhance bilateral cooperation in the fields of maritime security, search and rescue and disaster relief at sea, combating piracy, maritime scientific research, environmental protection, and blue economy.

Both sides renewed their commitment to implement the Agreement on Maritime Cooperation signed between the two countries during Premier Li Keqiang's visit to Pakistan in May 2013.

Both sides reiterated the desire to implement the 2012-2020 Space Cooperation Outline Between China National Space Administration and Pakistan Space and Upper Atmosphere Research Commission to further enhance bilateral exchanges and cooperation in this field. The two sides will take necessary measures to actively explore expanding air routes for passenger travel and cargo transportation, and increase the number of flights.

Both sides believe that infusing the narrative of Pakistan-China traditional friendship to coming generations would remain a priority. In this regard, both sides acknowledged the important role of parliamentary institutions and agreed on the need to further strengthen parliamentary exchanges. They will maintain the exchange of youth delegations, and strengthen cooperation in the training of young cadres. Both sides decided to celebrate 2015 as China-Pakistan Year of Friendly Exchanges in a befitting manner.

To promote cultural and social ties, the two sides agreed to encourage their cities/provinces to establish twinning relationships.

Recognizing the eternal and abiding significance of commonly held values, flowing from the rich cultural heritage of Pakistan and China, more Confucius Institutes will be established in Pakistan. Both sides will promote exchanges of scholars, academics and reinforce linkages in mass media.

The two sides believe that the exchanges and collaboration between the defense forces of China and Pakistan was an important pillar of their friendly relations. They highly commended the China-Pakistan Defense and Security Consultations Mechanism, and will maintain the momentum of high-level visits between the armed forces of the two countries, deepen cooperation in counter-terrorism personnel training, joint training, equipment and technology, and exchanges between military academies, and identify new areas for exchanges and cooperation. The two sides agreed to further enhance cooperation in defense technology and production.

China and Pakistan reaffirmed their commitment to promoting multilateral arms control, disarmament and non-proliferation measures. Both believe that global disarmament measures should not be discriminatory. They support universal and non-discriminatory prohibition and destruction of all nuclear weapons and reiterated their opposition to the weaponization of and an arms race in outer space.

The two sides support multilateral cooperation mechanisms in Asia, and take a positive view of each other's participation in regional and sub-regional cooperation processes.

The two sides recognize that holding identical views on many international and regional issues of mutual interest, they would enhance close communication, while extending mutual support and collaboration in various multilateral fora including the United Nations, the Asia-Europe Meeting, the ASEAN Regional Forum, the Shanghai Cooperation Organization and the Istanbul Process.

The two sides stressed that they will enhance communication and cooperation on important global issues such as climate change, food and energy security and UN reform. China and Pakistan are committed to strengthening the solidarity and cooperation between developing countries and safeguarding their common interests.



The two sides believe that the evolving situation in Afghanistan has great implications for the regional security and stability. They emphasized that inclusive political reconciliation is a key step towards unity, peace and stability in Afghanistan. The two sides reaffirmed their support for the “Afghan-owned and Afghan-led” peace and reconciliation process, and will work with the regional countries and the international community to help Afghanistan achieve peace, stability and security.

Prime Minister Nawaz Sharif expressed gratitude for the warm hospitality accorded to him and his delegation.

July 5, 2013 <http://www.mofa.gov.pk/pr-details.php?prID=1301>

## DOCUMENT 4

### UNITED NATIONS SECURITY COUNCIL RESOLUTION 2108 (2013)

27 June 2013

**A**dopted by the Security Council at its 6991st meeting, on 27 June 2013  
The Security Council,

Noting with concern that the situation in the Middle East is tense and is likely to remain so, unless and until a comprehensive settlement covering all aspects of the Middle East problem can be reached,

Having considered the report of the Secretary-General on the United Nations Disengagement Observer Force of 12 June 2013 (S/2013/345), and also reaffirming its resolution 1308 (2000) of 17 July 2000,

Stressing that both parties must abide by the terms of the 1974 Disengagement of Forces Agreement between Israel and the Syrian Arab Republic and scrupulously observe the ceasefire,

Concurring with the Secretary-General's findings that the ongoing military activities conducted by any actor in the area of separation continue to have the potential to escalate tensions between Israel and the Syrian Arab Republic, jeopardize the ceasefire between the two countries, and pose a risk to the local civilian population and United Nations personnel on the ground,

Expressing grave concern at all violations of the Disengagement of Forces Agreement,

Recalling that there should be no military forces in the area of separation other than those of UNDOF,

Calling on all parties to the Syrian domestic conflict to cease military actions in the UNDOF area of operation,

Strongly condemning the incidents threatening the safety and security of United Nations personnel in recent months, including the detention of 21 UNDOF peacekeepers within the area of limitation on 6 March by armed elements of the Syrian opposition, the detention of four UNDOF peacekeepers within the area of limitation in the vicinity of Al Jamla on 7 May by armed elements of the Syrian opposition, and the detention of three UNTSO observers on 15 May by a group of anti-government armed elements,

Strongly condemning the recent intense fighting in the area of separation, including the attack which led to the injury of two UNDOF peacekeepers on 6 June,

Underscoring the need for UNDOF to have at its disposal all necessary means and resources to carry out its mandate safely and securely,

Expressing its profound appreciation to UNDOF's military and civilian personnel, including those from Observer Group Golan, for their service and continued contribution, in an increasingly challenging operating environment, and underscoring the important contribution UNDOF's continued presence makes to peace and security in the Middle East,

1. Calls upon the parties concerned to implement immediately its resolution 338 (1973) of 22 October 1973;

2. Stresses the obligation on both parties to scrupulously and fully respect the terms of the 1974 Disengagement of Forces Agreement, calls on the parties to exercise maximum restraint and prevent any breaches of the ceasefire and the area of separation, and underscores that there should be no military activity of any kind in the area of separation, including military operations by the Syrian Arab Armed Forces;

3. Underlines that there should be no military activity of the armed opposition groups in the area of separation, and urges Member States to convey strongly to the Syrian armed opposition groups in UNDOF's area of operation to halt all activities that endanger United Nations peacekeepers on the ground and to accord the United Nations personnel on the ground the freedom to carry out their mandate safely and securely;

4. Calls on all parties to cooperate fully with the operations of UNDOF, to respect its privileges and immunities and to ensure its freedom of movement, as well as the security of and unhindered and immediate access for the United Nations personnel carrying out their mandate, including considering the temporary use of an alternative port of entry and departure, as required, to ensure safe and secure troop rotation activities, in conformity with existing agreements, and welcomes prompt

reporting by the Secretary-General to the Security Council and troop-contributing countries of any actions that impede UNDOF's ability to fulfill its mandate;

5. Stresses the need to enhance the safety and security of UNDOF, including Observer Group Golan, personnel, and endorses in this regard the Secretary-General's recommendation to consider further adjustments to the posture and operations of the Mission, as well as to implement additional mitigation measures to enhance the self-defence capabilities of UNDOF, including maximizing the Force strength and improving its self-defence equipment, within the parameters set forth in the Protocol to the Disengagement Agreement;

6. Welcomes the efforts being undertaken by the United Nations Disengagement Observer Force to implement the Secretary-General's zero-tolerance policy on sexual exploitation and abuse and to ensure full compliance of its personnel with the United Nations

code of conduct, requests the Secretary-General to continue to take all necessary action in this regard and to keep the Security Council informed, and urges troop-contributing countries to take preventive and

disciplinary action to ensure that such acts are properly investigated and punished in cases involving their personnel;

7. Decides to renew the mandate of the United Nations Disengagement Observer Force for a period of six months, that is, until 31 December 2013, and requests the Secretary-General to ensure that UNDOF has the required capacity and resources to fulfill the mandate, as well as to enhance the Force's ability to do so in a safe and secure way;

8. Requests the Secretary-General to report every 90 days on developments in the situation and the measures taken to implement resolution 338 (1973).

July 19, 2013.

[http://www.securitycouncilreport.org/atf/cf/%7B65BF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s\\_res\\_2108.pdf](http://www.securitycouncilreport.org/atf/cf/%7B65BF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s_res_2108.pdf)

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# Journal of Contemporary Studies

## Faculty of Contemporary Studies 2012

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<b>Reference to a Newspaper Article:</b>	Pervaiz Iqbal Cheema, "London Moot & the Kashmir Dispute," <i>Pakistan Observer</i> (Islamabad), December 4, 2007.
<b>Reference to a Newspaper:</b>	<i>Dawn</i> (Islamabad), July 30, 2007.
<b>Reference to an Internet Source:</b>	Hamid Hussain, "The Tale of a Love Affair that Never Was: United States-Pakistan Defence Relations," <i>Defence Journal</i> June, 2002, <a href="http://www.defencejournal.com/2002/june/loveaffair.html">www.defencejournal.com/2002/june/loveaffair.html</a> . (accessed September 2, 2009)

For reference already cited in full, use Ibid. For reference cited already elsewhere, use short title form (i.e., Burke, *Pakistan's Foreign Policy*, 118.) instead of op.cit or loc.cit. Give page number or date, if different from the one already cited. Avoid citing too many references. Cite only the most authentic reference.

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1. British spellings should be used.
2. Date should be written as December 7, 2007.
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